

Continuous License Monitoring: Myth vs. Fact

Driver behavior is the biggest source of fleet liability risk. The benefits of a strong continuous license monitoring program are not always recognized and obstacles are often encountered on the road to implementation.

Myth vs. Fact

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

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 violations and preserving the bottom line.

Transportation incidents remained the most frequent type of fatal event in 2021 with 1,982 fatal injuries on the job, an increase of 11.5% from 2020¹

By sticking to the facts, fleet managers can refute the most common myths associated with continuous license monitoring and prove it should be the cornerstone of any fleet safety policy.

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

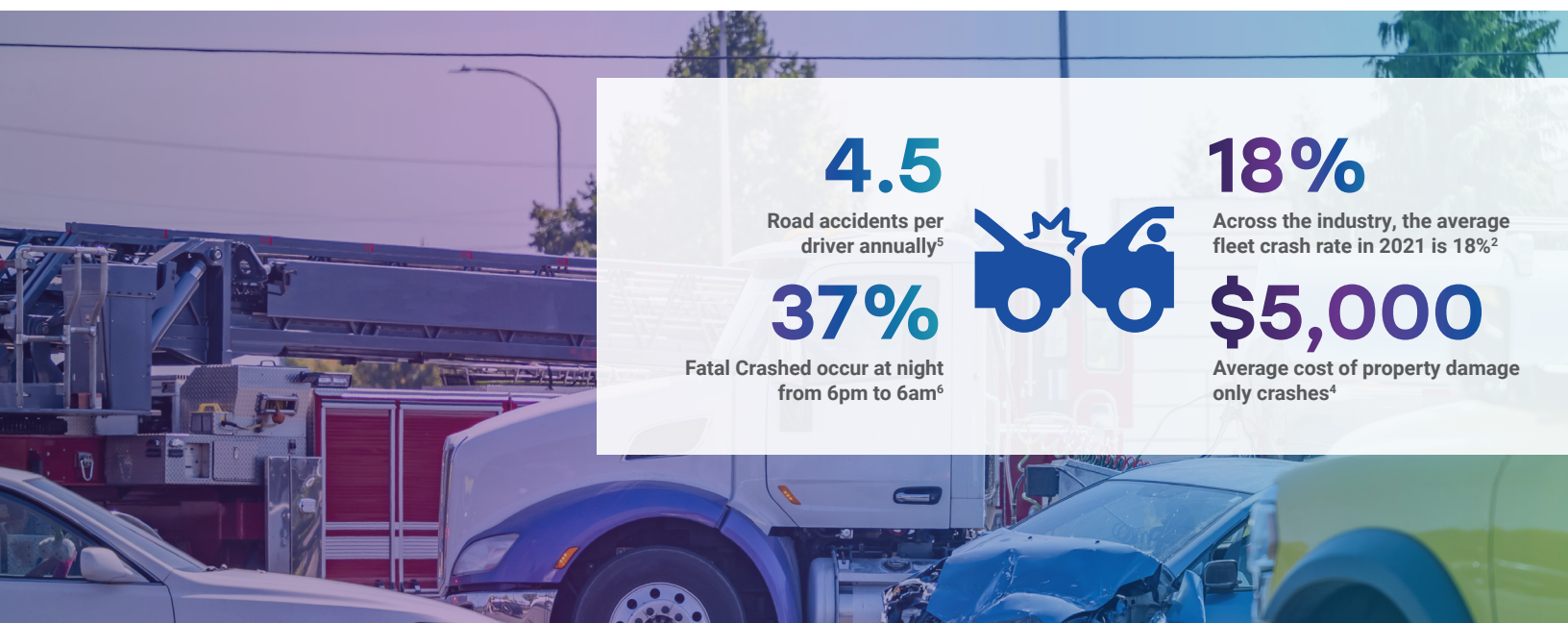
MYTH: Continuous license monitoring is too expensive.

FACT: Continuous license monitoring can help fleets save money.

On average, minor injuries resulting from accidents can incur costs ranging from \$16,000 to \$75,000³ for a company, while property damage-only crashes amount to about \$5,000⁴ per incident; overall, the comprehensive cost per traffic crash averages around \$25,000⁴.

Across the industry, fleets report an average crash rate of about 18%² in 2021. Approximately 54% of all fatal crashes involving large trucks occurred in rural areas, 27%⁵ occurred on Interstate highways. 37%⁶ of fatal crashes occur at night between 6pm to 6am.

Removing or reducing the number of risky drivers on the road 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. Direct costs include personal injury, property damage, workers compensation, and no-fault payouts. Indirect costs including service disruption, lost productivity, claims administration, legal fees, overtime, and training costs.



Myth vs. Fact

While some fleets assume that annual MVR checks will save time by batch processing driver MVR reports, this approach is more time consuming and cost prohibitive. Annual MVR checks use valuable resources by manually going through all MVRs for all drivers each year. If each MVR review takes roughly 5 minutes per driver it amounts to an exorbitant number of staff hours.

For example, for a fleet consisting of 1,000 drivers and using the 5-minute review average, that's 83 hours or over two full work weeks of labor costs to review MVRs.

Continuous license monitoring, on the other hand, sends notifications of violations or status changes as they occur and automatically pulls an MVR for that driver; allowing the fleet manager to focus on the 20% of drivers that are a potential risk in real-time. This also lowers the potential risk of liability. Continuous license monitoring can satisfy annual MVR check requirements³ eliminating the costs associated with pulling and reviewing the MVRs of the 80% of drivers that are operating safely.

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80%

20% of drivers are responsible for 80% of risk.

If the 1,000-driver fleet example uses continuous license monitoring, they have the potential to reduce the time spent reviewing MVRs to just under 17 hours, spread throughout the year.



Myth vs. Fact

Pulling a driver's motor vehicle record prior to hiring and then once a year after that initial pull is the bare minimum of compliance. Many companies do not realize they have an important duty of care to do all they can to ensure they put only safe drivers on the roads; if they fail to do so they could face costly lawsuits as a result of an accident.

Once-a-year MVR pulls result in risky drivers going unnoticed for a longer period. For instance, if a driver gets a DWI the day after the MVR is pulled, he or she has a "grace period" of 364 days before a serious and potentially costly source of liability is discovered.

Driver behavior plays a critical role in 94% of fatal and injury crashes⁷. Commercial drivers with violation convictions in the past year are 46% more likely to be involved in crashes during the year following a conviction than drivers with no convictions⁸. Fleets have a duty to know what is in their driver's history prior to putting them on the road in a company vehicle.

Perceived "deep pockets" and willingness to settle quickly make fleets a target for litigation. Regardless of the severity of the crash, potential harmful publicity can impact a company's bottom line and its brand reputation.

The size of legal rewards against fleets is soaring. In 2022, Werner announced a \$150 million settlement for a lawsuit filed by the parents of two children who lost their lives in a crash that occurred in May 2020 along Interstate 30 near Sulphur Springs, Texas. On another case, recently, the city of San Diego was ordered to pay \$31.2M over the course of five years to settle claims involving city-owned vehicles from six different government departments.⁹

MYTH: Continuous MVR Monitoring is unnecessary – The basic requirements of pre-employment & annual MVR pulls are sufficient.

FACT: Annual MVR pulls give risky drivers "grace periods" of almost a year and leave the company open to liability lawsuits.



Myth vs. Fact

Negligence, or Negligent Entrustment, occurs when a dangerous article in this case a vehicle is entrusted to somebody who is reckless, inexperienced, or incompetent. If the entrusted individual has an accident, the injured party has the right to bring a case against the individual's employer.

To find fault with the employer, all the plaintiff needs to show is:

- The organization entrusted the vehicle to the driver
- The driver was reckless, incompetent or unlicensed
- The organization knew or should have known that the driver was reckless, incompetent or unlicensed

From there, the plaintiff simply needs to prove that the driver was negligent while operating the vehicle and that the negligence resulted in damages.

In 2021, a Florida jury awarded a landmark \$1 billion dollar verdict in a wrongful death trucking case against two trucking companies, Kahkashan Transportation Inc. ("Kahkashan") and AJD Business Services Inc.¹⁰

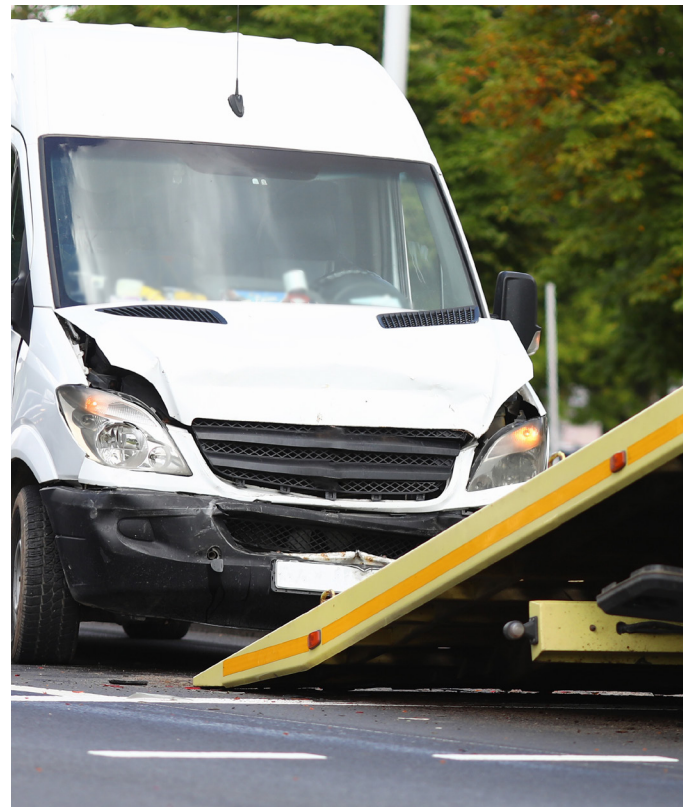
The driver was on his cell phone, driving over the legal limit of hours, and without a Commercial Driver's License, when he caused an accident, flipping his semi-truck, and creating a massive back up on the interstate. An hour later a driver was traveling the speed limit on cruise control and collided into the line of stopped traffic killing the decedent. Further, his truck's data recorder showed he did not attempt to break until one second before the impact.

The \$100 million was awarded to the parents for the decedent's pain and \$900 million in punitive damages for negligent hiring and retention of the AJD semi-truck driver. The \$100 million verdict to the parents was split by the jury, 90% against Kahkashan and its driver, and 10% against AJD and its driver. The \$900 million in punitive damages verdict was solely awarded against AJD.¹⁰

The key issue for company leaders is the responsibility component. Leaders must stay current on each driver's record. What they don't know in this scenario can absolutely hurt them and cost the organization millions of dollars.

Companies have an obligation to ensure their drivers are properly licensed and they must monitor their drivers' safety and behavior. Immediate corrective action for any violation that a driver accrues is crucial. Once-a-year MVR pulls are not enough to ensure risky drivers are in compliance. One of the best precautions that a company can take to prepare for potentially defending themselves in a liability lawsuit is continuous license monitoring.

Continuous license monitoring is a critical safety component for fleet managers to effectively monitor drivers' risk profiles, ensure compliance, guarantee safety, reduce liability, and scale down business losses.



Who we are

SuperVision® offers the industry's most powerful suite of tools to help your fleet succeed. Partner with SuperVision® to help monitor, support and retain your drivers. Get the peace of mind that comes from knowing your drivers are good to go wherever business takes them.

- The most comprehensive fleet safety & risk management solution in the industry
- Provides 18 of the top 25 (63 of the top 100) for-hire fleet license monitoring products
- The only continuous license monitoring solution across all 50 states, U.S. Territories, and Canada

WHAT WE DO

The SuperVision® Product Suite provides the industry's most comprehensive view of driver performance and safety compliance. Receive and analyze CSA scores, telematics, and crash data. Get continuous motor vehicle record (MVR) monitoring, including driver's license status and violation updates for any driver on your team.

With a designated representative provided to every fleet, SuperVision® offers the best customer service and support in the industry.

WHERE WE COME FROM

SuperVision® is the latest in a line of industry- leading products and services created by Explore Information Services, a Solera Company. Since 1989, Explore Information Services has been providing risk data services and developing superior information solutions for commercial fleets, insurance companies, and government entities. No other service collects more data across the United States and Canada.

Resources

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