



The Road to Safety: Understanding and Reducing Transportation Exposures

CHUBB®

Chubb Global Risk Advisors



Nuclear verdicts have captured an enormous amount of attention in the transportation industry – and with good reason. These oversized verdicts have shuttered the doors of a number of companies, caused insurance rates to climb, and made insurers edgy about nearly any driving mishap a company might report.¹ Nuclear verdicts are not the only statistic that transportation companies should be watching. Between 2009 and 2017, the number of fatal accidents annually involving large trucks or busses increased 40%, and total fatalities climbed from 3,610 to 5,005.² Worker fatalities from vehicle crashes account for 40%, or 2,060 of workplace deaths in 2017.³

As transportation companies look for strategies to combat nuclear verdicts and the accidents that can give rise to them, it can help to focus on one initiative that may significantly reduce both the liability and the workers compensation exposures of a trucking or service delivery company: safe driving.

1. www.hubinternational.com

2. Federal Motor Carrier Safety Administration
www.fmcsa.dot.gov/safety/data-and-statistics/large-truck-and-bus-crash-facts-2017#A2

3. National Safety Council

Telematics to the rescue?



From GPS systems to video cameras to driver assistance technology, telematics has been adopted by many companies as a way to monitor the driving practices of their drivers. Telematics data can record hard braking, speeding, tailgating, and frequent lane changes among other problematic driving behaviors. But the technology has placed a heavy burden on already over-taxed frontline risk managers to review and act on the information and correct their drivers' practices. If a driver is involved in a serious accident, a company's failure to use telematics data proactively may open the company up to accusations from a plaintiff's attorney that they ignored a risk.

The challenge for most companies is managing the overload of information collected by telematics, which can generate thousands of alerts a day and make it impossible to talk to every driver about his or her incidents. This lack of action, as infeasible as it is, opens the door to a multi-million-dollar verdict in the hands of a skilled plaintiff's lawyer who paints the company as a negligent organization.

The volume of telematics data can seem overwhelming, but proper analysis can point to top issues to address. "If companies would just take one method, for example, following at a four- to six-second distance, and enforce the need for this practice, hammer it home all year with every driver, companies could see a drastic cut in fatal accidents," explains Charlie Halfen, Transportation Safety Practice Leader at Chubb Global Risk Advisors. "Hitting another vehicle in the rear is one of the more serious accidents and it's also one of the costliest, but it's a simple thing to work on." Then reexamine the data to find the next biggest issue and focus on that.

It can help to bring in a transportation safety consultant to do some of the initial data analysis, which can take up to two weeks. Armed with that analysis, the consultant can help the risk manager design an effective strategy.

A Shortage of Properly Trained Drivers

Another problem transportation companies face in their quest to staff their fleets with safe drivers is finding properly trained drivers. Many high schools have reduced or eliminated driver training courses that were once offered to new drivers. Instead, teaching teens to drive often is relegated to harried parents whose skills can be questionable and whose ability to patiently and consistently convey the rules of the road may be limited. This puts companies who need drivers at a disadvantage from the start.

Qualifying for a Commercial Driver's License (CDL) requires drivers to demonstrate specific skills and knowledge. But CDLs are only required for a single or combination of vehicles with a gross combined weight (GCWR) of 26,001 or more pounds, a vehicle designed to transport 16 or more people, including the driver, or a vehicle that is required by federal regulations to be placarded while transporting hazardous materials. That leaves a wide range of other vehicles that can be operated with a regular license – and a large pool of drivers who may lack safe driving knowledge or skills.

Using the CGRA Record of Safety Ride (ROSR) Program to Improve Driving Habits

Vehicle accidents fall into 24 categories (see sidebar). Associated with each category are specific safety methods that add up to 50 techniques that can be used to help reduce the number of accidents a transportation company might experience. But these techniques must be used consistently.

Developing consistency in safe driving practices stems from being emotionally engaged with the techniques, explains Halfen, who developed the Record of Safety Ride (ROSR) program, which has been used in countries around the world to improve road safety.

The ROSR survey provides CGRA-trained observers with a tool they can use to reinforce safe driving behaviors with a company's drivers. As the trainer rides along, he or she monitors and scores a driver on 50 driving methods that are linked to major types of accidents.

The goal of ROSR isn't just to train employees to drive within the law and the rules of the road but is also designed to help prevent accidents – even those where the other driver is acting carelessly. Take the all-too-common practice of trying to beat a red light, something nearly all drivers do at one time or another. If drivers were to make sure they have appropriate clearance in all directions and enough time to maneuver their truck through the intersection, known as clearing the intersection every time, they could help reduce the risk of accidents that might result from driving through a red light, one of the deadliest types of accidents.

“We initially work on training the observers, since they can provide continuity in improving driving behaviors,” adds Suzanne Short, Principal Consultant, Transportation and Safety, for Chubb Global Risk Advisors. “To make sure the observers are familiar with using the form, we ask them to take ROSR home and use it with their kids or spouse, sometimes even friends. They connect with it personally, see how many careless practices or even habits can creep into someone's driving, and really think about what can go wrong as a result. They frame the problem in terms of what might happen to a family member and they see the impact of poor driving. Then they become committed to using it to improve driving behaviors in the workplace.”

As the program rolls out, a CGRA transportation practice specialist rides along to observe the observer, who is observing the driver. The ROSR program won't work unless the observer consistently points out lapses in safe driving habits. Notes Short: “It's great when frontline managers are the observers because they have so much



Recognizing the Problem... and Whether You Are Part of It

At a recent safety conference, one of our transportation safety specialists asked an audience of 300 people “Are you a safe driver?” Everyone raised his or her hand. Then he asked “Are the roads full of bad drivers?” Everyone raised her or her hand.

His observation: We are our own problem and often don't recognize that WE are the bad driver on the road.

Do Your Drivers Have all the Skills They Need?



New employees often have more driving accidents than longer tenured drivers. It seems like a conundrum. New hires are the employees who typically have had the most recent driving training as part of the onboarding process. You'd expect that they would also be the safest drivers and have the fewest accidents, but it's often not the case.

While they may know how to drive properly, new employees may lack other job-related skills, which forces them into difficult situations. Just think about the inexperienced delivery person who packs the first items to be delivered in the back of the trailer or the cable installer who runs into trouble with an installation a more experienced employer would breeze through. A time crunch can be an issue that causes a new hire to rush on the road and get into accidents.

influence on the safety culture. When the frontline manager is walking the walk as well as talking the talk, employees are going to follow that lead. That's their role model."

A frequent objection to the ROSR program is that a driver, knowing he or she is being observed, will take care to follow all appropriate safety measures during the ride-along. Having the driver be very conscious of their driving is part of the ROSR benefit. It makes them think about what they are doing. "But what we find," observes Short, "is that after 20 minutes or so the driver relaxes, and any persistent bad habits start to appear." After repeated ROSR sessions, the ideal outcome is first, a driver who becomes an active participant in the observation exercise, for example, volunteering observations about their habits (e.g., "oops, I didn't come to a full stop there.") and second, a driver who remains conscious of driving habits and practices safe driving when no one is watching.

Connect With Us

For more information about how Chubb Global Risk Advisors can help you build a custom transportation safety program, contact us:

globalriskadvisors@chubb.com
866.357.3797 (toll-free) www.chubb.com/CGRA

Six Steps to a Safety Culture

Attempts at building a safety culture are often haphazard, often beginning and ending with a warning after an accident. But driving down accident frequency and avoiding nuclear verdicts takes time, patience and persistence. There are no shortcuts to safety. Companies need to:

1. Hire and retain applicants who understand the importance of safety and aren't going to take chances on the road. Turnover causes more auto accidents, injuries and service failures.
2. Proactively train with Record of Safety Ride (ROSR) methods that incorporate best driving practices for following a safe start-up routine, maintaining a safe distance from other vehicles, and consistently clearing intersection among other safety techniques. ROSR allows companies to create a safe driver from day one.
3. Reinforce training with telematics and video cameras. Any collected data must be shared with the driver for improvements to be made. Start by concentrating on one problematic behavior to avoid becoming overwhelmed by data.
4. Review every auto accident claim and loss data to understand the types of accidents that are driving up costs. Where did our training fail and how do we ensure that it doesn't happen again?
5. Allocate the true cost of claims to frontline managers who have the greatest influence on driving behaviors. Keeping the cost of accidents in a corporate bucket allows poor practices to continue.
6. Create a Safety Culture that involves everyone.

Accident Type Definitions

- 1. Backing** – Backed into an object or vehicle. Exceptions: backing into intersections (2), pedestrians (19), and cyclists (20).
- 2. Intersection** – Intersection accidents occur when two or more vehicles collide at any crossroad. This includes driveways and alleys. One exception is when our vehicle is hit in the rear at an intersection (11) and another is when we are backing in an intersection and we back into a fixed object (1). This will more often apply when the vehicle is “IN” the intersection. However, it can apply when both vehicles are “at” the intersection. Intersection will also include entry/exit of parking lots. Intersection should not be used if both vehicles are traveling in the same direction.
- 3. Sideswipe** – This accident type is to be used only when our vehicle has made parallel or side to side contact with another vehicle traveling in the same direction. This is not to be used when our vehicle scrapes a stationary object. Exception to this rule will be if our vehicle and the other vehicle are traveling in opposite directions and the mirrors from both vehicles make contact, this would be considered a sideswipe.
- 4. Stationary** – Our vehicle strikes a stationary object such as a tree, pole, fence, awning, mailbox, etc.
- 5. Property Damage** – This involves property damage caused by our vehicle. Examples are making a rut in a customer’s yard, running over sprinkler lines etc. Property damage also includes our vehicle damage caused by falling rock, road hazards kicked up by other vehicles, something falling off our vehicle, etc. This can include damage to our vehicle as a result of hoses or other equipment not properly adjusted. Any claimant property damage resulting from our vehicle running over an object with the tires and no contact is made with the vehicle other than the tires.
- 6. Hazardous Material** – Non-company party or parties exposed to a Hazardous Material leak or release involving our vehicle.
- 7. Hit while parked** – Our vehicle is parked and hit by another vehicle.
- 8. Loading/Unloading** – Non-company party or parties injured involving the loading or unloading of our vehicle.
- 9. Hit parked vehicle** – Our vehicle hits a parked vehicle.
- 10. Animal** – We hit an animal or an animal makes contact with our vehicle.
- 11. Hit in rear** – Our vehicle is struck in the rear. Both vehicles are traveling the same direction in the same lane. This applies only when contact from the “front” of another vehicle to the rear of our vehicle. This should include the rear quarter panels of the vehicle.
- 12. Pulled from park position** – We were stopped and pulled from a parked position making contact with another vehicle.
- 13. Rollover** – Single overturned vehicle.
- 14. Runaway** – Our driver is not in our vehicle and it rolls away.
- 15. Moving Object** – A moving object such as an electrical door or gate hits our vehicle. This also would be used for falling branches or falling trees when our vehicle did not make contact with them.
- 16. Head-on Collision** – Two vehicles collide while traveling in opposing directions. This usually occurs when one or the other party crosses the centerline. This would apply regardless of the point of contact, as long as one of the vehicles has crossed the center line. Vehicles traveling in opposite directions that slap mirrors only can be considered a Sideswipe (3).
- 17. Hit other in rear** – Front of our vehicle strikes other party in rear. Both vehicles are traveling the same direction in the same lane. This should include the rear quarter panels of the vehicle.
- 18. Jackknife** – When a tractor and trailer collapse together and come to a rest in a roadway or parking lot. This may or may not mean that the tractor and trailer make contact. This applies regardless of whether or not they are able to drive out of the jackknife. It also applies to tractor/trailer or trailer to trailer contact.
- 19. Pedestrian** – A pedestrian is struck or any way involved with our vehicle.
- 20. Cyclist** – A cyclist is struck or strikes our vehicle or is in any way involved with our vehicle.
- 21. Parking lot** – Accidents in a parking lot. Exception: accidents in a parking lot involving pedestrians (19) and cyclists (20) should be coded as such. This code should only be used when no other code is appropriate. This should be used when applicable to avoid the use of other.
- 22. Company yard** – Any accident in our yard or lot. Exception: accidents in our lot involving pedestrians (19) and cyclists (20) should be coded as such. This code should only be used when no other code is appropriate. This should be used when applicable to avoid the use of other.
- 23. Hit while stopped** – Our vehicle is completely stopped in the legal lane of travel and is struck or backed into by another vehicle. This includes head on collisions where other party crosses the centerline and we are completely stopped in our lane of travel. This only applies when our vehicle is stopped.
- 24. Other** – Should only be used when all other accident types do not apply.

Chubb. Insured.SM

The information contained in this document is not intended as a substitute for legal, technical, or other professional advice, nor is it intended to supplant any duty to provide a safe workspace, operation, product, or premises. Chubb Global Risk AdvisorsSM makes no express or implied warranty that all accidents or amounts of losses will be reduced. Chubb Global Risk AdvisorsSM is a service of ESIS[®], Inc., a Chubb company. Chubb Global Risk AdvisorsSM provides claim and risk management services to a wide variety of commercial clients. ESIS’ innovative best-in-class approach to program design, integration, and achievement of results aligns with the needs and expectations of our clients’ unique risk management needs. With more than 60 years of experience, and offerings in both the US and globally, ESIS provides one of the industry’s broadest selections of risk management solutions covering both pre- and post-loss services. Chubb is the marketing name used to refer to subsidiaries of Chubb Limited providing insurance and related services. For more information, visit us at www.chubb.com