

MVRs/High Risk Drivers/ROI

Dear NETS Members,

April 15, 2010

Jeri Hall (GE) sent a question asking if any NETS members have determined the ROI of using MVR history as way to predict high risk driving. Please see her full question, below.

Page | 1 Responses follow Jeri's question.

Please contact me if you have any questions or suggestions.

Jack Hanley
NETS
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Question

MVRs/High Risk Drivers/ROI

For those companies that pull motor vehicle driving records to establish their high risk drivers, has anyone done an ROI on this activity as it pertains to reduced # of accidents or reduction in liability claims? I am trying to build a presentation for my SVP to establish the initiative of pulling records.

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Responses

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1	<p>Lilly Beth Stamer stamer_beth_a@lilly.com</p>	<p>We have not done an ROI on the MVR process alone. However since we use these data in conjunction with accident/incident data to identify high-risk drivers and with our fleet safety vendor (name withheld) to provide interventions based on risk level, (e.g. on-line training, BTW training, discussions with management and HR) we clearly can see a return on the investment for our entire fleet safety program.</p>
2	<p>J & J Gabriel Kardos gkardos@its.jnj.com Sandy Lee slee3@its.jnj.com</p>	<p>... while few countries in EMEA do pull driving records, in most EU countries there are privacy laws that don't allow for this. Regarding return on investment, we have nothing in EMEA on ROI with this activity as its left to the companies to pull the records if they can. We do however have a cost model in place which gets updated each year showing the direct and indirect costs of having a fleet related crash and incident in each of our EMEA businesses. Indirect costs show a calculation of lost productivity of having a sales rep out of the field and not selling as a results of a crash combined with the bent metal damage costs, which we capture quarterly. (G. Kardos)</p> <p>Here's some additional input from J&J:</p> <p>Due to privacy laws and/or infrastructure limitations, most countries do not pull MVRs. I'm not aware of any past efforts to do an ROI study. The advantage of pulling MVRs, if available, is the ability to identify drivers that have a record of violations that require actions to address behavioral or skill issues that would mitigate risk of injury. (S. Lee)</p>
3	<p>Coca-Cola Enterprises Amy Lokken alokken@cokecce.com</p>	<p>We didn't formally create an ROI but we focused on not only the safety benefits by stronger monitoring of the MVR, we shared information about the potential for negligent retention claims if one of these folks were involved in an accident. We focus on anyone with an assigned company vehicle or anyone who submits 5,000 or more miles for reimbursement on an annual basis. Happy to discuss our program in further depth if desired.</p>

4	<p>AstraZeneca Mary Rose mary.rose@astrazeneca.com</p>	<p>Motor vehicle records are the lynchpin to ensuring the driver safety program is working to protect not only your employees but members of the public because it ensures no driver is on the road operating company equipment that may be high risk. It also identifies individuals who may require coaching/training to improve their driving behavior. Return on investment should not</p>
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		<p>be used as criteria to determine the path forward. The cost of an employee seriously injuring or even killing themselves or someone else far outweighs the cost of running motor vehicle records on individuals who operate company vehicles. While we only run motor vehicle records 1X/year on everyone, we run them on an ad hoc basis any time a driver reports they have been issued a citation so we can make sure their risk is addressed as it occurs rather than waiting for it to be reflected after the annual review. If the annual review uncovers driving behavior that was not previously reported in compliance with policy, there are consequences for that behavior that range from coaching the individual, enacting formal HR discipline or even termination of that employee.</p>
5	Anonymous	<p>We have three major business groups that operate a little bit differently. All do annual motor vehicle record (MVR) checks on DOT regulated drivers. Only one in three does a MVR check of all drivers of company vehicles every two years, but not to identify off-the-job risk factors.</p>
6	<p>Sunoco Bill Sanicky wmsanicky@sunocoinc.com</p>	<p>Sunoco checks MVR's annually for two reasons, first to ensure that the driver has a valid license and that "points" associated to the license do not exceed company policy. The Manager and HR will look at MVR's with high points to determine if the driver needs additional training; lose driving privileges or employment termination.</p> <p>Second, we assign our own points to the driver's MVR and at certain levels we conduct assigned training. Training starts with CBT training, then coaching, full (BTW) training and then a one-on-one with the safety department to determine the driver's privilege. Understand that HR has the final rule.</p> <p>Unfortunately, MVR's are after the fact and are not good indicators of a good driver. There are bad drivers with good records only because they have not been caught. With that we as well are looking for a solid risk identifier to use before any incident.</p>
7	<p>Forest Deb Burns dburns@forestpharm.com</p>	<p>Forest hasn't done a ROI, but we strongly believe that this has contributed greatly in our reduced accident rates and lowered our risks by identifying problem drivers earlier</p>

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8	<p>Eco Lab Ryan Rebman ryan.rebman@ecolab.com</p>	<p>We pull MVR's on all of our 7000+ drivers:</p> <ul style="list-style-type: none"> • 2 times during year (Jan and July) • 30 days post preventable incident • 45 days post self report <p>We don't have ROI data specifically to show that running MVR's to identify high risk drivers = reduction in accident or liability claims. But I can tell you that as a overall strategy of managing all of our drivers profiles (containing MVR's) has shown a decrease in our Total and Preventable Accidents per millions miles along with costs. I also would consider the liability of not running MVRs on your drivers. By knowing the information you can act on it to improve driving habits or separate employment from those who cannot manage.</p>
9	<p>Exxon Mobil Tom Bennett tom.j.bennett@exxonmobil.com</p>	<p>ExxonMobil does not check driver records, however, company drivers are required by policy to report any moving violations that occur on while company business. There are privacy issues related to checking driver records and it is strictly prohibited in some parts of the world.</p>
10	<p>Pfizer Teri Snow theresa.l.snow@pfizer.com</p>	<p>Our US experience has been a reduction of 50% collisions and therefore 50% repair costs.</p>
11	<p>ServiceMaster Michael Higgins michael.higgins@servicemaster.com</p>	<p>...late last year we commissioned xxxxxxx to perform an analysis to identify the correlation between the citations identified on the MVR and future collisions. The study did identify some strong correlations between certain moving violations and collisions. We also found stronger collision correlations between how recent an incident happened and driver tenure. While we have more work to do, we know that by changing our MVR scoring system to align with the research we can prevent a number of collisions annually.</p>

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12	<p>Novartis Colin Heijne colin.heijne@novartis.com</p>	<p>No ROI but benefits are self-evident:</p> <ul style="list-style-type: none"> • As part of a driver rating process, the MVR provides valuable data to identify unacceptable drivers - this is where you focus the main resources for improving driving ability • By conducting routine MVRs, drivers know that they are being watched and modify behavior accordingly • MVR, as follow up to an incident, identifies any violations associated with it. • Regular MVRs minimizes time that drivers drive without a license - not just DUI but administrative LODPs as well - reducing liabilities associated with incidents while driving without a license.
13	<p>Nationwide Kathy Konicki konickk@nationwide.com</p>	<p>The problem with trying to establish an ROI in this instance is that there are multiple factors involved in reducing the number of accidents or liability claims. In other words, it is exceedingly difficult, if not impossible, to isolate the MVR as the primary or only factor resulting in crash reductions. Having said that, there is no question that checking the MVR is invaluable in ultimately building a risk-free or significantly reduced-risk fleet. If nothing else, for her SVP, the potential legal liability associated with NOT knowing who your high risk drivers are is indefensible (legally and morally).</p> <p>I do know that a comprehensive fleet safety program, including checking MVRs as a fundamental component, reduced our crash frequency rate from 10.92 to today's 2.45 with an associated crash cost reduction of approximately \$1.5m to \$2.0m/year.</p>
14	<p>sanofi aventis Tom Cosentino thomas.cosentino@sanofi-aventis.com</p>	<p>Here at sanofi-aventis we have not done an ROI for performing MVR checks. We have been doing it for many years, and an ROI would be difficult. What I can tell you is that every year, out of about 7,000 drivers in the USA, we usually pick up one or two that have a DUI which has not been reported, and we will pick up a couple of people with suspended drivers licenses, which they did not know were suspended, usually due to back payment of child support or unpaid tickets.</p>