



Fleet Management Program — Productivity, Quality and Safety

RISK CONTROL

CNA



Why is a Fleet Management Program Important?

Your company is responsible for ensuring public safety anytime employees drive on company business. This could include a daily trip to the bank, a visit to the local office supply store or a client call — even if your employee drives their own vehicle. In a 2009 statistical study by the National Center for Statistics and Analysis (NHTSA), traffic fatalities for the first three quarters of 2009 showed that an estimated 25,576 people died in motor vehicle traffic crashes.

Program Overview

CNA's Fleet Management Program works to assist companies in managing fleet exposures by providing the critical elements of a safety program, along with materials focused on avoiding the primary causes of motor vehicle accidents.

A Fleet Management Program involves more than just selecting the right drivers and checking their driver's licenses. It includes evaluating and managing the company's fleet to maximize productivity and efficiency within the sales and delivery processes.

An effective program encompasses a variety of elements. First, the company must consider the driving demands of the business, such as moving products, materials, equipment or people. The company must also examine the selection process for employees and vehicles, as well as the communication of the fleet program to the work force. Programs can vary from business to business depending on the size and type of the operation.



Creating a Fleet Management Program

When developing a Fleet Management Program, it is essential to incorporate the following ten critical elements:

1. Driver Management:

- Identify driver skill levels based on business needs and the type of vehicles employees will operate.
- Determine job tasks for each driver. This could include tasks such as loading and unloading material, securing equipment, delivery requirements and/or incidental driving activities.
- Incorporate a job hazard analysis for all jobs to ensure drivers can perform the required tasks.
- Establish driver performance and management accountability procedures at all levels of the company.
- Create strong relationships between dispatchers and drivers.
- Eliminate forced dispatches or deliveries.

2. Driver Selection:

- Identify and hire the most qualified drivers to ensure the best fleet safety performance. Management should know and define the specifications or requirements for each driving job — from the professional to the occasional driver.
- Ensure that regulation requirements are adhered to and driving history is reviewed against a set of established criteria.
- Review the Motor Vehicle Record (MVR) on everyone who drives for your company before they drive. Apply an acceptability criterion everyone must meet or exceed to be allowed to drive for your company. In most states, you can order MVRs direct from your state's Department of Motor Vehicles or you can order MVRs from a vendor. Always obtain the driver's written consent before ordering their MVR.
- Require physicals, drug testing and background checks, when appropriate.
- Identify non-owned vehicle exposures and establish vehicle driver controls. Hold non-owned drivers and company drivers to the same MVR standard.
- Require non-owned drivers to show proof of primary auto insurance coverage.
- Have non-owned vehicles inspected to ensure they are safe to operate.
- Test drivers on the road in the type of vehicle they will operate for the company.

3. Employee Wellness Program:

- Consider medical evaluations for employees who drive on company business.
- Provide education and training on the impact that obesity, sleep deprivation, sleep apnea, aging, substance abuse and driver fatigue can have on driving.
- Support wellness programs, such as weight loss, smoking cessation, stress management, and drug and alcohol abuse prevention.
- Provide employees with medical insurance that covers annual physicals.
- Offer employees memberships to local gyms or an in-house fitness program.

4. Vehicle Monitoring:

- For company vehicles, consider using a Global Positioning System (GPS) to monitor driving efficiency and productivity.
- Establish clear guidelines for speed, braking and vehicle use.
- Develop and enforce a personal-use policy for company vehicles. A written personal-use policy must establish rules on how the vehicle may or may not be used for non-business purposes, which drivers are allowed personal use of the vehicle, and the process to screen them. Determine which records are necessary to comply with the IRS.
- Anyone allowed personal use of a company vehicle must signify in writing that they understand and will comply with the company policy.
- Formalize a driver feedback process to discuss driving behavior and "at-risk" habits.

5. In-Vehicle Environment:

- Create guidelines to remove or control all driver distractions, such as cell phone usage, texting, reaching for objects inside the vehicle, playing with the radio, eating and drinking.
- Work with suppliers/manufacturers on proper seating selection based on driving demands, work force and application.
- Evaluate the need for additional visual/audio displays to minimize driving distractions and increase productivity.

6. Coupling/Uncoupling and Towing Trailers:

- Establish clear guidelines on proper footwear.
- Train drivers of non-tractor/trailers on:
 - The proper way to couple a trailer to a vehicle
 - How to back a trailer
 - The effect the addition of a trailer has on stopping distance and turning radius
 - The amount of time it takes for a vehicle (plus a trailer) to clear a lane of traffic when the vehicle is turning or pulling out
- Require three points of contact when entering or exiting tractors. This means keeping two hands and one foot, or two feet and one hand in contact with the tractor at all times.
- Provide reach bars and train drivers on how to use the reach bar to pull fifth wheel pins.
- Include landing gear in your trailer inspections to ensure it works smoothly.
- Identify the direction to turn the crank to lower landing gear.
- Train drivers to use a “rolling motion” to move landing gear.
- Consider providing a step ladder on each unit to access flatbed trailers.

7. Cargo Protection and Securement:

- Develop procedures to protect cargo on and in the vehicle from shifting during transit.
- In regulated vehicles, assure that cargo is secured as required by the Federal Motor Carrier Safety Administration (FMCSA).
- In all vehicles, establish procedures to secure cargo so that cargo does not obstruct the view of the driver or fall off the vehicle.
- Have clear guidelines on the proper way to place and secure tarps over cargo.
- Provide cargo theft protection as warranted.

8. Federal Motor Carrier Safety Administration (FMCSA):

- Identify if company vehicles fall under FMCSA regulations.
- Know which vehicles require a Commercial Driver’s License (CDL) and which regulated vehicles do not require a CDL.
- Establish vehicle inspection and maintenance procedures that comply with FMCSA.
- Ensure driver selection procedures comply with FMCSA.
- Maintain driver qualification files that comply with FMCSA for CDL employees and non-CDL drivers of regulated vehicles.
- Audit drivers for compliance with FMCSA hours of service.

9. Vehicle Selection, Inspection and Maintenance:

- Identify the cargo type and desired route to ensure proper vehicle selection.
- Establish specific criteria and standards for vehicle selection to include:
 - Vehicle crash-safety rating
 - Training on vehicle safety features
 - Seats to accommodate larger drivers
 - Backup cameras and active cruise control
 - Cab and trailer design
- Establish procedures to have all vehicles regularly inspected by a qualified mechanic.
- Require drivers to complete regular documented vehicle inspections.
- Develop maintenance record procedures for inspections, preventive maintenance, special services and repairs.

10. Accident Reporting and Investigation:

- Establish clear procedures that guide drivers through their responsibilities in the event of a vehicle crash.
- Hold drivers and managers accountable in following accident reporting procedures.
- Develop investigation procedures that identify the root cause of the accident and initiate actions that eliminate or control the cause.
- Benchmark vehicle accident rates to set improvement goals and track performance.
- Identify accident trends and utilize for future training.
- Provide training on how to avoid common types of accidents, including rear-end, lane change, intersection, clearance and run-off-road collisions.

Improve Your Driving Behavior Through CNA Claims Data

Companies can learn a lot about safety by reviewing current accident data. The following information is derived from CNA insurance claims over four years. CNA Risk Control uses this information on specific CNA claims to determine current industry trends.

CNA Vehicle Accidents by Type

There are five accident types that account for 68 percent of all CNA claims.* Note that distracted driving can be a contributing cause of these and many other types of accidents:

- Rear-ending others — 36%
- Backing — 13%
- Changing lanes — 8%
- Failure to yield — 7%
- Turning left — 4%

* Source: CNA auto claim data summaries for accident years 2004-2007.

Accident Scenarios from CNA Claim Data

Scenario 1 — Rear-ending Others

A CNA-insured driver rear-ended a vehicle that was at a complete stop at a traffic light. The driver didn't see the stopped vehicle because he was looking down at some paperwork for his next service call.

Claim cost: \$725,000

Scenario 2 — Rear-ending Others

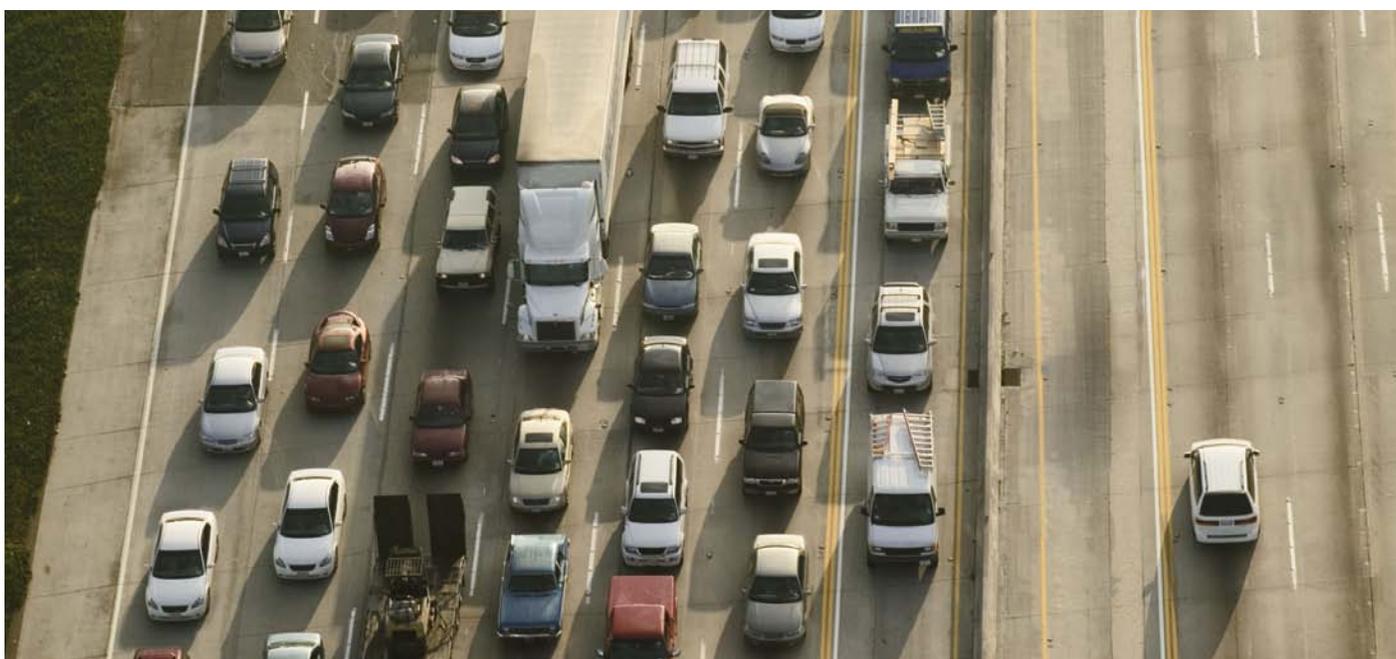
A CNA-insured driver and another vehicle had both stopped to merge into traffic. As the other vehicle started to go forward, the CNA-insured driver assumed the other driver would continue to merge. Looking over his shoulder, the CNA-insured driver started forward and struck the other vehicle. The CNA-insured driver spent too much time looking behind his vehicle as he was moving forward. He didn't keep his eyes moving or scanning ahead.

Estimated claim cost: \$900,000

Scenario 3 — Changing Lanes

A CNA-insured driver changed lanes and struck another vehicle. The CNA-insured driver failed to see the other vehicle in his blind spot before changing lanes. This could have been because the mirrors were not set properly or the driver's head wasn't turned to check for a vehicle in the next lane.

Estimated claim cost: \$1.5 million



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Scenario 4 — Turning Left

A CNA-insured driver turned left in front of an oncoming motorcycle. The driver didn't see the motorcycle and was not aware of the time it would take to clear the lane in front of oncoming traffic.

Claim cost: \$973,000

Scenario 5 — Failure to Yield: Intersection

A CNA-insured driver ran a stop sign and struck another vehicle in the side. The driver had placed a computer on the passenger's seat, and the computer started to slide off the seat as the driver was stopping. Focusing on stopping the computer from falling, the driver ran the stop sign and struck the other vehicle.

Estimated claim cost: \$3 million

Scenario 6 — Backing

A CNA-insured driver was backing a van out of a narrow alleyway and onto the street, and struck a pedestrian. The driver should have backed into the alleyway rather than backing onto the street. If the driver needed to back onto the street, the driver should have used a spotter to ensure the pathway was clear.

Claim cost: \$750,000

Scenario 7 — Failure to Yield

A CNA-insured driver pulled out in front of another vehicle and did not look left before entering the intersection. A witness noticed that the driver was on a cell phone just before the accident. The driver was also holding the cell phone when he exited the vehicle. The distracted driver forgot to check for oncoming traffic from the left side.

Estimated claim cost: \$480,000 to \$1,070,000

At CNA, our goal is to reduce the possibility of you or your drivers having accidents by providing techniques to prevent distracted driving and tools that can improve a driver's behavior.

All seven accidents could have been prevented. In several scenarios, the driver failed to follow safe driving behavior. In other instances, the driver was distracted by paperwork, a cell phone or other distractions.

When driving, decisions are made every minute that can cause or avoid an accident. This is why safety must be part of your behavior in every driving decision you make. One poor decision or unsafe act can cause a serious accident.

At CNA, we want to help you avoid accidents by making sure your drivers are qualified and understand how to avoid accidents. By planning appropriately, you can ensure that safe behavior is part of everything they do.

The attached CD has a driver safety program titled "Does Your Safety Behavior Include Driving?" that focuses on common vehicle accidents, including rear-ending others, changing lanes, turning left, stopping at intersections and distracted driving. In addition, this CD also includes information on driver selection, a sample training program, tool box talks and other materials to help with managing your fleet.



Fleet safety is an investment in your business.

CNA Risk Control consultants have experience evaluating our clients' Fleet Management Programs and can help identify areas of improvement that can impact your bottom line and help keep your business safe and profitable.

Let us help you create a better workplace today.

To learn more about how CNA Risk Control can help you manage risk, increase efficiencies and enhance productivity, call us toll-free at 866-262-0540.

Or visit the CNA Risk Control website at www.cna.com/riskcontrol.

When it comes to finding an insurance carrier dedicated to helping you find ways to protect your people and your profitability ... **we can show you more.**[®]

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