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Fleet Safety

More Focus on the Road

More employers are taking formal steps toward addressing the workplace cost of distracted driving.

By: Katie Kuehner-Hebert (<http://riskandinsurance.com/author/katie-kuehner-herbert/>) | March 23, 2017 · 7 min read

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Distracted driving, particularly due to texting or other cell phone usage, is increasingly resulting in accidents, as well as workers' compensation claims for employee drivers.

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& While data is scant on whether distracted driving specifically has resulted in higher workers' comp claims, many insurers can infer the rise by reviewing their claims involving motor vehicle accidents and government statistics on distracted driving. (<http://riskandinsurance.com>)

For example, the percentage of AF Group's claims involving motor vehicle accidents rose from roughly 2 percent in 2009, to nearly 3.5 percent at year-end 2016, said Bob Lapinski, a spokesperson for the Lansing, Mich.-based holding company for Accident Fund Insurance Co. and three other workers' comp insurers. During that same period, the National Highway Traffic Safety Administration documented a spike in distracted driving accidents, Lapinski said.

That trend alone should push employers to institute policies to minimize distracted driving among their workforce, said Dave Brandolino, loss control manager at Chicago-based Third Coast Underwriters, another division of AF Group. Brandolino is based in Nashville.

"It all starts with the hiring process," he said.

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Employers should check candidates' motor vehicle driving records to see if there any incidents due to distracted driving, as well as CSA scores assembled by the Federal Motor Carrier Safety Administration, which measure compliance, safety and accountability, Brandolino said.

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It's also important to implement best practice hiring guidelines, such as establishing minimum age requirements and road experience. <http://riskandinsurance.com>



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Dave Brandolino, loss control manager, Third Coast Underwriters

Employers should also establish a strong accountability program for drivers using telematics — electronic devices installed in vehicles that transmit data about how the driver is operating the vehicle, such as whether the driver is speeding, hard breaking, rolling or swaying the vehicle, he said. Cab cameras can also be activated by such events.

“We encourage employers to establish a tracking and monitoring system of those data points to develop forward-looking metrics,” Brandolino said. “This is also an important tool to hold drivers accountable by coaching and training, rewarding and disciplining them based on defined standards and individual performance.”

There are also devices on the market that block cell phones from making phone calls and answering emails and texts if the driver is moving, he said.

“We encourage the use of technologies that combat distracted driving because you just can’t put a price on a life,” Brandolino said.

Formalize a Policy

Chris Hayes, second vice president of transportation risk control at Travelers in Hartford, Conn., cited several statistics by the National Safety Council: the average work-related motor vehicle injury claim costs \$72,540, which is twice as much as other work-related injuries.

Moreover, 54 percent of drivers said work would motivate them to do a

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& distracting activity while driving — such as making a phone call, searching for a location using a GPS system, or reviewing and sending emails. (<http://riskandinsurance.com>)

According to the Travelers' 2016 Business Risk Index, 65 percent of the insurer's business clients have employees that use their personal vehicles for business activities.

“So it's important for organizations to include that in their vehicle safety plan, because they still face liability risk and employee safety risk even if employees are driving their personal vehicles on behalf of the company,” Hayes said.

Organizations should put together formal policies around not using cell phones while driving, having all drivers sign off on the policy, and keeping documentation of that, he said. These policies should be regularly communicated to help reinforce the message that distracted driving is a risk that should be avoided.

“Organizations should also promote that culture to other employees in the office, to let them know that if they contact employees in the field, [they should] make sure those employees are not driving when they take the call or answer a text or email,” Hayes said. “Employees who are driving should know that they don't have to immediately respond to people in the office trying to contact them, but rather they can wait until they are stopped in a safe place to respond.”

One way to avoid the risk of distraction from the phone is to keep it in the glove compartment or on the passenger seat out of reach, so they can focus on driving instead, he said.

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[&] <http://riskandinsurance.com> “If a person is driving 55 miles per hour and takes their eyes off the road for five seconds, they will have traveled the length of a football field without watching carefully or safely,” — Randy Thornton, president, risk control, York Risk Services Group, Lafayette, La.

Even before cell phones were prevalent, there was distracted driving due to fatigue, eating while driving, fiddling around with the radio, or reaching behind to grab something in the back seat, among other things, said Edward Canavan, vice president, workers’ compensation practice & compliance at Memphis-based Sedgwick. Canavan is based in Santa Ana, Calif.

“Now with cell phones, distracted driving is a huge problem – there’s around a half million people a year that are injured as a result of distracted driving, which also impacts workers’ comp claims,” Canavan said.

The no-fault system within workers’ comp adds another layer of complexity to a claim, he said. Most likely the claims will have to be paid, but in some jurisdictions, the benefits can be altered due to negligence on the part of the injured worker.

“But the negligence has to have met a certain threshold and this has not been tested because the criteria is so high,” Canavan said. “An example would be in California, where the act causing the injury would need to meet the threshold of being serious and willful misconduct. This could be a solo accident and not necessarily involve another person.”

Preventive Strategies

From a loss prevention and risk management standpoint, there is a lot of technology that can help to discourage texting while driving, he said. For example, there’s a mobile app that will give a driver the fastest

& route based on road conditions, traffic and construction, but it detects motion and asks people if they are the driver or the passenger. (<http://riskandinsurance.com>)



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Chris Hayes, second vice president of transportation risk control, Travelers

“However a person could just lie, so an even better type of technology would be actual devices installed in cars that prevent cell phone use while driving,” Canavan said. “Within several years, these types of devices might be required by the National Transportation Safety Board and standard in all cars.”

Debra Levy, senior vice president, quality management and WC practice leader at York Risk Services Group in Atlanta, speculated on why there is no hard data on workers’ comp claims for distracted driving: very few employees are willing to admit they were using their phone either talking or texting at the time of an accident, especially if there is a company policy against it.

“Unless an employer is going to investigate phone and text usage after every motor vehicle accident occurrence, this data will not be captured,” Levy said.

To lessen accidents due to distracted driving, employers must have a strong distracted driving policy that includes random checks on both company and personal phones during expected travel times, she said. Once an employer commits to a distracted driving policy, they must follow the policy diligently to get the desired effect on driver behavior. They must also follow through on disciplining employees who violate the policy.

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& “If employers don’t follow through on an implemented distracted driving program, they could find themselves in a difficult liability situation if the accident is caused due to an employee violating the distracted driving policy,” Levy said.
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Anything that can distract a person can be distracted driving, including spilling coffee or dropping something — “anything that takes your eyes off the road,” said Randy Thornton, president, risk control at York Risk Services Group in Lafayette, La.

“There’s a really powerful factoid: If a person is driving 55 miles per hour and takes their eyes off the road for five seconds, they will have traveled the length of a football field without watching carefully or safely,” Thornton said.

Texting while driving is illegal in most states, and the federal Department of Transportation also has been successful in banning texting and the use of cell phones while driving among commercial drivers, he said. The government also has good public awareness campaigns, including an informative website, distraction.gov (<http://distraction.gov>), in which employers can download forms to use in obtaining a pledge to not engage in distracting activities while driving.

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York also recommends that employers regularly educate their drivers, [&] and not underestimate the fact that new drivers and experienced drivers alike need to be educated and reminded of the dangers of distracted driving. (<http://riskandinsurance.com>)

“You’ve got to monitor it, you’ve got to measure it, you’ve got to train around it. It’s a circular process by nature,” York said. “There is always employee turnover, and before you know it, you have 10 new drivers. It’s important that everyone is operating under the same set of dynamics.”

Katie Kuehner-Hebert is a freelance writer based in California. She has more than two decades of journalism experience and expertise in financial writing. She can be reached at riskletters@lrp.com.

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Risk Management

The Profession

At McKesson, Jane Sandler blends her passions for risk management and health care to help the organization develop innovative, forward-thinking solutions.

By: Katie Siegel (<http://riskandinsurance.com/author/katie-siegel/>) | December 14, 2016 • 4 min read

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<p>JANE SANDLER Title VP, Global Risk Management Organization: McKesson Years in Risk Management: 20 Previous Position: Director, Risk Management & Regulatory Compliance, Brightstar Corp./eSecuritel Place of Birth: Ukraine, former USSR Alma Mater: Georgia State University Degrees and Certifications: MBA, Finance & Risk Management; BBA, Risk Management and Insurance; ARM</p>	
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R&I What was your first job?

My first paycheck came from bagging groceries at Kroger. I didn't have a car and had to walk to work. My ultimate goal was to save enough money for my first car. The very car I later drove to my first insurance job in an underwriting department. It was a great feeling.

R&I How did you come to work in risk management?

Growing up in a state-controlled environment of the former Soviet Union, risk management was not on my radar. I have always had a passion for health care as it touches and influences the lives of so many. I was pre-med when a friend told me about her major – risk management and insurance. It seemed fascinating.

R&I What is the risk management community doing right?

One of the things I appreciate the most about our industry is the depth of relationships. Trust and integrity are crucial. Risk managers form long-standing partnerships with insurers and other industry colleagues, enabling us to support each other and excel during challenging times.

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& At the core of everything risk managers do lays the desire to prevent injuries, enable new opportunities and protect our enterprise against volatility. (<http://riskandinsurance.com>)

R&I What could the risk management community be doing a better job of?

We could do a better job of attracting young talent. There is a stigma associated with the insurance industry — it’s perceived as boring, and that could not be further from the truth. I’ve been stretched and challenged every step of the way and feel that this is one of the more engaging professions.

I serve on the board of trustees for the Georgia State University Risk Management Foundation and one of our strategic initiatives focuses on educating college recruits on the breadth of opportunities afforded by our industry.

R&I What’s been the biggest change in the risk management and insurance industry since you’ve been in it?

In my 20 years in the industry, risk managers have made a huge move from being “insurance and claim guys” to becoming a trusted business adviser to the C-suite. We’ve embraced that we cannot eliminate or insure all risk. Risk-taking is an essential part of any business opportunity. But what we can do is partner with key stakeholders to better understand the risk and empower innovative solutions.

R&I What emerging commercial risk most concerns you?

It’s the risks associated with new technological breakthroughs and legislative developments. Most recent examples in the health care industry are interconnectivity and value-based reimbursements. In the early stages of any initiative, much is undefined.

R&I Who is your mentor and why?

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I have been very lucky to meet many colleagues along the way that have opened doors, given me a chance and shared their expertise. Deanna Allen gave me my first opportunity in health care risk management, welcomed me with open arms, pushed me and really helped me grow in my early career.

Another individual who comes to mind is Allan Bogenschutz. He's one of the best colleagues you could have, always willing to share his candid feedback. Allan has been a great sounding board and adviser to me over the years.

R&I What have you accomplished that you are proudest of?

Having emigrated here at the age of 17 from Ukraine, successfully establishing a new life is a point of both pride and immense gratitude to everyone who helped me along the way. I am appreciative of the freedom and opportunities this country affords to anyone who's willing to work hard and apply themselves.

R&I What is the riskiest activity you ever engaged in?

Riding on an ATV with my husband. It was all fun and games until he flipped us over. So, my zip-lining experience, in comparison, was very safe.

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R&I What is your favorite book or movie?

“Kafka on the Shore” by Haruki Murakami.

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R&I What is your favorite drink?

Absinth.

R&I What is the most unusual/interesting place you have ever visited?

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Travel is my escape and it is hard to narrow down the wonders of the world to just one. I would say for architecture it's the magic of Gaudi's Barcelona. For nature, it's the grandeur of the Alps.

R&I What about this work do you find the most fulfilling or rewarding?

The most fulfilling part is blazing new trails and developing innovative solutions to support my company's growth. I am very grateful for the opportunity McKesson has afforded me in leading the risk management department in a new direction. I am lucky to have an incredibly talented global team.

We are very focused on quantification of risk in a way that is easy to communicate across the organization. McKesson's leadership team values the role and contribution of the risk management function.

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R&I What do your friends and family think you do?

I talk about it so much, I am pretty sure they know exactly what I do! To
& my kids. I explained that it's planning in advance and having a plan B.
(<http://riskandinsurance.com>)
Last time we were at the beach in the fall, their shoes got soaking wet
and we had a spare pair in the car. I think they got it.

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By: Michelle Kerr (<http://riskandinsurance.com/author/mkerr/>) | April 26, 2017 • 3 min read

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As insurers become increasingly concerned about the aggregation of cyber risk exposures in their portfolios, new tools are being developed to help them better assess and manage those exposures.

One of those tools, a comprehensive cyber risk modeling application for the insurance and reinsurance markets, was announced on April 24 by AIR Worldwide.

Last year at RIMS, AIR announced the release of the industry's first open source deterministic cyber risk scenario, subsequently releasing a series of scenarios throughout the year, and offering the service to insurers on a consulting basis.

Its latest release, ARC– Analytics of Risk from Cyber — continues that work by offering the modeling platform for license to insurance clients for internal use rather than on a consulting basis. ARC is separate from

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AIR's Touchstone platform, allowing for more flexibility in the rapidly & changing cyber environment.
(<http://riskandinsurance.com>)

ARC allows insurers to get a better picture of their exposures across an entire book of business, with the help of a comprehensive industry exposure database that combines data from multiple public and commercial sources.

The recent attacks on Dyn and Amazon Web Services (AWS) provide perfect examples of how the ARC platform can be used to enhance the industry's resilience, said Scott Stransky, assistant vice president and principal scientist for AIR Worldwide.

Stransky noted that insurers don't necessarily have visibility into which of their insureds use Dyn, Amazon Web Services, Rackspace, or other common internet services providers.

In the Dyn and AWS events, there was little insured loss because the downtime fell largely just under policy waiting periods.

But," said Stransky, "it got our clients thinking, well it happened for a few hours – could it happen for longer? And what does that do to us if it does? ... This is really where our model can be very helpful."



(<http://riskandinsurance.com/wp-content/uploads/2017/04/Scott-Stransky-AIR-RIMS-2017-230X300.jpg>)

Scott Stransky, assistant vice president and principal scientist, AIR Worldwide

The purpose of having this model is to make the world more resilient ... that's really the goal." Scott Stransky, assistant vice president and principal scientist, AIR Worldwide

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