



Managing Local Government's

FLEET RISK

By Kenny Smith, CSP

A ccording to the National Highway Traffic Safety Administration, an employee involved in an accident using a fleet vehicle costs an employer roughly \$16,000. If that on-the-job accident results in an injury, the cost increases to about \$70,000. Depending on various circumstances and injuries, those costs can continue to increase significantly.

When the employer is a government entity, with tight budgets and complex insurance risks, the situation can be much more challenging. In fact, fleet management often poses the most frustration to risk managers as they try to balance the necessity of maintaining a fleet with the various risks. It goes much deeper than just checking records and inspecting vehicles, risk managers must consider an important variable: driver management. Poor driver behavior is one of the major contributing factors in the majority of auto accidents, underscoring the necessity to establish clear operational boundaries for driving entity vehicles and provide some level of training.

SET CLEAR VEHICLE OPERATING RULES

A clear and defined set of rules should be established and communicated to all employees receiving the privilege of regularly operating a fleet vehicle. The overarching message should be clear that safe automobile operation is the rule and is management's expectation, and therefore is the driver's responsibility to carry out. It should be noted that vehicles need to be operated in a lawful manner, and that driving a company vehicle is a privilege that is constantly earned and annually reviewed. Of course, any union agreement will have to be negotiated, but safety issues are generally mutually agreed upon as important. Establish a culture of safety through active support and careful review of the rules, which will be documented to survive personnel changes and terms of office.

It is important to note that the general population has a wide and varied opinion as to what safe driving might entail so it is up to the entity to describe what that means to your organization. If it is not covered, drivers will make it up as they go along.

DUE DILIGENCE BEFORE YOU HIRE

To avoid negligent hiring accusations, government entities should always check the driving record of anyone who drives for entity business and be sure they can operate their assigned equipment; don't take their word for it. Every driving job has its unique demands and those should be considered for full-time drivers and especially for those vehicles requiring a commercial driver's license and specialty vehicles. An entity will need to be able to show it evaluated their drivers' capabilities prior to putting them behind the wheel. Hire safe drivers and your supervisory duties will be easier.

Studies show that there is a direct correlation between frequent violations on a driver's record and the continuation of future violations. Keep this in mind as you review potential employee's records. However, beyond what is written down in black and white, there are other personality traits a public entity may want to seek out in its drivers—patience.

In today's increasing traffic conditions, hectic schedules and harried drivers, patience is a value that could prove highly beneficial to your long-term fleet management.

SEND NEW DRIVERS TO ORIENTATION

Getting started on a positive note is critical with drivers because you have one chance to make a good first safety impression. Carefully select orientation leaders or employees who mentor or train new fleet operators, as their attitudes, habits and outlooks will likely shape the viewpoint of the new driver.

All trainees should receive documented operating rules and should be evaluated on their ability to safely operate the vehicle. Additionally, defensive driving training should be completed within a reasonable amount of time from hiring.

CONTINUE THE TRAINING

According to the Insurance Information Institute, automotive crashes top the list of workplace fatalities. One would think that this number one position would create significant focus and training support from upper management. Unfortunately, this is not the case and regular training is sometimes overlooked.

Best practices call for at least annual training on defensive driving; be sure to also include whatever specific accident trends are affecting your organization, such as "hit vehicle ahead" and more specifically, while in or near intersections. Even experienced drivers can benefit from annual refresher conversations about safe driving and renewed conviction to meet the level of safety demanded from the organization. Remember, the message that safe driving is the rule and important to the entity should continually be reinforced for drivers.

Studies show that there is a direct correlation between frequent violations on a driver's record and the continuation of future violations. Keep this in mind as you review potential employee's records. However, beyond what is written down in black and white, there are other personality traits a public entity may want to seek out in its drivers—patience.

SUPERVISION

How do you supervise drivers that are usually out of sight? Assign responsibility and accountability. It is human nature to be motivated to meet or exceed expectations when we realize performance is being monitored. Beyond the methods put forward already, the following are some additional supervisory components for successful fleet safety programs:

- Risky driving behavior should be quickly identified and remedies put in place. Utilize public complaints about traffic interactions to initiate discussions. If you suspect habitual risky behavior, then ride-alongs are always insightful. Use active coaching methods immediately when deficiencies are identified.

As long as local governments own automobiles, they have the legal responsibility for driver management that goes far beyond just vehicle inspections. When a government entity can be proactive, establish a culture of safety through clear and defined rules, complete due diligence when hiring new drivers and thoroughly train, supervise and maintain their fleet of drivers and vehicles, they will go a long way to mitigating the risks that operating a fleet presents.



- Monitor driver's license expiration. You are responsible for the drivers of your vehicles so set up an accurate list for expiring licenses.
- Some organizations use telematics that utilize GPS and a plug-in device to record hard braking, excessive speeding, rapid acceleration, and other risky driving. Upon review of the data, managers can coach the driver on safe vehicle operation.
- Accident investigation should include supervisory involvement and a final report for next steps directed toward the driver and the entity. Since 95 percent of all accidents have two or more causes, the investigation should reveal several opportunities for strengthening safe driving habits.
- Annually perform a Motor Vehicle Record review and take proactive coaching action on any drivers that are getting close to the unacceptable driver record cutoff.
- Require drivers to go through additional training if the driver was contributory to an incident/accident.
- Use warnings/suspensions, safety incentives, bonuses and retraining so both positive and negative incentives are reinforced. Several studies show that it is more effective to have both rather than only one.
- Annual performance evaluations should include a section where you can evaluate the employee on operating the vehicle in a professional manner, adhering to the entity operating rules and recording the number of incidents/accidents.
- Vehicle inspection spot checks can help management identify training issues before they become one of the contributing causes to an accident and it reinforces the professional driver image that you want to instill.

MAINTENANCE

In court cases where the mechanical condition of a vehicle is alleged to be a contributory cause of an accident, all repair records and inspections become very important. If you have good documentation you are likely to come out better than if your records are incomplete. Since we cannot know when a significant accident may take place, it is better to prepare for the worst and have good records available at any time they are needed. Of course, the documentation should reflect the maintenance that is suggested by the vehicle manufacturer.

Mechanical breakdowns can occur at any time, but a well maintained vehicle will have fewer catastrophic failures than a vehicle that is only repaired after it breaks. Therefore, local governments should have established maintenance schedules for each type of vehicle as well as monitors established for any delinquent maintenance.

As long as local governments own automobiles, they have the legal responsibility for driver management that goes far beyond just vehicle inspections. When a government entity can be proactive, establish a culture of safety through clear and defined rules, complete due diligence when hiring new drivers and thoroughly train, supervise and maintain their fleet of drivers and vehicles, they will go a long way to mitigating the risks that operating a fleet presents. ■

Kenny Smith, CSP, is a risk control manager for OneBeacon Government Risks.