



Driver Performance Solutions

A three-point strategy to
manage commercial auto risk



Manage your commercial auto risk by driving desired behaviors.

Every day, driver behavior can affect your commercial auto fleet's performance – and your bottom line. But not every business gives this critical safety topic the attention it deserves, which can lead to costly claims. Damages resulting from motor vehicle crashes include not only medical and vehicle property damage costs, but also lost wages and productivity, employer and administrative costs. Liability costs may increase for employers where it has been shown that vehicle and driver management solutions were not up to par with country, state and industry standards.



In 2019, the number of vehicle miles driven and deaths resulting from a motor vehicle crash each decreased slightly, but injury costs reached an estimated \$463 billion.

According to the ANSI/ASSE Z15: Safe Practices for Motor Vehicle Operations standard, defensive driving means “driving to save lives, time and money, in spite of the conditions around you and the actions of others.” Controlling your liability requires more than just mastering the rules of the road. Commercial auto exposures, including both vehicle and driver performance, are your responsibility, as well as that of your employees and anyone who helps achieve your business goals. What's more, the dynamic nature of these exposures necessitates constant evaluation. By understanding how auto exposures affect your bottom line, and how desired driving behaviors can help you manage your commercial auto fleet risk, you can position your business for greater success.

The CNA approach

Even though you may view commercial auto exposure as incidental to your business, at CNA we understand that liability is inherent when drivers are essential to your operations. A three-step strategy to manage your driving risks will make it easier to identify and manage your commercial auto exposure. By focusing your resources on these primary areas, your company can optimize driver performance, minimize accidents and reduce the likelihood of third-party claims, all while focusing on what's important to your business – maintaining the bottom line.

Driver performance success: a three-point strategy

1. Implement an effective driver selection process. Hire and retain top-quality drivers.
2. Monitor your drivers. Keep them focused by focusing on their behaviors.
3. Understand your coverages, risks and exposures. Make sure your insurance program addresses your unique needs.

Step 1: Implement an effective driver selection process.

Minimize your risk with driver selection solutions

A screening and selection process for prospective applicants is necessary for any effective driver management program. These criteria should also outline actionable performance data for evaluating prospective and current drivers.

Ensuring safe driver performance starts with a Motor Vehicle Record (MVR) program that outlines hiring criteria and clearly communicates your company's performance expectations and consequences. A successful program can help ensure your company has reliable, skilled employees who are familiar with their vehicles and qualified to operate your equipment.

Through our Allied Vendor Program, CNA has identified industry leading organizations that can assist organizations in implementing critical fleet safety program components. Our [Allied Vendors](#) offer a suite of services aimed at improving your organizations overall fleet safety and driver management profile.

These "Type A" and "Type B" criteria are representative samples of CNA Underwriting driver evaluation guidelines and can be used to help you with the development criteria for your driver selection process.

"Type A" Driving Violations

- Driving under the influence of alcohol or drugs
- Refusing to take a substance test
- Driving with an open container (alcohol)
- Reckless/careless driving
- Speeding: 15+ mph over posted limit
- Texting while driving
- Hit and run
- Fleeing or evading police or roadblock
- Speeding in a school zone
- Racing/speed contest
- Driving with license suspended or revoked
- Vehicular assault
- Homicide or manslaughter or using vehicle in connection with a felony

Recognizing the violations on an MVR is only half of the equation. Action must also be taken towards qualifying drivers based upon those violations. CNA recommends the following:

- A current or prospective driver with any "Type A" violation in the last five years is considered undesirable.
- A current or prospective driver with three or more "Type B" violations, or two or more at-fault accidents, in a three-year period is considered undesirable.
- Anyone with two moving "Type B" violations or one at-fault driving accident in the last three-year period should be put on warning. Driver monitoring should increase and MVRs should be reviewed more frequently. Additional driver safety training may be required.

Obtain Motor Vehicle Records (MVRs)

To verify the applicant's driving history, MVR reports should be obtained for drivers of company-owned vehicles, as well as employees who rent vehicles or use their own vehicles on company business.

Employers must be mindful of the statutes and regulations that govern obtaining and reviewing MVRs, such as the Fair Credit Reporting Act (FCRA), Driver's Privacy Protection Act (DPPA), and individual state and territory statutes and regulations. For example, under FCRA, employers are required to obtain written consent from prospective or current employees before ordering their MVRs.

Follow recommended MVR guidelines

Managing the driver selection and ongoing qualification process is the employer's responsibility. CNA classifies a broad range of driving violations into two major categories based on severity level ("A" and "B"), that can be adopted as objective criteria.

"Type B" Driving Violations

- Speeding: 1–14 mph over posted limit
- Improper lane change
- Failure to yield right of way
- Failure to obey traffic signs, lights, emergency vehicles or other cautionary measure
- Erratic or improper lane changes
- Violations of regulated vehicle requirements such as improper load securement and/or log book/ELD violations

Put it all in writing

Establish written criteria for licenses, MVRs and driving behaviors for employees. These qualifications should be included in job descriptions and new hire postings to indicate that a current license, driver performance history and/or vehicle class certifications are essential to a particular job.

Prepare and enforce written work rules for vehicle operations. Inconsistent application of work rules can lead to allegations of wrongful termination and/or discrimination. For example, if two employees violate a rule regarding motor vehicle operation but only one is disciplined, the employee who is disciplined may allege it was because of their protected class, such as age, race, gender and/or disability, and not because they violated the rule.

Steer clear of candidates with poor driving experiences

If a driver had:	Increased risk
A failure to yield right of way	101%
A past crash	74%
An improper lane/location conviction	72%
A reckless/careless/inattentive/	69%
An improper or erratic lane change	66%
An hours-of-service violation	50%
A speeding violation	45%
A false or no log book violation	45%
A disqualified driver violation	44%
Any conviction	43%

*Data significant at $p < 0.001$

Citation for above info: American Transportation Research Institute (ATRI), Predicting Truck Crash Involvement: 2019 Update, published July 2018. Caroline Boris & Dan Murray.

Learn more about [driver selection criteria](#).

5 tips to reduce distracted driving in your company

1. Complete a risk analysis to identify and mitigate distractions most applicable to your drivers.
2. Implement a written policy on avoiding distractions and cell phone use while driving.
3. Prohibit the use of cell phones when operating any vehicle on company business through the use of cell-blocking technology.
4. Build time in your drivers' schedules to allow for them to make and receive necessary calls.
5. Train all drivers on the key concept of keeping their hands on the wheel and eyes and mind on the road.

Step 2: Monitor your drivers.

You've screened, hired and trained a new class of drivers. Now it's time to keep your eyes on the people behind the wheel. According to the ATRI Crash Predictor (2018), driver behaviors continue to have a statistically significant impact on future crash probability. Reckless driving violations had the "largest impact on future crash involvement, increasing the probability of a future crash by 114%." There are many strategies you can employ to help manage driver behavior and get a firm grip on your auto liability risk.

Limit driver distractions

Distracted driving poses significant risk to every business with employees who drive for company business. Common activities that divert attention from the road include texting, cell phone use, eating/drinking, reaching for an object, talking with a passenger or reading navigation systems. According to NHTSA, eight percent of fatal crashes and 15% of injury crashes in 2018 were reported as distraction-affected crashes.

Recently, cell phone blocking technology has emerged and, where permitted, may be a means to enforce phone utilization policies for drivers. As more states and provinces have banned cell phone use while driving, these phone software technologies have increased in popularity.

It's important to understand the regulations for each territory in which you operate. Updated information on current state laws can be found at government websites, such as [distraction.gov](#).

Train your drivers

Training your employees is an integral part of any safety program, and the same is true for your drivers. Engaging with all of your

employees who drive for company purposes, whether the vehicle is company-owned or their personal vehicle, will help equip them with key defensive driving behaviors

Your SORCE® for driver education

CNA provides a broad array of resources to help you develop and maintain a successful driver performance program. Your independent agent or CNA Risk Control consultant can help you determine which resources are best suited for your company's needs.

CNA's School of Risk Control Excellence® (SORCE®) program offers a range of complimentary in-person training courses designed to address a range of driver and fleet exposures.

[SORCE® On Demand](#) provides instant access to electronic learning modules based on proven adult-learning principles and the latest regulatory requirements.

While traditional training methods continue to impact driver behavior, recent technology solutions can directly impact a driver's behavior based on their unique driving habits.

Minimize your risk with telematics solutions

Improving driver behavior is one of the easiest ways to reduce your company's risk for a vehicular accident. Telematics software, which merges telecommunications and wireless data, can help you manage and improve driver behavior in real time.

Driver management solutions incorporating telematics include utilizing dual facing video solutions, predictive analytics, and driver coaching to monitor and ultimately improve driver behaviors.

Monitoring various risky behaviors such as speeding, acceleration, and braking allows organizations to tailor corrective behaviors and training solutions to the areas their drivers need most.

Telematics solutions also provide unique insight into managing operations of your fleet. Solutions can be aimed towards fleet

logistics, combining GPS software solutions to provide insight to areas such as monitoring dispatch and routing activities, state and federal regulatory requirements, and fuel usage.

Our [Allied Vendor Program](#) also offers assistance in implementing these critical safety programs.

Learn more about [driver distraction and cell phone use data](#).

Step 3: Understand your coverages, risks and exposures.

Whether you operate a large fleet or manage a small group of vehicles, commercial auto operations present a wide range of exposures. You need an experienced insurance carrier to help you manage your unique risks. At CNA, we understand the challenges your employees face on the road. Our underwriting and Risk Control professionals offer tailored, industry-specific coverages and provide you with the tools and resources you need to better understand and address your exposures.

You hold the keys to better risk management

Consider your auto exposures on a daily basis. When not managed properly, your loss potential increases and your defensibility decreases. Knowing the various types of auto exposures your company is presented with will help you make educated coverage decisions.

Determine your hired and/or non-owned automobile exposure

Owned vehicles are owned by the company and have a title in the company's name. Typically, companies that have cars, trucks or vans for frequent deliveries, such as retailers, or for services/sales, such as construction contractors, have owned vehicles.

Hired vehicles are rented by employees of the company and used in the course of conducting company business. Hired vehicles are typically associated with "out of town" related business.

Non-owned vehicles are employees' personal vehicles that are used for conducting company business. Typical uses include sales people making visits, administrators running office errands and employees traveling to offsite business meetings.

Learn more about [hired and non-owned auto exposures](#).

Understand commercial motor vehicle regulations and guidelines

Commercial motor vehicles (CMV) are subject to various Department of Transportation (DOT) requirements. Additionally, state based requirements may also be in force. Recognizing the classifications of your vehicles, both by gross vehicle weight (GVW) and gross combination weight (GCW) can help ensure all compliance requirements are managed as well as allow for proper underwriting of your auto exposure. CNA recommends compliance with the Federal Motor Carrier Safety Administration (FMCSA) regulations in addition to any state or local jurisdictional requirements.

Determine if your company is subject to FMCSA regulations

If you operate any of the following types of commercial motor vehicles in interstate commerce, you must comply with the applicable U.S. Department of Transportation (USDOT) safety regulations concerning:

- A vehicle with a gross vehicle weight rating or gross combination weight rating of 4,537 kg (10,001 lb) or more, whichever is greater;
- A vehicle designed or used to transport between nine and 15 passengers (including the driver) for compensation;
- A vehicle designed or used to transport 16 or more passengers; or
- Any size vehicle used in the transportation of materials found to be hazardous for the purposes of the Hazardous Materials Transportation Act (49 U.S.C. 5101 et seq.) and which require the motor vehicle to be placarded under the Hazardous Materials Regulations (49 CFR chapter I, subchapter C).

Source: <https://www.fmcsa.dot.gov/faq/how-do-i-determine-whether-i-am-subject-fmcsas-safety-regulations-0>

To learn more about managing your risk and increasing efficiency, visit cna.com/riskcontrol