



# Do "HOW'S MY DRIVING?"

## Programs Really Work?

*Studies show that properly managed safety hotline programs reduce crashes by 22 percent or more. These services might be available to your fleet for free.*

By Chris Brown

**Y**ou've seen the "How's my driving?" bumper stickers on the backs of delivery vehicles and big rigs. Have you ever called the 800 number to report erratic driving? Do you think anyone answers the phone? Have you wondered about the underlying purpose of these programs, and if one could work for your fleet?

Those bumper stickers are part of a safety hotline (or driver monitoring) program. The goal of a program is, simply, to reduce vehicle crashes. As CEO of SafetyFirst Systems, LLC, Paul Farrell is part of the safety hotline industry. Farrell describes how a safety hotline program works, its effectiveness, and how to implement one.

### **Who Uses These Programs?**

Safety hotline programs are used by a broad range of businesses, from delivery and service fleets to contractors to long-haul trucking fleets. Drivers in these situations are non-professional (except truckers) and are often more focused on the job rather than the trip. This makes them "good candidates for sloppy driving behavior."

### **At a Glance**

#### **Benefits of a Safety Hotline Program:**

- Protection against negligent entrustment lawsuits.
- Results range from at least a 20- to 52-percent loss dollar reduction.
- Reduction of aggressive driving can lessen wear and tear on a vehicle.
- Safe-driving employees will avoid an increase in insurance rates.

**Costs to Employers per On-the-Job Highway Crash and Injury  
(in 2000 dollars)**

	Per Crash	Per Injury	Per Fatality	Per Non-Fatal Injury
Health Fringe Benefit Costs	\$3,570	\$23,865	\$314,284	\$22,126
Other Direct Costs	\$6,699	\$20,432	\$158,108	\$19,608
Liability for Losses by Others	\$6,202	\$32,016	\$32,016	\$32,016
<b>TOTAL</b>	<b>\$16,471</b>	<b>\$76,313</b>	<b>\$504,408</b>	<b>\$73,750</b>

*Data from U.S. Department of Transportation, National Highway Traffic Safety Administration (NHTSA) 2003 study "The Economic Burden of Traffic Crashes on Employers".*

Farrell says. Vehicle types range from sedans to light- and medium-duty trucks and vans to big rigs.

Programs are generally used by companies with fleet vehicles identified by company logos or markings. Farrell says that fleets with unmarked, anonymous vehicles (such as sales fleets) generally stay away from these programs for fear that fleet-identified vehicles expose them to the greater possibility of staged crashes and people looking to take advantage of deep pockets. Also, companies using employees' vehicles for business resist these programs because employees don't want the bumper sticker on their personal vehicles.

SafetyFirst's clients either use the service directly (generally larger, self-insured fleets) or through their insurance carrier. For direct-fleet clients, SafetyFirst charges \$15 per vehicle per year, with discounts depending on fleet size. For smaller fleets, most insurance carriers pay for the program out-of-pocket — it's free to the policyholder.

Check with your insurance company to see if it offers a program.

## Why Are They Needed? The MVR Gap

Farrell offers a compelling statistic. When he worked in the loss control department at Fireman's Fund Insurance, one of his tasks was to go through all of the litigation-driven vehicle claims that were still outstanding at the end of the year. These were claims typically over \$250,000. He found that 60 percent of those claims had drivers with clean motor vehicle records up until the crash. Though not all of those drivers were at fault, Farrell says it points out the need to

identify problem drivers before the information shows up on an MVR. "An analysis of motor vehicle records is a must-do, but it isn't the end of the process," Farrell says. "That's why many fleets use safety hotlines to cover some of those gaps. It picks up forward-looking behavior instead of waiting for a crash."

Even if an infraction or accident appears on an MVR, the insurance carrier is not necessarily looking for it. Many carriers no longer run MVRs for all drivers because of cost, Farrell says. Insurers instead will sample certain at-risk populations such as youthful and senior drivers, often only 25 to 30 percent of the total insured.

## How Effective Are They?

Because most insurance companies pick up the cost of a driver-monitoring program, they continually conduct studies to measure a program's effectiveness. Results range from at least a 20-percent reduction in claims to a 52-percent loss dollar reduction.

Fireman's Fund Insurance conducted a three-and-a-half-year study of 30,000 vehicles spread across 200 fleets. The study pool included small fleets, large fleets such as Western Exterminator (900 vehicles), and fleets of tractor-trailers. The study found that fleets using a safety hotline program saw an average across-the-board reduction in crashes of 22 percent.

The study also found that about 80 percent of all the drivers in these fleets never received a complaint. Of the 20 percent of the drivers who got calls, about half, 10 percent of the total, got only one call ever. The problem drivers comprise the last 10 percent. This group should be identified as

soon as possible. "If they are indeed driving in a dangerous fashion you'll probably get a report on them very quickly," Farrell says. These behaviors can thus be identified long before they turn up as infractions or accidents on an MVR.

The companies with the best results were the ones that consistently conducted prompt counseling sessions and returned the reports. The ones that merely applied the stickers showed only about a 3-percent reduction in crashes. "Just putting a sticker on a truck isn't going to make a difference in someone's behavior," Farrell says. "Talking to them about the reports will." Farrell says safety hotlines are best used as complements to existing safety initiatives, such as motor vehicle record checks, recognition programs, safety classes, and behind-the-wheel training.

Because follow-through on the reports is so crucial, Farrell says SafetyFirst turns down 20 percent of all the leads supplied by insurance carriers. "It's in our best interest to stay away from a company that won't take the program seriously," he says.

## Other Benefits, Cautions

Farrell says evidence of a properly managed safety hotline program can help protect against a negligent entrustment lawsuit. The signed report from the counseling session becomes a positive paper trail that the company took action on a dangerous situation.

Reducing aggressive driving can lessen wear and tear on a vehicle, which in turn lowers maintenance and fuel costs.

A safe-driving employee will avoid an increase in personal insurance rates.

Costs per vehicle range from \$10-\$16 a year. Programs vary. Some are strictly Internet or voicemail based (i.e., no live operators). Some programs offer employment-screening services in conjunction with the safety hotline. Other companies avoid outsourcing altogether and set up an in-house program.

Farrell cautions that programs without live operators may have lower fees, but also lower complaint follow-up rates. Make sure operators are specifically trained for driver-safety complaints.



# The Driver Monitoring Process



**1.** Client supplies SafetyFirst a list of current fleet vehicles. Vehicles are inputted into a database and given a decal with a unique serial number. SafetyFirst sends the client vehicle decals, a presentation package on how to coach and counsel drivers, and a “welcome kit” for drivers.



**2.** Motorists report dangerous driving.



**3.** Telephone operators log complaints around the clock.

The average fleet can expect about two to three complaint reports out of 100 vehicles per month, Farrell says. Surprisingly, between eight and 10 percent of the calls are complimentary. Some calls concern a few non-driving complaints such as a double parked truck. But most calls are for “forward motion activities” such as tailgating, weaving in traffic, excessive speeding, and running red lights and stop signs. There is the possibility of a caller lying about an incident, yet SafetyFirst uses what’s called “polite interrogation” to ascertain from the caller the exact details of the incident. “The retelling process unravels the story or confirms the details,” Farrell says. “And 99 percent of the time it confirms the details.”

To learn more about SafetyFirst's program, call us toll free at 1-888-603-6987 or check out our web site at [www.safetyfirst.com](http://www.safetyfirst.com)

## Client Q&A

Charles Anderson is the director of facility management for Spectrum for Living in New Jersey. The non-profit organization provides residences, day programs and vocational training for people with physical and developmental disabilities. The organization runs a fleet of 115 vehicles, a mix of small buses and 15-passenger vans.

**AF: Have your fleet crashes reduced?**

**CA:** We've seen a substantial reduction in crashes and violations. Because of it our insurance company approached us about lowering our rates. It led to a reduction in insurance premiums of \$20,000 per year.

**AF: How have your drivers accepted the program?**

**CA:** Drivers might feel like a Big Brother is watching them. We tell them if they're doing the right thing,

don't worry about it. But we've taken that savings and given it back to employees as bonuses or put it into their pension fund. They obviously like that.

**AF: How many complaint calls do you average a month?**

**CA:** We average anywhere from four to six a month, but sometimes only two a month. I can tell by the weather. If it's raining or snowy we get more calls. In all, we haven't yet had a driver that has had two complaints

lodged against him or her.

**AF: How do you handle drivers that receive a complaint?**

**CA:** We counsel all complaints. If the offense is serious, like weaving in and out of traffic, the driver not only gets counseled but also must go to an in-house driving school. Instead of pointing our finger at them, we say look, someone called, and we think you may need assistance. No driver has gone back to the human resources department after counseling and complained





**4** Within an hour of the call an incident report is e-mailed or faxed to the assigned manager of the fleet, with a copy sent to any other appropriate party such as a corporate risk manager. No information is sent directly to the driver.



**5** The company counsels the driver as soon as possible after the complaint.

**6** The manager fills out a report of the session and has the employee read, sign and date it. The report is sent back to the safety company via fax.

**Returning reports**  
— evidence of counseling — is essential to a program's effectiveness.

**7** SafetyFirst reminds the client to complete counseling 10 days after the initial report is sent. A customer service representative will follow up on any outstanding reports at the end of the month.

Driver counseling is a crucial step in the process — without it a safety hotline program is far less effective. The employer, not the safety company, conducts the counseling session. SafetyFirst sends safety fact sheets with each complaint to help managers address specific hazardous behaviors exhibited in the complaint. The counseling isn't meant to scare or intimidate the driver into believing he or she might lose the job, Farrell says. "It's a proactive conversation. We're not trying to get anyone in trouble or beat anyone up, we're trying to save them." SafetyFirst recommends a positive approach to counseling that asks for driver input before any judgment is made. The method is less accusatory and more aimed at keeping the driver safe.

about getting written up for something they didn't think was fair.

**AF: Do you have to deal with false or erroneous complaints?**

**CA:** I can tell if a complaint is bogus from the report. I've gotten complaints where a car was in the shop (at the time stated on the complaint). I had one where I had been following the driver and saw no bad behavior. These (false complaints) are only a small percentage. But it makes the

driver say, "Whoa, someone is actually calling up. I want my job, so I have to drive extra cautiously."

**AF: How does SafetyFirst help you with counseling?**

**CA:** The counseling materials are very educational. When I get a report, say a driver cut somebody off, the company sends information on how to how to merge into intersections. Every month they also send general training literature such as how to

drive in the snow or rain. I gave all 75 people in my office literature on how to drive in winter conditions and they shared that with their families. We went through this whole winter without one accident. I don't think that's a coincidence.

**AF: Overall impressions?**

**CA:** I can't be everywhere watching all our vehicles. With this program I feel like there's someone out there watching for me.



Charles Anderson