

MANAGING YOUR RISKS – MOTOR VEHICLES



IN 2008, THERE WERE 1,754 WORK-RELATED MOTOR VEHICLE DEATHS AND 100,000 DISABLING INJURIES.¹

Practicing Motor Vehicle Safety Makes Sense

The one thing we can be sure of is that accidents do happen. A motor vehicle accident can lead to many risks from Workers' Compensation to General Liability claims. Loss of property and people alone can interrupt your production maybe even shut down your business. An effective Motor Vehicle Risk Management Program can help you prepare for risks before losses occur; because what's at stake is your business.

Getting Started With a Motor Vehicle Risk Management Program

First, get management's commitment. The success of your risk management program depends on it. You'll need resources, interest, leadership, and continued support to implement and continue a company-wide program. Take a look at the company's vehicles. Note anything that could cause damage, injury or loss. Involve your employees; they are sure to have good ideas about how to protect your business. Motor Vehicles are among the seven risks most businesses face. And commercial vehicle insurance premium accounts for a large portion of your overall insurance cost. Your motor vehicles represent many types of risks in one place – loss of goods, loss of sales, liability to persons, and injury to your employees. To reduce these risks, verify driving records of potential employees, monitor employee driving records, and keep your drivers properly trained.

CHECKLIST – MOTOR VEHICLES

Your Drivers

YES NO

- Do you carefully screen potential drivers by obtaining Motor Vehicle Department and police checks from any and all states where the person has lived or worked?
- Do you annually review the Motor Vehicle Records (MVRs) of your drivers?
- Do you require training, road testing and certification (if appropriate) for on- and off-road vehicles?
- Do you watch for personality traits (like aggression or hostility) in your drivers and require behavior modification training?
- When you find problems on a driver's record, is it your policy to remove him or her from a driving position?
- Once you hire good drivers, do you keep them properly trained?
- Do you limit non-business use of your vehicles?
- Do you offer special recognition to encourage better driving?
- Do you provide a reasonable driving schedule that eliminates the temptation to speed, complete paperwork while driving or engage in other poor driving habits?
- Do you have policies prohibiting speeding and use of radar detectors?
- Do you have a policy requiring that drivers use seat belts when using company vehicles or when using their own vehicles for company business?
- Do you have policies and procedures regarding cell phone use?

Prepare for Accidents

YES NO

- Do you require your employees to report all accidents, no matter how minor?
- Do you educate your employees about proper procedures following an accident?
- Do you require an accident report kit in all your vehicles?
- Do you investigate the causes of all accidents?
- Do you use the results of your investigation as an opportunity to retrain your drivers on key points?

Establish a Vehicle Maintenance Program

YES NO

- Do you have a comprehensive, well documented vehicle maintenance program that directly involves employees?
- Do you require vehicle condition reports and pre- and post-trip inspections that can identify problems before they turn into accidents or breakdowns?
- Do you conduct preventive maintenance (such as changing the oil) to keep the vehicles in safe driving conditions?
- Do you conduct demand maintenance (such as replacing broken wiper blades) on an as-needed basis?

Protect Your Vehicles

YES NO

- Do you concentrate your security measures on vehicles stored on your property and the areas where they are loaded and unloaded, to prevent theft and vandalism?

Fight Driver Impairment

YES NO

- Do you prohibit substance abuse in any form?
- If intoxication or substance abuse is proven, do you mandate counseling or treatment for these drivers and remove them from driving positions?

Analyzing Your Risk

Now it's time to review your answers to the check lists. Take note of where you answered "No" to any question. These areas indicate action assignments for you and your employees. The sooner you start to take control of these potential hazards, the safer your employees, customers, vendors, neighbors, and your business assets will be.

Keeping Up To Date

Like any other aspect of managing your business, risk management is an on-going, ever-changing process. As your business grows, so do the risks. You must constantly review your risks and update your Risk Management program. Be sure to train all affected employees so they can support your efforts.

Handling Insurance Claims

Unfortunately, even the best-run business can experience motor vehicle accidents. If you need to file an insurance claim, you can take these steps to ease the claims process and protect your business.

Always Have Important Information Ready

Being prepared *before* you have a loss is an important step in the claims process. It can save a great deal of time, effort and stress in the event you need to make a claim.

- **Inspect and inventory your property.** Make a physical inventory of all your vehicles and property. Take photos or videos to supplement written records. You'll need to verify ownership of your vehicle and property to report auto and property claims. Inspect your vehicles regularly to document its conditions both inside and out.
- **Keep insurance information handy.** Have your insurance policy number and claims contact information easily accessible. Keep one copy of this information at your business site, and one off-site.

In the Event of a Loss

Having specific procedures in place in case of an accident or other emergency will smooth the claims process. Here are some practical actions to take when such an incident occurs:

- **Provide medical help.** Get immediate medical help for any injured person.
- **Collect information.** Obtain the contact information of anyone who witnessed the incident, and share it with the proper authorities. Never discuss liability or fault. That's the job of your insurance carrier.
- **Take a picture.** Obtain pictures or video of possible defects or other property damage. They can sometimes make a big difference in adjusting a claim. Note possible contributing factors, such as weather, lighting, etc.
- **Protect the scene.** Secure the accident scene to prevent people from entering the area.
- **Prevent further damage.** Make sure no further damage can take place and further loss of value of your property.
- **Secure a defective product.** Protect any defective product or vehicle involved in the claim. Your insurance agent will need to examine it later.
- **File the claim.** Call your insurance company immediately to report the incident. Claims professionals are experienced in helping businesses recover from losses. They can provide helpful advice about your loss and guide you through the claims process.

Your Agent Can Help

Your insurance agent can help you identify and control risks before they become threats. And, of course, your agent can help you understand and obtain the insurance protection that's right for your business.

Finding More Information

Government Agencies

BLS Bureau of Labor Statistics Home Page <http://www.bls.gov/>
BLS Safety and Health Statistics www.bls.gov/iif/
CDC Centers for Disease Control and Prevention <http://www.cdc.gov/>
CPSC Consumer Product Safety Commission <http://www.cpsc.gov/>
DOL Department of Labor <http://www.dol.gov/>
DOT Department of Transportation <http://www.dot.gov/>
EEOC Equal Employment Opportunity Commission <http://www.eeoc.gov/>
EPA Environmental Protection Agency <http://www.epa.gov/>
FDA Food and Drug Administration <http://www.fda.gov/>
FHWA Federal Highway Administration <http://www.fhwa.dot.gov/>
FMCSA Federal Motor Carrier Safety Administration <http://www.fmcsa.dot.gov/>
FEMA Federal Emergency Management Agency <http://www.fema.gov/>
NHTSA National Highway Traffic Safety Agency <http://www.nhtsa.dot.gov/>
NIOSH National Institutes for Occupational Safety and Health <http://www.cdc.gov/niosh/homepage.html>
OSHA Occupational Safety and Health Administration <http://www.osha.gov/>
USFA United States Fire Administration <http://www.usfa.fema.gov/>
Small Business Administration <http://www.sba.gov>

Safety Organizations

ACGIH American Conference of Governmental Industrial Hygienists <http://www.acgih.org/home.htm>
AIHA American Industrial Hygiene Association <http://www.aiha.org/>
ASSE American Society of Safety Engineers <http://www.asse.org/>
IBHS Institute for Business and Home Safety <http://www.ibhs.org/ibhs2/>
IIHS Insurance Institute for Highway Safety <http://www.hwysafety.org/>
NFPA National Fire Protection Association <http://www.nfpa.org>
NSC National Safety Council <http://nsc.org/>

Standards Organizations

ANSI American National Standards Institute <http://web.ansi.org/>
Global Engineering Documents (index and vendor for most standards) <http://global.ihs.com/>
UL Underwriters Laboratories <http://www.ul.com/>

Other Sources

National Emergency Management Association <http://www.nemaweb.org>
ILO International Labour Organization <http://www.ilo.org/public/index.htm>
American Red Cross <http://www.redcross.org>
The Hartford <http://www.thehartford.com/>
Hartford Loss Control <http://www.thehartford.com/corporate/losscontrol/>

You can also contact your local Hartford agent or your Hartford Loss Control Consultant for more information. Or visit The Hartford's Loss Control Web site at <http://www.thehartford.com/corporate/losscontrol/>



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¹ National Safety Council. Summary from Injury Facts, 2010 Edition. Available: http://www.nsc.org/news_resources/injury_and_death_statistics/documents/summary_2010_ed.pdf. December 22, 2010.

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