ZURICH
Resilience Solutions

Fleet Program Toolkit

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1. Introduction

Zurich has seen a significant increase in the cost of motor vehicle crashes. As with any good corporate program, a detailed written fleet program should be implemented to help reduce injuries and damages. Senior management commitment, employee involvement, implementation, and consistent enforcement are some of the keys to success.

2. Regulated vs. non-regulated fleet

First, understand the makeup of the fleet and whether company vehicles are regulated or non-regulated. The Federal Motor Carrier Safety Regulations (FMCSR) can be cumbersome and confusing, especially for operations that are not entirely motor truck based. Typically, motor carriers that haul freight as their primary business are aware of the requirements needed to operate safely and compliantly. However, many companies operate vehicles as a secondary aspect of their business and can overlook many of the Federal Motor Carrier Safety Administration's (FMCSA's) compliance requirements. Some examples of these types of operations are utility companies, construction companies, and companies that transport passengers.

The Gross Vehicle Weight Rating (GVWR), transportation of passengers, and transportation of hazardous materials are the initial indicators of whether a vehicle is considered regulated. The requirements will also vary based on whether you are an interstate (crossing state lines) or an intrastate (operating solely within state boundaries).

Additionally, understand which drivers are required to have a Commercial Driver's License (CDL). GVWR is the first item an organization should review to help ensure that their drivers are qualified to operate the equipment. GVWR can be confusing and is one of the main causes of operating without proper licenses. It is important to note that the GVWR for each vehicle is established by the truck and trailer manufacturers, not by the company utilizing it. For licensing purposes, a combined GVWR is determined by adding the manufacturer's GVWR Rating of the truck plus the manufacturer's GVWR of the trailer or other towed vehicle.

Resources

Zurich Risk Topics

FMCSA Quick Reference Guide
USDOT requirements for commercial vehicle operators

3. Determine the cost of motor vehicle crashes to employers

Be sure to understand the total cost of motor vehicle crashes to the organization. Below is a sample worksheet from "Guidelines for Employers to Reduce Motor Vehicle Crashes," published by OSHA, NHTSA, and NETS. The costs can typically go well beyond the cost of the incident. Once the costs have been determined, it may be in the organization's best interest to hire a full-time fleet manager or team whose responsibility would be to implement and monitor the fleet program. Consider cost reduction goals as part of the job description.

Resources

External links:

Guidelines for Employers to Reduce Motor Vehicle Crashes OSHA|NHTSA|NETS

Costs of Motor Vehicle Crashes to Employers Worksheet

Direct Costs to the Organization

Workers' compensation benefits	$ _____
Healthcare costs	$ _____
Increase in medical insurance premiums	$ _____
Auto insurance and liability claims and settlements	$ _____
Physical and vocational rehabilitation costs	$ _____
Life insurance and survivor benefits	$ _____
Group health insurance dependent coverage	$ _____
Property damage (equipment, products, etc.)	$ _____
Motor vehicle repair and replacement	$ _____
EMS costs (ambulance or medivac helicopter)	$ _____
Vehicle towing, impoundment and inspection fees	$ _____
Municipality or utility fees for damage to roads, signs or poles	$ _____

Direct Total $ _____

Indirect Costs

Supervisor's time (rescheduling, making special arrangements)	$ _____
Fleet manager's time to coordinate vehicle repair, replacement, etc.	$ _____
Reassignment of personnel to cover for missing employees (less efficient)	$ _____
Overtime pay (to cover work of missing employees)	$ _____
Employee replacement	$ _____
Re-entry and retaining of injured employees	$ _____
Administrative costs (documentation on injuries, treatment, absences, crash investigation) Inspection costs	$ _____
Failure to meet customer requirements resulting in loss of business	$ _____
Bad publicity, loss of business	$ _____

Direct Total $ _____

TOTAL $ _____

Source: Guidelines for Employers to Reduce Motor Vehicle Crashes https://www.osha.gov/Publications/motor_vehicle_guide.pdf

4. Senior management commitment and employee involvement

Employee attitudes can have a significant impact, good or bad, on a company's loss experience. Because management's attitudes are generally adopted by employees, management must establish company goals and controls. Therefore, in any organization, the fleet and safety program's foundation must be built upon management support. This support should encourage the success of the program. The organization's senior leadership should allocate sufficient staff and financial resources required to manage and support the overall motor vehicle safety program. Additionally, actively encouraging employee participation and involvement at all levels is a good practice and will help the effort to succeed.

5. Negligent entrustment

Juries are holding fleet operators to high standards; based on regulations or their own policies. Violations of company policy and procedures have resulted in large judgments. When these events occur, companies may be cited for Negligent Entrustment. This might result in punitive damages in addition to compensation and may result in multi-million-dollar penalties.

Negligent entrustment claims arise when an unlicensed, incompetent, or reckless driver causes damages while driving a motor vehicle owned by someone else. Companies that have vehicles and entrust their employees to drive them are obligated to properly screen and evaluate drivers on an ongoing basis to determine their eligibility to drive for the company. In the event of an accident, if the company should have known their driver should not have been driving or their policy requires that the driving privileges be revoked based on the program criteria, they may be held liable. This would include MVR monitoring and telematics data.

Risks

- Failure to have and enforce a fleet management system may place a company at greater risk of legal and regulatory consequences. Companies should consider federal and state regulations, loss history, and industry guidelines as a starting point for the fleet program.
- Competing priorities may push workers to deviate from known safe work practices due to staff shortages, a high volume of activity, and or insufficient time to complete tasks. In these situations, workers have a higher potential to deviate from established safe work practices.
- Allowing unqualified drivers to operate inadequately or poorly maintained company-owned or personal vehicles for company business may increase the risk of incurring higher legal defense and settlement costs.

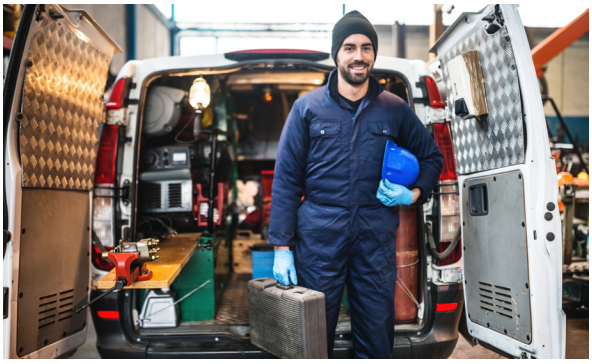
Risk Mitigation

- Install the foundational pieces of a fleet management program, including training for key personnel and frequent monitoring. Compliance matters – if policies are in place, companies need to encourage all levels of the organization to adhere to standards.
- Compare work as it is imagined by management versus how tasks are actually being completed by drivers to identify performance gaps.
- Recruit and hire the right people for the job. Unqualified drivers should be removed from their driving roles immediately. Documentation of background checks, driver training, coaching events, "ride-along," and disciplinary actions may be useful in highlighting the company's commitment to safety policies and procedures that may be called into question during legal proceedings.

Resources

Zurich Risk Topics

Negligent entrustment



6. Fleet Manager

A Fleet Risk Manager should be actively responsible for developing and managing the fleet risk management policy, improving the loss performance of the fleet, and does not just liaise between the company and the insurer. Ideally, the Fleet Risk Manager should be a dedicated, competent person, preferably with 10 years of industry experience for large fleets. They should be familiar with fleet requirements and be provided with adequate support staff. They should be responsible for the development and implementation of the written policy, obtaining MVRs, adopting a set of fair and responsible standards as a condition for employment, telematics, oversight, auditing periodically for compliance, documentation, and enforcement, as well as training and coaching. If the company has a regulated fleet, this person should also be responsible for compliance with regulations and laws regarding vehicles.

7. Written policies and procedures

Management should consider the development and implementation of organizational safety rules for the fleet that address the specific issues of the organization. All drivers found to be in violation of these safety rules should be counseled or disciplined in a fair and uniform manner consistent with the organization's policies. Create a clear, comprehensive, and enforceable set of driver and vehicle safety policies and communicate them to all employees. Offer incentives for sticking to the rules and point out the consequences of disregarding them. A sample fleet policy is included below, but we'll explore some specific policies to consider and why they are important.

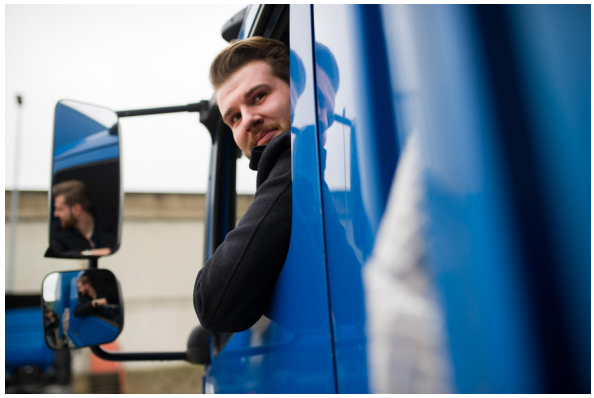
Resources

Zurich Risk Topics

Zurich Fleet sample policy

External links:

American Society of Safety Professionals Fleet/Motor Vehicle Standard Z15



7.1 Driver recruitment, selection, and assessment

The written policy should outline the guidelines, evaluation criteria, and documentation procedure for drivers prior to hiring, as well as an ongoing driver eligibility policy. Include what would disqualify an applicant driver as well as what actions may be taken when a driver falls outside of the criteria after hire.

Consider the following:

- **Job Description** – Establish a job description for each type of position that requires driving and include the type of driver's license required for the position.
- **Application Form** – Have an application form designed to gather information in the areas specific to the job description related to driving.
- **In-person interview** – Discuss the applicant's experience driving the types of vehicles used at the company.
- **Medical Fitness for Duty** – Medical conditions and treatments directly affect safety when they impair transportation professionals' performance. If someone is not medically able to safely operate a vehicle, they should not do so to help reduce the risk to the public.
- **Background Checks** – Perform applicant background checks, including state Motor Vehicle Record (MVR) checks and reference checks with previous employers in accordance with applicable privacy laws. At a minimum, MVRs need to be reviewed on an annual basis for periodic driver qualification following the initial check during the time of hire. There are service providers that offer continuous MVR monitoring for real-time data. Outline in the policy what constitutes driver eligibility.

- **Training and monitoring period** – Include a training and monitoring period, usually 60 to 90 days. During this period, the employer can determine if the employee has the necessary skills needed to succeed in the position they have been hired for.
- **Previous employer verification** – consult with the prior employer for dates of employment, crash history, and types of vehicles operated.
- **Driver experience and road tests** – Consider the requirement of a minimum of 2 years driving experience in the class of vehicle they will be operating, as well as requiring drivers to pass a vehicle-specific road test.
- **Pre-hire drug screening** – As per company and/or DOT requirements
- **Regulated drivers**
  - For regulated drivers, follow the Federal Motor Carrier Safety Administration (FMCSA) 49 CFR 391.23 requirements. There should be a separate policy or section that outlines the requirements for those drivers who hold a CDL and operate in a safety-sensitive function.
  - Include a Pre-employment Screening Program (PSP) check

Resources

Zurich Risk Topics

How to obtain and review motor vehicle record reports RiskTopic
Effectiveness of the Pre-employment screening program

Zurich Vendors

Samba Safety.pdf

External links:

FMCSA Pre-Employment Screening Program Difference between a PSP and MVR
Sample PSP Report

7.2 Cell phone use

According to the Center for Disease Control and Prevention (CDC), motor vehicle crashes while driving for work are the 1st or 2nd leading cause of death in every major industry group.[1]

Driver distraction is a significant contributor to crashes. Cell phone use and particularly texting, has played an increasingly large role. Some states have enacted laws to help prevent distracted driving, including banning texting while driving and implementing hands-free laws. The most effective policy is to eliminate distractions while driving, including the use of cell phones, inputting GPS locations, adjusting mirrors, grooming, eating, etc. As many tasks as possible should be completed prior to starting any trip.

Studies have shown that hands-free use does not decrease the risks associated with using a cell phone while driving. According to the NSC, multitasking is a myth. Human brains do not perform two tasks at the same time. Instead, the brain handles tasks sequentially, switching between one task and another. Brains can juggle tasks very rapidly, which leads us to erroneously believe we are doing two tasks at the same time. In reality, the brain is switching attention between tasks – performing only one task at a time.[2]

The National Safety Council (NSC) recommends employers issue an organization-wide policy prohibiting the use of cell phones while driving. Consider the use of cell phone blocking technology and/or vehicle telematics with driver-facing cameras to monitor cell phone use.

There should also be some mechanism for employers to verify that drivers are complying with the policy.

Resources

External links:

Distracted Driving for Employers - National Safety Council (nsc.org)
NSC - Cell Phone Policy Kit
NSC - Safer Workers Mean Safer Roads
NSC - Safe Driving Kit
Public Materials for Distracted Driving Awareness Month - National Safety Council (nsc.org)
NSC - Understanding the distracted brain
NSC Ending Distracted Driving

1 "Motor Vehicle Crash Facts." Centers for Disease Control and Prevention, Centers for Disease Control and Prevention, 30 Aug. 2022, https://www.cdc.gov/niosh/motorvehicle/resources/crashdata/facts.html.

2 "Understanding the Distracted Brain WHY DRIVING WHILE USING HANDS-FREE CELL PHONES IS RISKY BEHAVIOR." White Paper, National Safety Council, 2012, https://nsc-org-storage.azureedge.net/cms/nsc.org/media/site-media/docs/safe-driving/cognitive-distraction-white-paper.pdf.

7.3 Driver Training and Orientation

A process of orientation and training should be established to help ensure the safety and effective operation of motor vehicles. The major benefit of driver orientation programs is that company officials can clearly set forth company expectations as they relate to the use of vehicles on company business. Additionally, these orientation classes send a clear message from company management on the importance and value of not only the fleet safety program but the overall safety program as well.

7.3.1 Driver orientation

The orientation program should be clearly defined, with objectives explained to the participants and then documented. Orientation topics may be found in the sample policy. All drivers should sign an acknowledgment form stating they have read, understand, and agree to abide by all policy requirements.

7.3.2 Driver training

Provide driver training as soon as possible after hiring, as well as refresher training and corrective training to drivers who are involved in a crash where they are at fault. Training should address distracted driving, defensive driving, and aggressive driving. Training may be online, in-class, and in-vehicle/behind the wheel. For ride-along training, please see the Example Assessment and/or Peer Drive Evaluation in the NETS' Comprehensive Guide to Road Safety Document in the Zurich Sample Policy.

7.3.3 Coaching and disciplinary action system

- Driver Coaching Tips (See the Zurich Sample policy for a Sample IVMS Driver Coaching Form)
  - 10-Second-Long Range Scanning – One of the most important concepts of Defensive Driving is the long-range scan – the driver seeing what is developing on the road ahead provides the driver with information to make decisions. The only activities a driver can undertake in a vehicle are to change speed and/or position.
  - 4-Second Minimum Following Distance – Consistently maintaining a minimum following distance is vital in the prevention of vehicle crashes. The six conditions (driver, weather, road, vehicle, traffic, and intersection light) that affect vehicle crashes must be considered, and the space must be expanded by adding one second for adverse conditions present at that moment. If a driver is operating an air brake-equipped vehicle that is heavier than a passenger vehicle, an additional 2 seconds is required.
  - Controlling the Four sides of a Vehicle – Keep your head and eyes moving using scanning techniques to develop a visual perimeter around the vehicle to prevent being caught off guard by other traffic.
  - Changing Lanes – The SMOG technique helps eliminate blind spots and provides a sequence of events for drivers to safely change lanes by Signaling, Mirror checks, Over-the-shoulder scans, and, when safe to do so, Go.
  - Intersections – At these dangerous locations, it is important to remain vigilant and anticipate changing signals – keep moving to allow space for maneuvering and preventing others from hitting you. The idea of "a moving target is harder to hit" improves the driver's approach to these dangerous places.
- Commentary drives (ride-alongs) with the driver and reviewing the related IVMS report.
- Consequences clearly stated in the company policy.
- Keep the driver fully informed of the possible consequences of poor risk driving.
- Give the driver due process in any situation where a penalty is imposed.

Resources

Zurich Risk Topics
Attacking distracted driver risk
How to obtain and review motor vehicle reports

External links:
NETS Guide to Defensive driver Training
NETS Comprehensive Guide to Road Safety
NETS Recommended Road Safety Practices
Zurich Click Safety Courses
Safety Source (VOD)

7.4 Driver fatigue

Fatigue has long been recognized by the US Department of Transportation (USDOT) as a significant problem for truck drivers, pilots, and engineers. Steps should be taken to recognize the dangers of drowsy driving and develop sound

management strategies to help combat fatigue-related incidents for all drivers.

Resources

Zurich Risk Topics

Driver fatigue

7.5 Company-owned vehicles and personal use of company vehicles

For company-owned vehicles, the policy should define both the extent of personal use allowed and who is permitted to use the vehicle. The policy should also address the use of personal vehicles for company business, otherwise known as vicarious liability.

Resources

Zurich Risk Topics

Personal use of company provided vehicles
Share the ride, not the risk - Ridesharing exposures
Controlling non-owned vehicle exposures

7.6 Required reporting of collisions and violations

As part of the fleet policy, consider implementing a system that requires the investigation and analysis of incidents to report major incidents, trends, and safety performance to all management levels of the organization. A system of immediately reporting all major incidents to top management should be implemented.

- **Organizational Responsibilities.** The organization should establish and notify drivers of procedures for reporting all motor vehicle incidents. Instructions and an incident reporting kit for reporting an incident should be placed in every vehicle.
- **Driver Responsibilities.** The driver should be required to report all motor vehicle incidents to the organization, regardless of severity.
- **Incident Review and Analysis.** A process should be developed to systematically review and analyze incidents. The objective of this process is to identify the root cause and any contributing factors that led to the incident to prevent future occurrences. Develop loss lessons and loss summaries, updating all drivers and managers on a regulator basis.
- **Analysis of Causal and Contributing Factors.** The reviewer(s) should identify and examine any factor or circumstance before, during, and after the incident that may have influenced the outcome or the severity. Specific problems should be identified and prioritized according to their impact on the incident, and potential solutions for each problem should be assessed.
- **Determination of Preventability.** Findings from the analysis of causal and contributing factors should be reviewed to determine if the incident could have been prevented by the driver or others with operational control. A preventable collision typically occurs when a driver fails to do everything reasonable to avoid it. According to the FMCSA, non-preventable accidents are typically defined as when a vehicle is struck in the rear, struck by a motorist traveling in the wrong direction or making an illegal turn, struck when legally stopped, failure of another vehicle to stop, struck by an individual under the influence, struck by someone with medical issues, falling asleep or other distracted driving, struck by cargo/equipment/debris or infrastructure failure, animal strike, struck by an individual committing or attempting to commit suicide or any other rare or unusual type of crash.[3]
- **Incident Review Report.** Incident reviewer(s) should prepare and deliver a report to persons with authority to implement the changes necessary to prevent the incident from recurring. The report should document the causal and contributing factors for the incident.
- **Corrective Action for Incidents Preventable by the Driver.** For incidents determined to have been preventable by the driver, corrective actions should be developed and implemented in a timely manner. Records should be kept verifying that the prescribed action was taken.

3 (https://www.fmcsa.dot.gov/safety/crash-preventability-determination-program-faqs)

- **Corrective Action for Other Factors.** Corrective actions should be implemented to address factors related to the driver, the vehicle, or the operating environment. Records should be kept verifying that the prescribed action was taken.
- **Data Analysis.** Organizations should collect data needed to calculate rates for tracking safety performance over time. Organizations should identify the most appropriate rates based on patterns of vehicle use and the nature of motor vehicle operations.
- **Motor Vehicle Incident Rates.** Incident rates should be used to measure the historical frequency of incidents or collisions. Rates should be clearly identified by the type of event tracked and operational characteristics.
- **Reporting Periods.** Incident rates should be continuously maintained to compare with historical or industry experience and to track progress over time

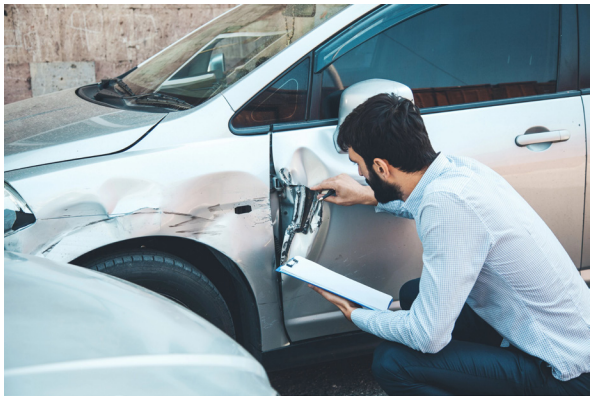
Resources

Zurich Risk Topics

Crash reporting and investigation
Incident Analysis

External links:

NSC Determination of preventability
JJ Keller Accident Forms



7.7 Fleet tracking solutions or telematics

Telematics technology in vehicles is one of the best ways to help reduce crashes and improve operational efficiencies. Data obtained from event recorders, cameras, and other telematics components can provide quality information about where a vehicle is located and how it is being driven. Management oversight and commitment are needed for companies to see the desired results. Installation of the equipment is not enough. Results come from obtaining, managing, and acting on good data. Depending on the technology, there can be an immediate reduction in unsafe behaviors and sometimes even collision frequency.

Consider adopting the management approaches that make these tools most effective:

- Review and analyze the data with drivers, supervisors, and other affected employees.
- Establish goals for driving performance and identify the tracking indicators that will be used to determine if goals have been met.
- Evaluate behaviors that you want to encourage and consistently communicate those to your drivers.
- Recognize drivers who are exhibiting good behaviors and counsel those who exhibit risky behaviors to help them to improve.
- Track changes in motor vehicle crash rates

Zurich Vendors

Safety Source VOD.pdf
Learn more about Samsara, visit Zurich Resilience Solutions' Marketplace.

7.8 Vehicle selection, inspection, and maintenance

Establish a system of vehicle/equipment inspections and maintenance for safe operations and ensure the proper vehicle is selected for the intended safe use. DOT maintenance and file requirements are very specific and are outlined in Parts 393 and 396.

- **Vehicle Acquisition.** Vehicles should be specified and purchased based on the activities to be performed.
- **Modifications.** Develop policies that require a review of all vehicle modifications before they are authorized. The review should be sufficiently detailed to ensure that the proposed modification does not create an unsafe condition or impair and/or circumvent the function of any safety device.
- **Advanced Driver Assistance Systems (ADAS).** Vehicle selection should include reviewing available ADAS. Specific vehicle models may include collision warning, blind spot detection, automatic emergency braking, or additional technology to assist drivers behind the wheel. ADAS help drivers to avoid human error and reduce vehicle accidents.

- **Emergency Equipment.** Vehicles should be equipped with appropriate emergency equipment in the event the driver experiences mechanical difficulty, loss or shifting of load, or a crash on the road. Vehicles should be equipped with emergency warning devices and equipment, and drivers should be instructed in the correct placement of these devices around the disabled vehicle.
- **Vehicle Inspection.** Organizations should have a system in place to ensure that vehicles are inspected and serviced on a regular basis in accordance with organizational policies and procedures. Vehicles should be inspected, at a minimum, in accordance with the vehicle manufacturer's recommendations, regulatory requirements, and recognized standard practices.
- **Periodic Vehicle Checks.** Visual checks should be made by drivers each time a vehicle is to be operated.
- **Vehicle Maintenance.** Organizations should institute formal maintenance procedures and record keeping procedures that meet or exceed the vehicle manufacturer's recommendations, considering the operating environment.
- **Scheduled Maintenance.** All vehicles should be maintained by qualified automotive service technicians at regular intervals based on miles driven, hours of operation, and/or calendar time.
- **Repairs.** When defects are reported, the vehicle should be repaired by a qualified automotive service technician. Safety-related defects should be repaired before the vehicle is placed back in service, with appropriate records maintained.
- **Qualified Automotive Service Personnel.** All personnel performing maintenance, repairs, modifications, or inspections should possess the requisite skills and be qualified through experience or training.
- **Automotive Service Facilities.** Organizations performing their own vehicle maintenance should have appropriate facilities and automotive service equipment to perform the required tasks. When maintenance is performed by vendors, the organization should assess the vendor's ability to adequately perform the required service.
- **Vehicle Replacement.** Organization-operated vehicles should be replaced periodically based on formal procedures.

7.9 Drug and alcohol policies

Establish a policy regarding the use of drugs and alcohol as well as any other conditions that may adversely affect the ability to safely operate a motor vehicle. Substance abuse policies and testing requirements are mandated by the state for Drug-Free Workplace Requirements and the Department of Transportation (DOT) for all drivers with a Commercial Driver's License (CDL). Other federal institutions like the Americans with Disabilities Act (ADA), Occupational Safety and Health Administration (OSHA) issues, and required unemployment procedures may have an impact on these policies. State requirements for medical and recreational marijuana laws also need to be factored in.

If you have DOT drivers, a **separate** policy is required that is specifically DOT compliant as outlined in 49 CFR parts 40, 382, 291, and 399. As an employer, you may go beyond FMCSA requirements to incorporate additional features that are not mandated by FMCSA regulations. An example would be any state Drug-Free Workplace policies, including those that you work in, not just the state you are domiciled in. However, for CDL drivers, it must be clear that any additional requirements are not part of the FMCSA-mandated program and will be conducted under other applicable authorities, not the FMCSA's.

The DOT has clarified that 49 CFR Part 40, at 40.151(e) – does not authorize "medical marijuana" under state law to be a valid medical explanation for a transportation employee's positive drug test result. **USDOT "Medical Marijuana" Notice** Please note that marijuana remains a drug listed in Schedule I of the Controlled Substances Act. It remains unacceptable for any safety-sensitive employee subject to drug testing under the Department of Transportation's drug testing regulations to use marijuana. Consider also adopting this rule as a part of the company's Drug and Alcohol Testing program.

If you have regulated drivers, you must also register with the FMCSA Drug & Alcohol Clearinghouse.

It is also important to establish the exact purpose of each testing process so that your drivers are not confused or unclear about what is required of them by the DOT controlled substances testing regulations and procedures versus requirements imposed by your company's policy. Records for the DOT testing also must be kept separate.

Companies should schedule any substance abuse policies for frequent review, no less than annually. Policies need to reflect changes due to revised guidelines provided by state and federal agencies, court decisions, and other laws affecting marijuana legalization in jurisdictions where you have operations.

Resources

Zurich Risk Topics

Substance abuse policies
Commercial driver drug and alcohol testing

External links:

FMCSA Drug & Alcohol Clearinghouse
FMCSA Controlled Substances Testing Procedures
Implementation Guidelines for Alcohol and Drug Regulations - Chapter 6 | FMCSA (dot.gov)

7.10 Accountability program

Accountability programs are designed to ensure that key individuals are held accountable for work performance, decisions, and the implementation of their duties. It should include rewards, disciplinary and consequences. Carefully consider factors such as what motivates drivers, availability of measures for performance indicators and resources to administer the program, and drivers' perceptions.

Consider the following factors:

- Defined procedures with benchmarks and goals
- Defined roles and targets for employees
- Consistency in measurements
- Defined responsibility within the organization for involvement in these actions
- Audit programs
- Identify adherence to each policy, practice, or exercise
- Accountability should be lateral across all management and field staff

Reported accidents or incidents from telematics data should be treated as a coaching opportunity instead of a punishment. Periodic in-vehicle coaching/commentary should be considered at hire, periodically, and post-incident. Be sure to include any potential consequences of risky driving in the company policy and keep the drivers fully informed. Give the driver due process in any situation where any penalty is imposed.

Some things to consider when setting up a rewards/incentive program are:

As part of the new reporting and recordkeeping rules, 29 CFR 1904 issued on 12 May 2016, certain ancillary requirements other than recording keeping were included in this rule. Companies with safety-related incentive programs will need to review the aspects of their program to ensure that reporting an injury does not adversely impact the possibility of receiving an incentive reward. For example, if a team-based safety incentive is built on a lack of injuries in a department for a certain period of time, then group pressure may act as a barrier to an employee reporting their injury. Incentive programs based on activities or results that are not injury based, such as completing a certain number of job safety analyses or completing required training, remain acceptable and should not be impacted.

Set clear goals for performance and loss reduction targets, etc., at the start of the process, as this will directly affect how complicated and costly the program will be to develop and maintain. While factors can be intertwined and difficult to separate, it can be difficult to track and monitor the key performance indicators for each individual factor if they are not clearly defined.

When establishing a budget for the program, it is not only important to consider the costs of the program itself but the potential cost reductions and performance improvements that can result from the incentive programs. Potential positive considerations could be resultant reductions in incident costs, fines, downtime, training expenses, turnover, and related administration costs. Examples of additional costs would be the costs of the incentives themselves (cash payments, costs of other reward types, etc.) and the costs to administer the program. Understanding what resources are available will assist management in keeping the program within a realistic scope and can help managers keep related initiatives on track throughout the life of the incentive program.

To achieve targeted results, management needs to find ways to identify and select incentives that will effectively motivate employees. Cash rewards or non-cash/tangible rewards (merchandise, gift cards, travel rewards, or items purchased by employees with earned incentive reward points selected from program catalogs). The consensus is that different things motivate different people,

necessitating the consideration of offering a variety of incentives. There's no better way to learn what motivates the employees and aligns the incentive program with their culture than by involving them in the process. This could be as simple as having them complete a survey or involving them in a committee formed to generate ideas pertaining to the program. Involving them in the process will not only clarify what they want but will also make them feel invested in the program and develop positive perceptions about management's intentions.

The best way to overcome ongoing potential issues with incentive programs is to be open and honest with the employees about what management is trying to achieve and how they plan to use the programs to reach their goals. Remember that the way a message is interpreted has a great deal to do with how it is delivered. Stick to the facts when reporting data and avoid making direct personal references to employees. When it is time to announce poor results, find positive feedback to communicate along with it or at least present plans that will help get things back on track.

The aim of incentive programs is to improve employee behaviors rather than provide them with additional compensation for jobs that they are already paid to do. Otherwise, what is the point? Management must keep in mind that sometimes subtle adjustments to the administration of the incentive program can have significant impacts on employee perceptions and, in turn, the effectiveness of the program. Incentive criteria should be set to recognize and reward exemplary behaviors but should not be too difficult to achieve. Setting the criteria too low will not challenge the employees to improve their performance but setting them too high can be discouraging and give the perception that management did not have the intention of paying the incentives from the start. The challenge here is to find the sweet spot where setting incentive criteria will meet or exceed management's goals but still be achievable by a significant number of employees.

At least annually, management should revisit the status of the goals they set out to accomplish with the incentive program. It may be necessary to adjust the incentive criteria to get things back on track if the goals are not met.

On the other hand, if management's goals have been met, it could be time to set new goals and related criteria for the incentive program.

8. Regulated fleet guidelines

The Federal Motor Carrier Safety Administration (FMCSA) is a regulating body of the United States Department of Transportation (USDOT). Their primary mission is to prevent commercial motor carrier-related incidents. According to their website, "Activities of the Administration contribute to ensuring safety in motor carrier operations through strong enforcement of safety regulations; targeting high-risk carriers and commercial motor vehicle drivers; improving safety information systems and commercial motor vehicle technologies; strengthening commercial motor vehicle equipment and operating standards; and increasing safety awareness. To accomplish these activities, the Administration works with Federal, State, and local enforcement agencies, the motor carrier industry, labor and safety interest groups, and others."[4]

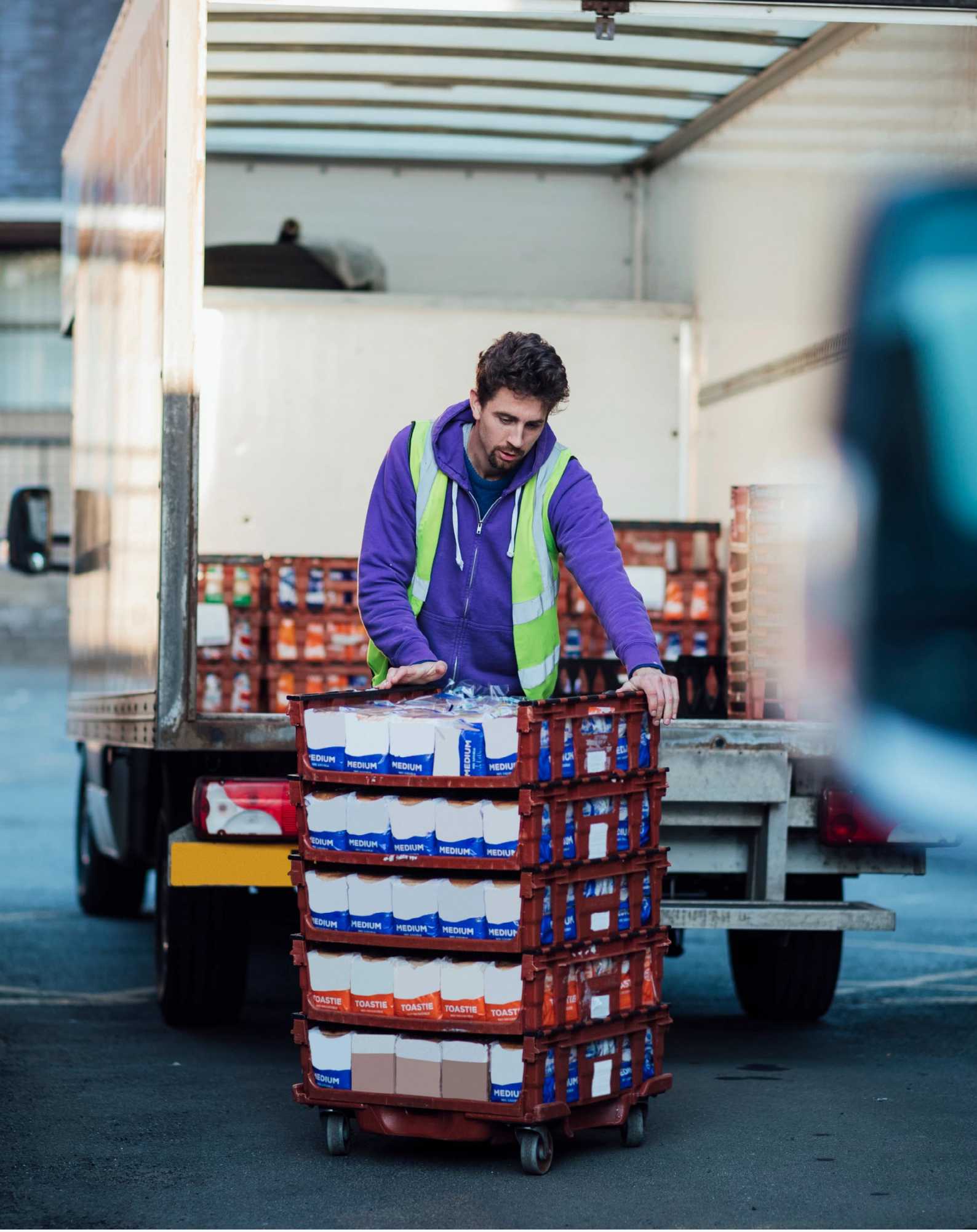
The regulations are vast and are complicated by state laws that may conflict with federal laws. It is important to understand the regulations for your fleet to ensure compliance with the regulations. For details of the basic requirements, please see the ZRS – FMCSA Quick Reference Guide included below.

Resources

Zurich Risk Topics

Federal Motor Carrier Safety Administration (FMSCA) Quick Reference Guide

4 "FMCSA - About Us." FMCSA, https://www.fmcsa.dot.gov/mission/about-us.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A1-P0561501-A (07/23) P0561501