

# Reducin

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**I**n 2004, transportation-related incidents were responsible for 23 percent of all construction fatalities. In fact, vehicle-related accidents are the number-two cause of worker fatalities in construction. Only falls account for more worker deaths.

Every day in the United States three workers die—more than a thousand each year—while driving, riding in or working around motor vehicles. According to the National Institute of Occupational Safety and Health, trucking and construction have the highest risks for motor vehicle deaths of all industries.

On a construction jobsite, managers and supervisors usually can control the risks and exposures. The people hired have specific skills and can be trained to do their job safely. Unfortunately, the same thing isn't true when employees venture out on the highway as a driver or as a passenger.

## WHAT COULD POSSIBLY GO WRONG?

Contractors hire employees to be construction workers—not drivers. That is, until a supervisor throws an employee the keys to a vehicle and tells him to pick up or deliver something. Suddenly, that worker plays a role in the company's financial security, liability coverage, workers' compensation exposure and the company's good name.

What happens when that good construction worker turns out to be a poor

driver with a prior driving record? That employee could cause a crash that drives up insurance premiums to the point that affects the company's ability to bid on many jobs.

Knowing who is driving the vehicles is one problem. The other bigger problem is knowing the employee's driving record and having effective controls in place to manage the motor vehicle operations. Here's a common scenario that could easily put a company in jeopardy:

Richard Price Getty Images



# g Your Construction Crash Rate

A skilled laborer worked with a utility contractor for a couple of years, rarely missed a day of work and was well-regarded by his crew. He was such a good guy that his supervisor never thought twice about telling him to take a pick-up truck from the jobsite to an equipment supplier for a replacement part. On the way, after realizing he was running late, the laborer missed a turn and decided to make a U-turn at an intersection. He apparently didn't see the

oncoming car or he misjudged its speed. The crash killed the other driver, a husband and father of two, and the laborer because he wasn't wearing his seatbelt.

The case never went to trial because, after an investigation, the company and its insurer realized that the laborer never should have been behind the wheel. His motor vehicle record revealed four speeding convictions over the past six months, resulting in a suspended license three

months prior to the crash. He also had one driving under the influence conviction less than a year before the crash. Rather than let a plaintiff's attorney present the laborer's driving record to a jury, the company settled out of court for more than \$2 million. Additionally, the insurer's underwriters decided not to offer the company a renewal policy after it was apparent the contractor had few, if any, controls in place to prevent a similar occurrence.

**SETTING UP A STRONG VEHICLE SAFETY PROGRAM**

A strong vehicle safety program is based on a number of factors, including driver selection. A company must enforce minimum driving record standards to prohibit drivers with unsatisfactory records from driving on company business. Drivers should have no more than two moving violation convictions of any type in the past three years and no major violations in the past five years.

Major violations, like felony use of a motor vehicle or evading an officer, should automatically disqualify a driver regardless of when the incident occurred. Violations like these show a significant disregard for public safety and can put the company in front of a jury to explain why it did not check the driving record or did not regard these types of violations as serious.

According to an October 2005 research report by the American Transportation Research Institute regarding commercial vehicle drivers, drivers with the following four prior convictions have the highest likelihood of a future crash:

**Injury Costs**

According to Liberty Mutual Group Business Market's review of workers' compensation claims for contractors, the impact of vehicle crashes varies by type of contractor. Crashes range from 1 percent to close to 9 percent of the total number of workers' compensation claims. The costs of these crashes range from 5 percent to more than 20 percent of total workers' compensation costs. The average cost of a contractor liability crash is close to \$12,000.

Type of Contractor	Percent of costs from motor vehicles
Street road and bridge	23.22
Misc. special trades	6.25
Interior finish	13.40
HVAC	6.66
Heavy construction	5.41
General contractors	6.62
Electrical	17.57

- improper or erratic lane changes;
- failure to yield right of way;
- improper turn; and
- failure to remain in proper lane.

The research revealed that drivers with one of these convictions increase future crash potential by 90 percent to 100 percent.

**STEPS TO PROTECT THE COMPANY**

Contractors can take many steps to pro-

tect the company, for example:

- Publish a list of employees authorized to drive on company business. Keep the authorized driver list current and show the type of vehicle each employee is authorized to drive. Persons not on the list cannot operate motor vehicles on company business, with no exceptions.
- Conduct annual driver reviews. Review the driving record of every employee

who operates a company vehicle or personal vehicle on company business. Pull a driver's motor vehicle report after a crash or a moving violation, compare the record to the established criteria and make certain drivers understand the consequences of crashes and citations.

- Mandate seatbelt use. Seatbelt policies require drivers and passengers to use available restraints in company vehicles and personal or rented vehicles while conducting company business. Managers, supervisors and owners should set the example.
- Set a stringent alcohol and drug policy in the company's human resources policies.
- Put in place personal-use agreements that require written and signed agreements between the company and employees who are allowed personal use of company vehicles. The policy should prohibit family member use, require the use of seatbelts at all times and restrict some types of personal use such as towing non-company owned trailers.
- Set controls to limit liability from personal vehicles used by employees on company business. When employees use their own vehicles for company business,

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their insurance provides the primary coverage. If the costs of a crash exceed the owner's limits, the company's automobile insurance policy becomes involved. Verifying the employees' coverage and requiring them to have minimum liability limits are the primary controls for this exposure. State minimum limits provide some protection, but not enough for above-average cost crashes. Because expense reimbursement rates are based

on average costs, expect employees to have average liability limits. Limits of \$100,000/\$300,000 are the minimum recommended by many insurance agents. These limits may not be adequate for all crashes but provide substantially more protection than state minimum limits. Establish a program to verify coverage annually and establish minimum liability limits based on average coverage.

- Provide repair and preventative maintenance

nance on vehicles that meets or exceeds the manufacturer's recommendations. Document the work completed, the facility that performed the maintenance, the date and the vehicle's mileage. Maintain records even after selling a vehicle. Occasionally drivers make comments after a crash suggesting things like "the brakes failed," when the reality may be the driver failed to apply the brakes. Checking vehicle maintenance after a crash and keeping documentation of scheduled maintenance is essential.

- Provide regular training for new and current employees on safe vehicle operation and the company's fleet safety policies. Most drivers already know they should not drink and drive, should follow the speed limit and use passenger restraints. For training to have an impact, it must be part of a comprehensive fleet safety program and address behaviors that cause crashes. When combined with driver selection and performance evaluation, training can have an impact. But never rely on training by itself to reduce crash frequency or severity.
- Investigate vehicle crashes and incidents

immediately and document the crash scene with written reports and pictures. Identify why the crash occurred so the controls necessary to prevent recurrence can be implemented. Maintain and analyze crash data in a way that helps identify trends. Provide drivers with instructions on what to do and not do, say and not say and what types of pictures to take at a crash scene.

- Benchmark the company's crash rate compared to other contractors in the geographic area. Comparing the history to competitors helps establish goals and measure progress toward achieving those goals. Keep in mind that if the competition has a more effective vehicle safety program, it's likely they can win more jobs.
- Enforce fleet safety policies, follow the established program and stick to the driver selection and qualification criteria. Observing driving behavior and providing feedback reinforces the message that crashes are preventable. Remember to recognize good driving behavior, too. Catching drivers doing it right is far better than waiting until they do it wrong. Waiting for crashes to occur to

point out drivers' mistakes isn't going to solve a vehicle safety problem.

Driving safely and following company policies must be part of every job description and a condition of employment. Keep in mind that having a policy and not enforcing it, is worse than not having one at all.

**WHERE CAN YOU GO FOR HELP?**

Local or state construction associations, insurance carriers and the soon to be published ANSI Z-15 Standard on Motor Vehicle Safety Programs all can help set up a solid safety program. An effective vehicle safety program may be a condition to keep insurance policies in force.

Remember, manage vehicle safety programs the same way the business is managed. Otherwise, the cost of those crashes will go right to the bottom line.

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