

CORPORATE INERTIA: Overcoming Hurdles to Continuous MVR Monitoring

Driver behavior is the biggest source of fleet liability. Still, the benefits of a strong continuous MVR monitoring program are not always fully recognized and can encounter obstacles on the road to implementation.

SuperVision[®]
ELEVATE DRIVER PERFORMANCE





Despite the benefits of increased efficiency and safety in fleet operations, continuous MVR monitoring can face pushback from drivers and leadership alike.

Fleet managers are under constant pressure to save money in all operations, and may not fully recognize the value that continuous monitoring provides. Implementing such a program can help save fleets and their customers the costs associated with risky drivers — significantly reducing violation costs and preserving the bottom line.

By sticking to the facts, fleet managers can answer the most common objections and show why continuous MVR monitoring should be the cornerstone of any fleet and safety policy.

**Hurdle #1:
Continuous MVR Monitoring is Too Expensive**

Fact: Continuous MVR monitoring can help fleets save money.

At first glance, continuous MVR monitoring may appear to be an additional, unnecessary expense, but this proactive approach yields substantial cost savings in the long run.

Across the industry, fleets report an average crash rate of about 20% each year.¹ For a fleet of 1,000 vehicles, that's about 200 crashes per year. Using an example of just one average "bent metal" vehicle crash, a fleet is looking at more than \$5,800 in repair costs. A non-fatal injury crash costs 10 times as much (or more than \$64,000) and a fatality 10 times more than an injury crash (and 100 times more than a bent-metal crash) at more than \$671,000.²



The Progressively High Cost of Fleet Crashes

\$5,800+

The cost of a "Bent Metal" only vehicle crash

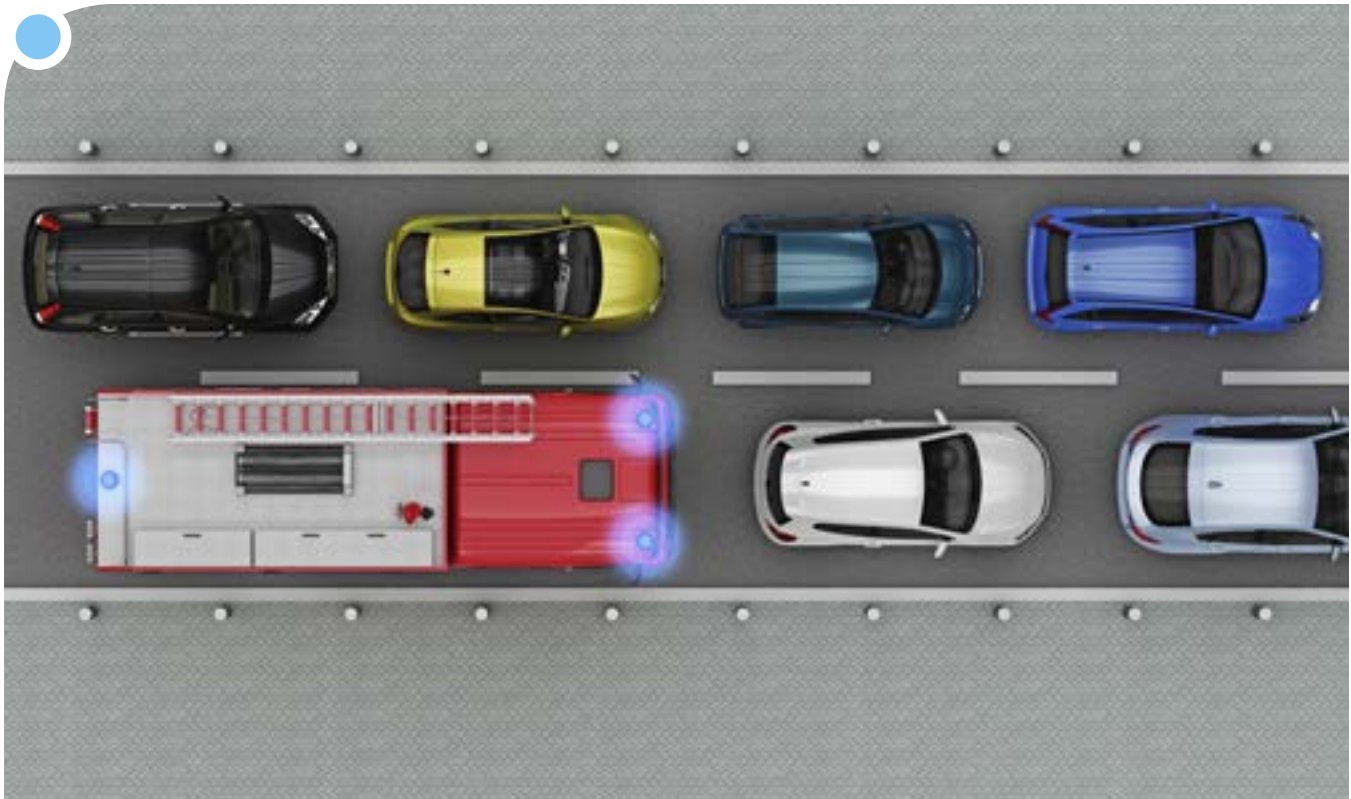
\$64,000+

The cost of a non-fatal injury crash

\$671,000+

The cost of a crash with a fatality

Source: Network for Employer Traffic Safety



“ Compare those costs to the average cost of a continuous monitoring program: just **\$15** for an individual driver for one year.

To add insult to injury, fleets are often the target of litigation because of their perceived deep pockets and willingness to settle quickly. Regardless of the severity of the crash, potential harmful publicity can impact the company's bottom line and its brand reputation. Having a continuous monitoring service, such as SuperVision, is tangible proof that the fleet and its company have taken reasonable steps to ensure only safe drivers are being employed in the fleet.

Compare those costs to the average cost of a continuous monitoring program: just \$15 for an individual driver for one year. Investing \$15,000 to cover a fleet of 1,000 vehicles could save the fleet and its company tens of thousands of dollars in liability costs and damaged reputation.

Fact: Administrative costs are lowered.

While some fleets may assume that once-a-year MVR checks will save time by batch processing driver MVR reports, this approach is actually more time consuming and cost prohibitive. Yearly MVR requests can use up valuable staff resources going through all the MVRs for a single year at once as opposed to a fleet manager using exception reporting techniques to order MVRs only for drivers who have a reported violation. If each MVR review took roughly 15 minutes per driver it could amount to an exorbitant number of staff hours. For example, for a fleet consisting of 1,000 drivers and using the 15 minute review average, it will take 250 hours or 6.25 work weeks of labor costs to review all of the MVRs.

[**80/20 RULE**]

20% of drivers will be responsible for 80% of a fleet’s heightened risk



6.25
WORK WEEKS
AMOUNT OF STAFF TIME FOR AN MVR REVIEW OF A 1,000 DRIVER FLEET

Rather than spend 15 minutes evaluating each driver record in a 1,000-vehicle fleet, continuous MVR monitoring only notifies fleet personnel of the handful of drivers throughout the year when a violation occurs (80/20 rule). This allows the fleet manager to take corrective action from training up to termination — depending on the severity of the incident — on an individual basis, and frees up other fleet and administrative personnel to do their jobs.

Fact: Overall costs are lowered.

Continuous monitoring services, such as SuperVision, have a national reach that simplifies navigating different state laws and formatting different reporting and coding into a single, simplified report. This is particularly beneficial for a nationally dispersed fleet, which may experience delays in receiving reports. If the continuous MVR monitoring company has a national reach and good relationships with states’ Department of Motor Vehicles (DMV), it will be able to resolve them with minimal disruption to fleet operations.

Hurdle #2: Continuous MVR Monitoring is Unnecessary — Once a Year Pulls Are Enough

Fact: Once-a-year pulls give risky drivers “grace periods” of almost a year.

Pulling an MVR just once a year means risky drivers go unnoticed for a longer period of time. For instance, if a driver gets a DWI soon after the MVR is pulled, he or she has a “grace period” of almost one year before a serious and potentially costly source of liability is discovered.

Fact: If there is a crash, fleets could face increased liability because MVRs weren’t pulled enough.

Driver behavior is the biggest source of fleet liability. Not knowing what violations are on a driver’s license may be deemed negligent entrustment, which is the act of entrusting an automobile to a driver who the owner knows could use the vehicle to cause harm to others based on previous behavior. Companies have an ongoing obligation to track drivers’ licenses if they continue providing a vehicle and putting them on the road with other motorists.

Hurdle #3: Continuous MVR Monitoring Isn’t Worth It Because Our Drivers Are Safe Enough

Fact: Continuous MVR Monitoring can identify a potentially risky driver before he or she gets into a serious crash — and help the fleet manager correct the behavior.



\$47.4 billion

How much traffic crashes cost employers in 2013.

Source: Network of Employers for Traffic Safety

By using a continuous MVR monitoring program, fleets can focus on these drivers immediately and take corrective action to keep the behavior from continuing or escalating. Getting this information sooner and on a more frequent basis enables the fleet manager to take immediate action with the driver, from remedial driver training up to dismissal for serious offenses.

Fact: Eliminating a single crash will save the fleet money, its reputation, and potentially a life.

Minimizing the effects of or removing risky drivers from a fleet is the highest value a fleet can gain from its safety program, not only because it protects lives but goes directly to protecting a company's bottom line.

When a worker has an on-the-job crash that results in an injury, the average cost to his or her employer is \$76,000, according to the NHTSA. Direct costs alone include personal injury, property damage, workers compensation, and no-fault payouts. On top of that, factor in service disruption, lost productivity, claims administration, legal fees, overtime, and training costs. The Network of Employers for Traffic Safety reported U.S. traffic crashes in 2013 cost employers \$47.4 billion in direct expenses.³ Among the indirect costs that an accident can have on a fleet is negative publicity.

Employing a continuous MVR monitoring service reflects better on company reputation in the event of a liability case. A program that can be demonstrated as successfully identifying risky drivers, enforced alongside a solid safety program, will illustrate that the company's fleet drivers are not only safe, but that the entire fleet operation is run in a safe manner.

Above all else, keeping unsafe drivers off the road can potentially save lives. In 2015, motor vehicle crashes were found to be the leading cause of occupational fatalities in the U.S.⁴

Fact: 'Good enough' Isn't enough

Pulling a driver's motor vehicle record prior to hiring and then once a year after that initial pull used to be considered "good enough." Fleets must ensure that they keep proactive tabs on their drivers in the event that an employee is involved in a crash or other incident in a fleet vehicle in which the fleet and its company will be held liable.



Commercial drivers with convictions in the past year are 37% more likely to be involved in crashes during the year following a conviction than drivers with no convictions, according to the Federal Motor Carrier Safety Administration (FMCSA).

Fleets Should Make Continuous MVR Monitoring a Cornerstone of Fleet Policy

Fleet policies should be set in stone — there should be no exceptions.

Making any exceptions to the fleet policy in resolving a driver-related problem may potentially create a new problem down the road. An attorney can tear to shreds even the most carefully developed fleet policy upon discovering the first precedent-setting exception and using it to argue negligent entrustment of a vehicle or negligent retention of an employee driver.



Some reasons (but not all) for withdrawing the company vehicle privilege include:

- ▶ A conviction or a guilty plea to driving a vehicle under the influence of alcohol or a controlled substance.
- ▶ Abuse or misuse of the vehicle or failure to comply with the rules and procedures stipulated in a written company vehicle policy.
- ▶ A conviction for impaired or reckless driving, such as repeated citations for cell phone use while driving.
- ▶ Failure to remove ignition keys from the vehicle, which results in the vehicle being stolen or damaged.
- ▶ Operating the company vehicle in an unsafe condition after being notified of this unsafe condition and failing to take actions to correct the problem.
- ▶ Leaving the scene of an accident without making the required reports to the fleet department and appropriate law enforcement agency.



Continuous MVR monitoring isn't the only step fleets should take to eliminate risk — but it's the important first step.

Continuous MVR monitoring is one of the best precautions that a company can take to prepare in advance for potentially defending themselves in a liability lawsuit.

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Taking a preemptive approach, working in advance to improve fleet safety rather than reacting after the fact to situations, will contribute to positively impacting a company's risk profile and bottom line in the long run. Pro-

viding a comprehensive classroom and behind-the-wheel training program at the time of new-hire training, along with continued driver safety awareness, is an effective way to stress that safety is a top priority.

Continuous MVR monitoring should be used to level the playing field.

Rules must be uniformly enforced to all employees. That means there's no room for special treatment for any one individual regardless of their position with the company. Prior exceptions to fleet policy, if found, will render the fleet and its company vulnerable to negligent entrustment or negligent retention allegations.

Fleet and Safety Policies Should Be Designed to Address Risk in the Context of the MVR

Fleet managers must establish policies governing company vehicles and communicate them to employee drivers so they are easily accessible and clearly understood. More importantly, employees must be able to understand the consequences of not adhering to the rules when it comes to the use of a company vehicle. A proactive approach includes training or moving an employee into a non-driving position or even, in the worst-case scenario, termination.

About SuperVision

SuperVision® provides comprehensive, fleet safety and performance management solutions that optimize fleet oversight and driver behavior, through advanced data, actionable insights, analytics and reporting.

SuperVision is the latest in a line of industry-leading products and services created by Explore Information Services and Solera Companies. Since 1989, Explore Information Services has been providing risk data services and developing superior information solutions for commercial fleets, insurance companies and government entities.

Resources

¹⁻³ Report: Cost of Motor Vehicle Crashes to Employers—2015. Network of Employers for Traffic Safety. Accessed July 23, 2017. <http://trafficsafety.org/costofcrashes/FindingsAtAGlance-NETSCostofCrashes-2015.pdf>

⁴ Report: 2015 Census of Fatal Occupational Injuries in 2015. U.S. Bureau of Labor Statistics. Accessed July 23, 2017. <https://www.bls.gov/news.release/pdf/cfoi.pdf>