



*Delivering the*  
**DIFFERENCE**

**Maximizing Safety on the Road:**

*Effective Strategies for Managing Risks*

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# Disclaimer

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*This material is intended to be a broad overview of the subject matter and is provided for informational purposes only. Great West Casualty Company does not provide legal advice to its customers or any other motor carriers, nor does it advise such parties on employment related issues, therefore the subject matter is not intended to serve as legal or employment advice for any issue(s) that may arise in the operations of a motor carrier. Legal advice should always be sought from the motor carrier's legal counsel. Great West Casualty Company shall have neither liability nor responsibility to any person or entity with respect to any loss, action or inaction alleged to be caused directly or indirectly as a result of the information contained herein.*

# Overview

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- Importance of highway safety
- Impact of vehicle crashes on business
- Risk management process and its impact on business
- Risk exposures/threats and how to prioritize them
- Benefits of a strong safety culture

# Effective Strategies to Consider for Managing Risks

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## GOAL = Maximize Profitability

- Increase Revenue
- Decrease Losses



# Effective Strategies to Consider for Managing Risks

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## What is risk? Can it be avoided?



# Effective Strategies to Consider for Managing Risks

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## Risk Management

- **Risk** – The chance that an event will occur that will impact an organization’s objectives or assets.
  - Positive outcome
  - Negative outcome
- **Hazard** – Anything that increases the potential for a loss to occur.
  - Water on the floor, speeding, mountain driving, poor housekeeping, exiting and entering vehicles, people/unsafe behaviors, etc.

# Effective Strategies to Consider for Managing Risks

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## Risk Management

- A process that includes four functions of planning, organizing, leading, and controlling the assets and activities of an organization to minimize adverse operational and financial impact of ANY loss on the organization.

## Accidental Loss

- The adverse effects of any unplanned event or events.

# Effective Strategies to Consider for Managing Risks

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## The Risk Management Process

1. Identify the exposure(s) to loss.
2. Analyze the loss exposure(s).
3. Examine alternative risk management technique(s).
4. Select the appropriate risk management technique(s).
5. Implement the risk management technique(s).
6. Monitor results and implement any necessary changes.



# Effective Strategies to Consider for Managing Risks

How Bad Can It Be?

## Risk Analysis Matrix

Probability Levels	Severity Levels			
	I Catastrophic	II Critical	III Marginal	IV Negligible
A - Frequent				
B - Probable				
C - Occasional				
D - Remote				
E - Improbable				

# Effective Strategies to Consider for Managing Risks

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## Common exposures for motor carriers

- **Driver Hiring – minimum standards & qualifications**
  - Application screening, interviews, background checks, driving skills evaluation, new driver orientation/onboarding process
- **Driver Retention**
  - Tenure, turnover rates, costs, moral, benefits, pay, etc.
- **Motor Vehicle Records (MVRs) – key information**
  - Moving violations, accidents, license suspensions, DUI/DWI convictions
- **Monitoring & Evaluating Driver Performance – behaviors**
  - Setting benchmarks, conducting regular evaluations, coaching, corrective action, in-cab monitoring, safe driving recognition/rewards

# Effective Strategies to Consider for Managing Risks

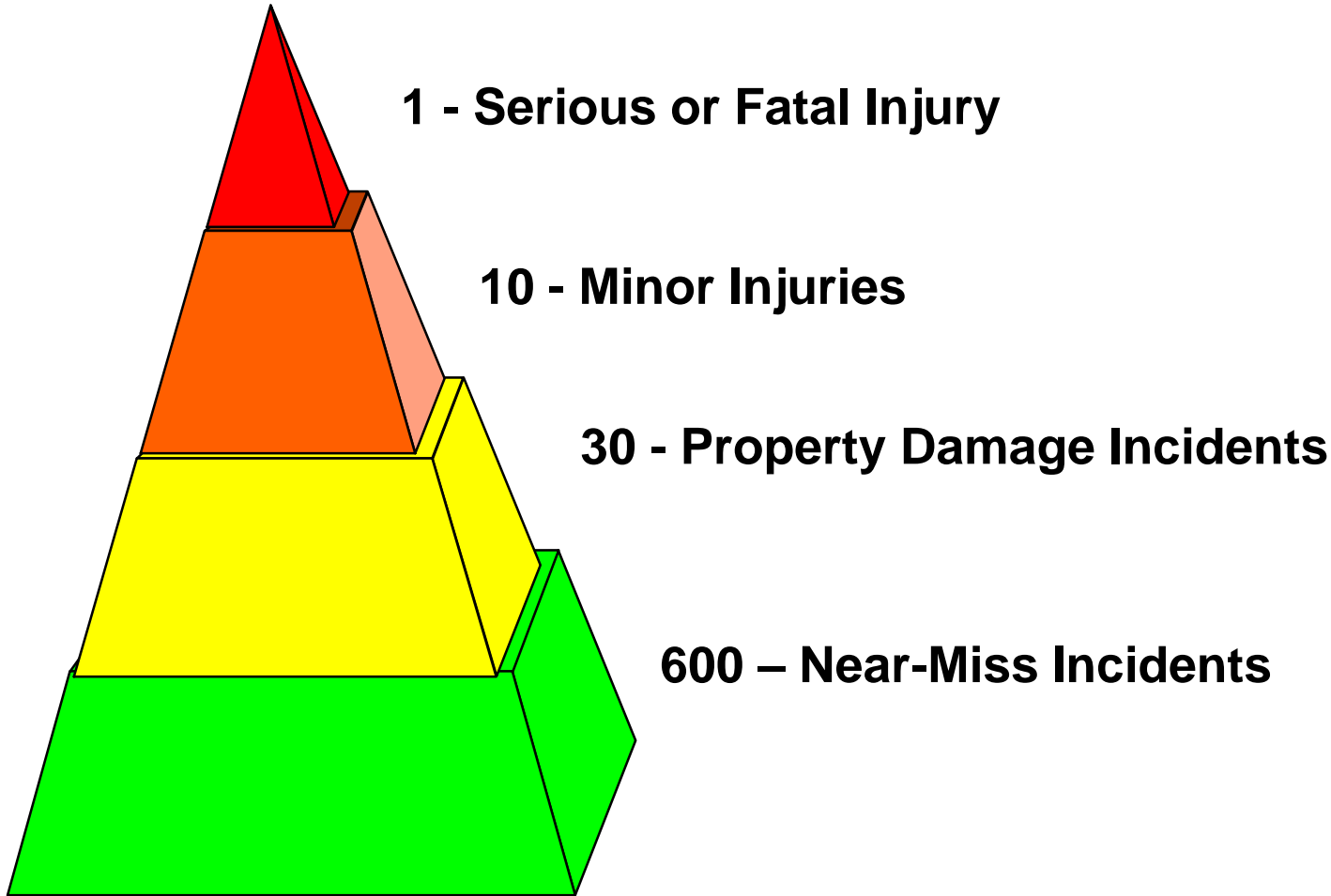
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## Common areas of exposure

- Ongoing Training & Education – how often and whether documented
  - Critical topics: defensive driving, hazard recognition & avoidance, distracted driving, fatigue management, adverse weather
- Reporting and Incident Management
  - Prompt reporting, investigating and analyzing, corrective actions, maintaining records
- Managing Overall Risks
  - Safety policies and procedure; driver training programs; vehicle maintenance; technology, including in-cab cameras & telematics
- Establishing a Culture of Safety & Accountability
  - Mission, vision, and values statement; management accountability; employee/department involvement; safety as a core value; formal safety policy

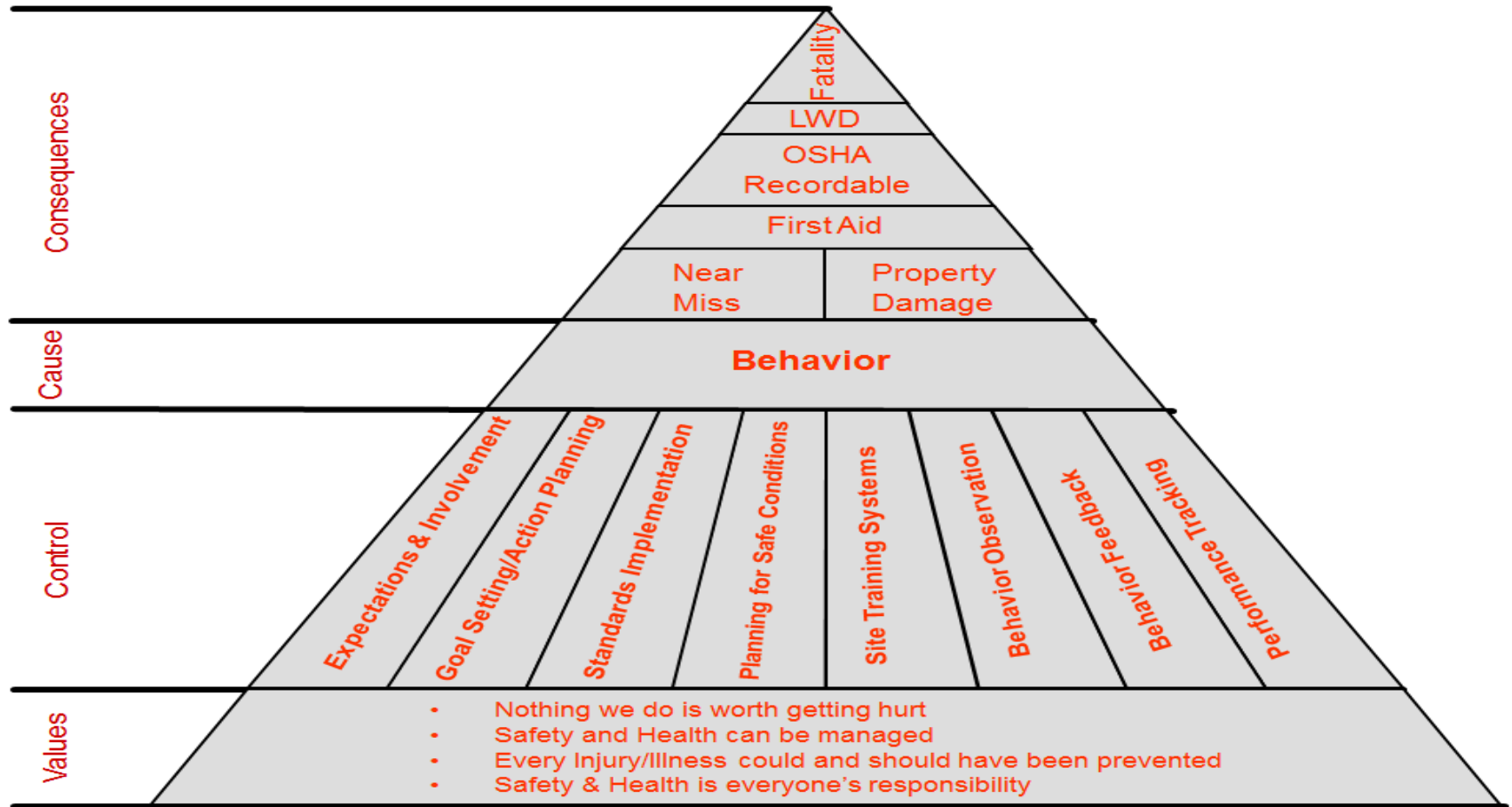
# Effective Strategies to Consider for Managing Risks

## Bird's Update of Heinrich's Pyramid



# Effective Strategies to Consider for Managing Risks

## Accident Causation Model



R.E. Earnest, *Professional Safety*, Aug. 2000

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# Questions?