

What You Need To Know About Managing Risk & How It Affects Insurance Costs

Reality



Life is full of risk. The transportation industry is no exception. Insurance companies are responding to many factors when determining your insurance rates, including your loss ratios, your frequency and severity of accidents, your CSA scores, and market trends such as high-dollar jury awards for trucker-involved accidents that are rising exponentially.

Technology that can help reduce exposure to loss and be used to defend the insured during litigation, such as cameras, safety training, and ELDs, can help an underwriter show a credit or reduction in determining premiums. But ask any insurance agent - your exposure to risk dictates your insurance premium.

The current reality is insurance premiums in trucking are on the rise, even for companies with good safety records and loss ratios, some of whom are seeing increases as high as 25% year-over-year. Companies with poor loss ratios are seeing increases in some cases higher than 100%. And some companies are finding themselves now uninsurable.

What are you doing to manage and control risk?

This white paper will help you understand

- What part of your risk exposure you can control
- Discuss what you can actively do to mitigate your risk exposure
- How your company can proactively work to establish a culture of safety that can help you reduce accidents, improve your defensibility in court, and give you access to the best possible rates.



BAD NEWS

Even with a great safety record, your insurance premiums are going to increase. In order to access the best rates, you will need to show a strong safety record with low CSA scores, positive loss runs (your history of insurance claims), and low loss ratios (the amount of your paid claims divided by your total premium paid).

Deductibles are rising. Your only way to reduce your premium may be to increase your deductible per accident. And the bad news is that insurance rates are not going to improve in the short term.



GOOD NEWS

The good news is that while some of the risk that drives rising insurance premiums can't be controlled by your company, a portion of your risk **IS** controllable.

The American Trucking Association found that in approximately 71% of truck-involved crashes, the driver of the other vehicle was at fault. In 10% of accidents, the drivers of both vehicles shared mutual fault. This risk is largely uncontrollable, but that's not all bad news - these are situations in which your company and driver are **defensible in court**.

Out of the remaining accidents, not accounting for factors beyond everyone's control such as weather, much of that, some 26%, is the fault of the driver and IS controllable.

What are you doing to control it?



“A culture of safety is a set of shared values (safety matters on principle) and beliefs (safety matters to us in our everyday lives) that shape a company’s organization, policies, procedures, and communication to focus employee behavior towards shared standards (practices that keep everyone safe and healthy within and outside our company).” [i]

[i] FMCSA (2017b)

Safety Training. Simplified.





With margins being very tight across the transportation sector, even modest improvements in safety and cost-cutting can make a huge impact on a company's revenue bottom line.

Ask yourself:

- what are you doing as an organization to proactively prevent and reduce the severity of future accidents and violations?
- in the event of an injury or fatality accident, is your company or your driver defensible in court?

Increased Insurance Premiums and CSA Scores



Safety Awareness Success Factors

The first feature of a robust company safety culture is safety awareness training.

Safety awareness training is most effective when it's frequent, consistent, and keeps best practices top of mind. Online training works especially well in the transportation industry because your target audience is often remote and most drivers have access to smart devices. Training should focus on the following success factors:

- **Convenience:** it's available anytime, anywhere, on any device
- **Consistency:** the same content is delivered to all employees, whether they're onsite or remote
- **Effectiveness:** it uses a micro-training strategy of short videos and messages that improve comprehension and increase participation and completion
- **Programmable:** schedule routine trainings and best practice safety reminders to simplify your life
- **Flexibility:** deliver specialized training topics to those employees who need them (i.e. hazmat, fuel efficiency, driver/dispatcher, school bus driver bullying prevention)
- **Timeliness:** push out trainings in response to incidents in real-time and automate corrective actions
- **Personalized:** messages from the CEO, birthday wishes, and holiday greetings build relationships and rapport among remote teams which increases employee retention

I have a fleet of 700 trucks in three regions. Infinit-I ran our numbers and we have a 99% completion rate on our trainings.

If I don't send out my training the first of the month, my guys are texting me asking, "Hey, Brent, where's my training?"

Brent Murray
DOT Compliance Manager at CMC

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Five Simple Steps That Produce Results: The Infinit-I Safety Awareness Training Model



We have made it mandatory and assign corrective action when necessary up to and including termination if our drivers do not stay in compliance. It may seem harsh but has been effective when needed.

Mike Faglie
Organically Grown Company

"Legacy Transportation Systems started working with Vertical Alliance Group after a tough DOT full audit. Utilizing Infinit-i training programs to focus on our Basics, we improved our Basics score in almost every category.

Thanks to Vertical Alliance Group, Legacy is headed in the Right Direction."

~Bradley Langston
Safety Director, Legacy Transportation

"Hoosier Air Transport uses Infinit-i for orientation, remedial driver safety training, and to train all employees to improve the company's CSA safety rating. Your system seems to be working for us. It's a great help."

Pat Gann
Safety Director
Hoosier Air Transport, Inc

Simplified Safety Training That Drives Results.



How Reporting Reduces Insurance Costs and Litigation Risk

Repeat this mantra: "If it's not in writing, if it's not signed, if it's not dated or if you can't find it...it did not happen."

The 2nd feature of a robust company safety culture is **documentation**. The training your drivers and staff complete must be reportable or it's like it never occurred. Gone are the days of passing around a sign-in sheet and hoping that's enough. As your company evaluates online training programs, you should look for programs that have comprehensive documentation with the following success factors:

- **Reliable:** every training is automatically time and date stamped when it's completed
- **Measurable:** test scores for comprehension are recorded and you can dictate what a passing score must be
- **Responsive:** you can schedule immediate corrective action following a warning, ticket, accident, or violation to demonstrate follow-through on the part of your company
- **Reduce Workflow:** it's easy to create reports and audit data
- **Third-Party Verification:** you have an independent company verifying your training
- **Reduce Litigation Risk:** The more depth of documentation you can provide in court, the less appealing a target you become to a plaintiff attorney looking for an easy, large settlement. Don't make it easy for them. Have documentation.

Silence Plaintiff's Attorneys

"Every time I go to a deposition, they ask about driver training. I tell them we use Infnit-I, and that it's based on the trucking industry, and we do two to three videos every month. I tell them these are the requirements. And there's not another question asked."

John Billingsley
Safety Director G&P Trucking

What Is The True Return on Investment?

Who wouldn't benefit from fewer DOT audits?

How much did the accidents your drivers were involved in last year cost your company?

How much would you save by having fewer roadside inspections?

How much does it cost when a truck goes Out- of-Service for preventable maintenance issues?

What does a 10% reduction in accidents look like to your company's bottom line?

How much does it cost when one of your trucks is damaged backing into a stationary object?

If you could shorten your onboarding by a day, how much freight could you move?

Simplified Safety Training That Drives Results.

About Infinit-I Workforce Solutions

Infinit-I Workforce Solutions is the trusted safety, communications, and training partner for 1,500+ companies and 300,000+ employees every year. Founded 20+ years ago, we have delivered over 17+ million training sessions.

We make life simple and safe by streamlining your safety training, supported by our world-class Client Success Team:

- Onboard employees efficiently and effectively
- Retain drivers through consistent communication and frequent safety awareness through short, concise videos
- Document corrective actions, HR, and EEOC compliance
- Create a culture of safety that reduces accidents, saves money, and increases profitability

Training

Our paperless cloud-based safety training solutions can save you up to 70% on in-person training.

Violations and Accidents

Reduce violations up to 50% and accidents up to 40%.

Audits and Compliance

Build your audit portfolio quickly and manage accountability with ease using our secure, real-time paperless documentation systems.

Insurance Costs

Our insurance partners trust us to help reduce risk and litigation exposure due to accidents, helping to manage insurance premiums costs.

Simplified Safety Training That Drives Results.



References and Endnotes

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