Safety:

The Cornerstone of Your Company Culture

A White Paper from

EBE Technologies

Introduction

"Safety" does not stand alone. Operating a safe fleet cannot be the sole responsibility of the Safety Department. This message should be woven throughout the culture of every organization and be an unalterable value for every member of the company. From executive leadership through finance, operations, recruiting, maintenance and safety, all should view safety as a core principle in operating a successful organization.

Some may ask why a "value" vs. a priority? The answer is, priorities change, sometimes daily, whereas values should remain a constant. The question is, "How do we accomplish our mission"? In this white paper we are going to explore historical trends, current processes, best practices, and the use of technology to support a safety-based culture.

37,133

people died as a result of a motor vehicle crash on U.S. roadways in 2017.[1]

[1]https://www.nhtsa.gov/press-releases/us-dot-announces-2017-roadway-fatalities-down

Trends

Understanding the Numbers

On October 3, 2018, the US DOT announced that fatal motor vehicle crashes were down almost 2 percent in 2017 and the numbers to date indicate a downward trend for 2018. Without a doubt these are numbers we like to see. While this is a positive trend, if we examine the raw numbers, those percentiles turn into real individuals with families impacted by these crashes — which becomes quite sobering. Putting it into perspective, in 2017, 37,133 people died as a result of a motor vehicle crash on U.S. roadways. This number equates to the total populations in each of these cities; Brentwood, TN, Hilton Head, SC, Addison, IL, Beloit, WI, Panama City, FL, Rockwall, TX, Puyallup, WA and Bentonville, AR.

The Facts Alone Don't Tell the Story

Numbers and statistics alone don't always tell the entire story. Demographic trends, cultural changes, and lifestyle changes are just a few examples that may be impacting the numbers, which on the surface may look different than they actually are. For example, one may view that the reason, in the past 10 years, there has been an increase in traffic fatalities among people over 65 is because they are becoming less capable of reacting to events, paying less attention because of their age, etc. However, the truth behind those numbers may be due to the fact that there are lot more 65+ drivers on the road because people are living longer and there are more of them. Another example would be a statistic showing a decrease in traffic fatalities

2017 Highway Fatality[2] Fast Facts:

- Pedestrian fatalities declined 2% — the first decline since 2013.

- More fatalities occurred in urban vs. rural areas.

- Fatality rate per 100 million VMT decreased 2.5%.

- Fatalities increased 9% involving large trucks greater than 10,000 GVWR (excluding buses and motor homes and including commercial and non-commercial vehicles). Tractor-Trailer-involved fatalities increased 5.8% and crashes involving straight trucks increased 18.7%. What drives the increase in straight trucks?

- Every month except January, April, and July, fatalities decreased from 2016. January increased 11.2% in 2017 vs 2016.

involving persons age 16-24 for that same period. A conclusion could be drawn that 16-24-year olds are safer drivers. But, is that really the case? Or is it that there are less 16-24 year olds driving today because of increasing trends toward urban living where mass transit and rideshare services are their "transportation of choice" or possibly, because students must have passing grades before obtaining a license.

The point of the discussion is that when you evaluate the safety statistics and trends within your organization, there needs to be more of an analysis than basing decisions on the face value. This scenario supports the importance of having systems and processes in place that allow you to capture and document as many data points as possible. The more information you are able to analyze, the more insight you can gain and provide ways to prevent at-risk behavior and reduce the potential for unforeseen safety events.

Preventative

How do the Advances in Safety Technology Impact the Numbers?

It doesn't seem that long ago when advanced safety technology in every truck was a dream that companies aspired toward. Fast forward to today and that technology is now expected to be standard across all vehicles. Not only is it an expected standard, it is serving as the pinnacle for engineering development, so much so that companies like Volvo have deemed safety as the centerpiece of their 2020 vision, "No one should be killed or seriously injured in a new Volvo."[3]

Why automobile and truck manufacturers are investing in the use of technology to advance safety from an engineering standpoint, is because it is easier to reduce risk by engineering solutions vs. trying to change drivers' behavior. Lane departure warnings, collision avoidance systems, telematics information such as rapid acceleration, hard braking and GPS tracking are among the most widely used. The newest devices on the scene are safety event recorders, more commonly referred to as in-cab cameras. So, with all of this technology, why does the annual crash rate for commercial fleets remain at 20 percent?

Numerous circumstances contribute to that number. A leading factor is that commercial fleets need time to catch up with new technology. Consumers replace personal automobiles with added safety features more often than trucking companies replace trucks. Therefore, as trucking industry professionals, we must continue to maintain a focus on changing at-risk behavior.

[3]https://www.volvocars.com/en-om/about/our-stories/vision-2020

Minimizing At-Risk Behavior Starts When the Driver Applies

There is virtually no fleet today that wouldn't hire or activate a quality driver if made available to them. The driver shortage is driving demand so aggressively, it becomes tempting for companies to compromise their core values in order to fill seats that drive revenue. It's important to remember that an unsafe driver will eventually cost the company more than the potential revenue it may drive. Still, that doesn't solve the problem that good drivers are hard to find and the number of elite drivers is diminishing. Efforts are underway to increase the available pool of drivers, including expediting individuals with military experience and looking at the feasibility of allowing younger drivers to obtain a CDL with certain restrictions. Everyone has an opinion on younger drivers. If you are self-insured, it may be a viable option. However, unless insurance carriers agree to reduce the minimum age of the drivers they are willing to insure, a large portion of the industry may not be able to utilize a younger workforce.

Coach Toward Success

So, what's the answer? The thought process today is "coach your drivers toward success." Since companies don't have the luxury of cherry-picking the best drivers, the approach many organizations are adopting is to identify "qualified" drivers with the goal of making them good and potentially great. Assuming the fundamentals, desire and core qualifications are met, carriers view training and coaching as an investment toward safety, success and retention. In order for this to be an effective strategy, your recruiters and safety personnel
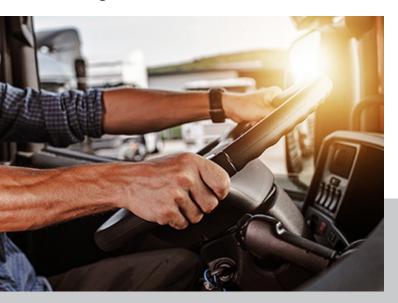
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drivers are needed to forestall the current driver shortage.[4]

[4]*https://www.ttnews.com/articles/why-trucking-shortage-costing-you*

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must be able to identify those drivers who meet that criteria, qualify them quickly, then process and onboard them so the training and coaching can begin immediately.

It is important to recognize that how you process those drivers and manage their regulatory documents can impact the quality of your driver pool. Examining those documents is critical to weeding out drivers who have a high tolerance for taking risks. The reality is, you still must pay close attention to the drivers allowed to operate under your authority, and the processes and systems you put in place to support this mission are critical to your success.

Integral to the process to meet DOT and FMCSA requirements, companies typically run CDLIS and an MVR report. Some may also run a PSP, Criminal History and Sex Offender database check. Safety Performance History Requests (SPHRs) and previous employment verification are conducted, and paying close attention to the information gathered may lead to additional background checking.

Taking a closer look at the individual's previous work history can assist you in protecting your fleet from unnecessary exposure. Some insightful questions to ask yourself as you review a driver's background should include: Did any of the previous jobs involve high-risk-type occupations? What are the individual's hobbies and outside interests? These types of questions can provide you with better insight as to how the driver perceives risk-taking. For example, if the individual has a hobby of racing boats, riding motocross, or mountain climbing, they may have a higher tolerance for taking risk — and that could lead to risky driving behavior on the job.

It is important to consider that as you review the backgrounds of these drivers, don't necessarily look for reasons to disqualify them, but try to identify areas where your management can provide awareness training and coach these drivers with "potential" risk factors to mitigate your exposure.

Accountability, visibility and process management tools that analyze and automate information provided through drivers' employment applications and background reports can give you a leg up on identifying that at-risk behavior along with determining where they may fit within your organization. Relying solely on manual processes, personal reviews, and no accountability leaves you vulnerable to subjective decision-making and inconsistent hiring practices.

Event

Ready, Set, Respond

Every transportation company's ultimate goal is to strive toward zero crashes. Numerous conversations are occurring today on the topic of motor vehicle safety issues such as autonomous vehicles, infrastructure investments, distracted driving and alcohol- and drug-impaired driving. A report was even written that documents a strategy to achieve zero deaths by 2050 due to motor vehicle crashes, "A Road to Zero: A vision for achieving zero roadway deaths by 2050."[6]

But, until then, having the knowledge, the plan and the documentation of how to manage the crash when it occurs should not be limited to the safety department. This is an "organization" event that may impact the entire company in some capacity. As such, depending on the severity of the accident, all hands are on deck. The responsibility of properly navigating through the conditions surrounding a crash can impact the outcome. From operations to vehicle maintenance, all parties should be aware of their responsibilities and prepared to respond when a crash is reported. This actually begins with the driver and should be part of their training during the onboarding process. It is extremely important that there are systems in place to support the communication and visibility of the event throughout the organization to ensure the appropriate steps are being taken to mitigate the risk to your company and driver.

11.8%
of total fatal crashes in the U.S. in 2016 involved at least one large truck or bus.[7]

[7]FMCSA Pocket Guide to Large Truck and Bus Statistics 2018

The Call Comes In

Be prepared and have a plan for the call. Accidents are not "scheduled" and can occur at any time. Be sure your plan includes a process for crashes that happen during normal business hours and afterhours. Trucking is a 24/7 job, and because of this, proper and timely notification of the accident should occur regardless of the time of day or night. Be sure to have a direct accident call-in line so the driver can immediately speak with the appropriate personnel. Since there are time-sensitive events such as FMCSA Post-Accident drug and alcohol testing that may need to occur based on the type of crash, it is critical to get the information documented as accurately and quickly as possible.

[6]https://www.nsc.org/Portals/0/Documents/DistractedDrivingDocuments/Driver-Tech/Road%20to%20Zero/The-Report.pdf?ver=2018-04-17-111652-263

Be sure that your plan includes the proper tools and support systems in place to take the information in as quickly as possible. As an example, providing the call center or safety personnel with access to an electronic crash report form can dramatically speed up the process and make it more efficient. As the driver ID is entered into the form, the form can then self-populate with additional driver information that is maintained in the carrier's database. This not only speeds up the process, but will also ensure that more accurate information is entered. The person completing this form will also be more attentive to the driver than the form data that needs to be collected. These types of electronic forms can also expedite the delivery of notifications to the appropriate safety and management personnel based on the type of crash.

Make It Personal, Because It Is

When the initial call is reported, the most important item the staff answering the call needs to remember is that there is a person on the other end of the phone who has just incurred a stressful and potentially traumatic event. They may be in shock, confused, disorientated and/or worried about the other individuals involved. It is not unusual for a driver to revert to their native language in a time of crisis. They need to know that someone on the other end is listening, attentive and sensitive to their state of mind. It is important to calm them down so they can provide you with the information necessary to begin managing the crash. History tells us that the severity of the crash will affect the way the driver reports the crash. The person taking the call should be familiar with the procedures in which the drivers were trained and should be reinforced during the intake call.

Driver's Accident Checklist

- ☑ Drivers should immediately stop their vehicle in a safe place after an accident if the situation allows.

- ☑ Drivers should immediately activate flashers. If it's possible to move the truck, it should be pulled off the road or as far to the side as possible to prevent further collisions.

- ☑ If the driver is injured, he or she should remain in the truck (unless necessary to evacuate for safety reasons) and wait for emergency medical assistance to arrive. Moving could cause further injury.

- ☑ If the driver is uninjured, he or she may check the accident scene for others who might be injured if it can be done in a safe manner without risking injury to him/herself or others.

- ☑ Drivers should notify authorities by calling 911.

- ☑ It's also important to take steps to prevent further collisions and injuries if practical and the geography allows. Uninjured drivers may set out reflective triangles or flares to warn other traffic.

- ☑ In some cases, it may be necessary to deal with an emergency situation such as a fire or hazardous material spill. When safe, drivers should check their vehicle to make sure no emergency situations exist.

- ☑ Drivers should be reminded not to speak with anyone at the scene of the crash except for law enforcement and emergency personnel.

Post Event: The Aftermath

Respond, Cooperate, and Document

Once the accident occurs, the way in which your company responds is critical to the outcome. Up to this point we've discussed how to mitigate the risk and how to manage the event. Now that the event has occurred, managing the aftermath will impact not only safety, but potentially the relationship with your drivers, your customers, your exposure and your brand. The plan is important, but executing on that plan is what will define the consequences.

Let's take a look at three critical factors that may enter into the equation when managing a crash. Of course, each accident is unique and will have its own set of circumstances. But at one point or another, your company will be required to work with law enforcement, insurance companies and litigators. Being prepared and organized will help you navigate through these scenarios.

ENFORCEMENT

Cooperation with law enforcement is highly encouraged. If the crash is severe, a post-crash inspection may be conducted by the authorities. This inspection is similar to a roadside inspection, but it should be documented as "post-crash." Crash reports are available from either a reporting agency or a fee-based service that manages crash report requests. It is important for the company to document the inspection type correctly so that the appropriate action can be taken. Systems that provide automated response workflows can not only assure that your organization is taking the

The estimated cost of fatal large truck and bus crashes in 2016 was

$47 Billion.[8]

[8]FMCSA Pocket Guide to Large Truck and Bus Statistics 2018

required steps based on the post-crash inspection report, but will also have the documentation and audit logs available to any parties needing visibility. Maintaining this level of accountability could potentially mitigate your risk.

INSURANCE

Depending on the severity of the crash and type of insurance utilized by the motor carrier, immediate reporting of the crash to the insurance provider may be required. Most insurance carriers have

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a dedicated claim department or service for the motor carrier. The insurance carrier may assign a claims adjuster to go to the scene of the crash. It may be necessary to involve legal counsel to protect the company if the crash is severe. With so much required data necessary to gather after the crash, it is important to have systems that can collect and disseminate to the appropriate parties. The sooner insurance companies are notified, the more quickly the claim can be processed. Two-way communication is ideal for both the transportation provider and the carrier. Being able to send and receive information electronically between both companies will streamline the processing of the claim by eliminating the redundant data entry into both systems and improving the accuracy of the information transferred between systems.

LITIGATION

Litigation is rampant when a commercial motor vehicle is involved in a crash. A Google search of "How to File Suit Against a Trucking Company" yields over 2.6 million results. Recently "Nuclear Verdicts" have occurred and this trend seems to be rising. The impact to the industry is being seen at every turn. High insurance premiums and stricter underwriting criteria are common practice today when looking for trucking insurance. The reason for this is that trucking insurance carriers are losing money on commercial insurance policies. According to a report from Fitch Ratings, U.S. insurers' commercial auto policies are the worst they have been in almost two decades, reaching an underwriting combined ratio of 110.4 percent.

Simply put, for every $100 collected in policy premiums, U.S. insurers paid out $110.40. Due to this financial situation, some insurance carriers have chosen to exit the commercial auto market.

Reversing these trends will continue to be a difficult task going forward. Motor carriers must utilize the tools available to them to help reduce crash frequency and severity. Telematics, GPS, ELDs and Safety Event Recorders (cameras) are excellent resources to track drivers' performance and identify at-risk behavior. With all of these safety technologies comes massive amounts of data. It is imperative that companies have a policy in place prior to utilizing these tools, including retention plans for the data derived from these devices. While the FMCSA has regulatory statutes for retention of a driver's Record of Duty Status, there are no regulatory requirements for keeping other types of data. Companies should consider all facets of the organization and consult with their legal counsel when developing these policies.

Having the stability to interpret and react to this data is how carriers derive value from this technology. As more and more safety devices

are made available, those companies who have systems in place to identify the at-risk behavior and use that information to coach, educate and, if necessary, remove the driver, will be in a better position to maintain a safe fleet as well as mitigate their exposure when an accident occurs. For example, a company that identifies a driver who has a trend of excessive hard braking incidents through the monitoring of telematics data, can use this data to automatically assign a training event to that driver, potentially set up a coaching session or — depending on the frequency — may send a warning letter. These systems which monitor, respond and document the events are put in place to benefit both carriers and drivers.

Safety at the Cornerstone of Your Culture

We've discussed many of the trends, considerations, challenges and potential outcomes transportation providers face every day in an effort to maintain a safe fleet. There is no one policy or plan that can be applied to every company. However, the single common denominator for those fleets held in high esteem are those that have safety woven throughout the company culture. From executive leadership down to the driver on the road, safety is owned by everyone. Communicating these values in company meetings, training events and even breakroom conversations — with accountability at every level — should be what all fleets strive toward.

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