

Mixed Fleet Operations

While motor vehicle operations are only one component of your business, they represent significant loss potential – to your employees, customers, and the general public. Whether you operate tractor trailers, delivery trucks, or automobiles, your vehicle operators literally make million dollar decisions every minute they're behind the wheel – decisions that not only directly affect their health and economic welfare but also the health and economic future of your business. Vehicle operations loss exposures, and their resulting dollar losses, however, can be controlled – by implementing a Vehicle Operations Loss Prevention Program.

Great American Loss Prevention can assist you in fulfilling the three key responsibilities for Vehicle Operations Loss Prevention:

(1) Provide Safe Physical Conditions

As a prerequisite to all other Loss Prevention efforts, every driver should be provided with a safe operating vehicle. Federal and State legislation makes this a legal responsibility which must be met by every firm. Once the driver has been provided with a safe vehicle, a joint effort is required on the parts of the driver and the company to maintain the vehicle in safe operating condition. The driver should report all unsafe conditions which develop and management should ensure that corrective action is taken promptly. Additionally, routine and preventive maintenance should be performed on a continuing basis to maintain the vehicle in safe condition.

- Maintenance and inspection program – Essential elements include regularly scheduled maintenance and inspections based on mileage or time in service, a program of part replacement before in service failure occurs, pre-and post-trip vehicle inspections by driver, and maintaining vehicle inspection and maintenance records. See Great American's "Vehicle Maintenance and Inspection" (F.13639) and "Pre-Post Trip Vehicle Inspections" (F.13641) Data Guides for additional information.
- U.S. Department of Transportation (DOT) Regulations – May apply if you operate a commercial motor vehicle to transport property or passengers in interstate commerce. Contact your State Office of Motor Carrier Safety for additional information and clarification. Great American's "DOT Safety Regulations" (F.13584) Data Guide may also be of assistance to you.

(2) Provide Management Direction

To meet objectives for safe and efficient vehicle operations, responsibility with accountability should be assigned to managers and supervisors, as well as your vehicle operators. The objective is to make vehicle safety an integral part of day to day operations. The following are key steps for formalizing Management Direction:

- Statement of vehicle safety policy – Demonstrates management's interest in vehicle safety, and assigns responsibility to everyone in the organization for

Protection against avoidable breakdowns and crashes, improved vehicle handling, better fuel economy, and increased tire life – these are just a few of the reasons to take five minutes every month to check a vehicle's tires.

- Safety belt policy – Safety belts, when used, reduce the number of vehicle accident– related fatalities by 50% and reduce the number of serious injuries by over 50%. The driver and all other occupants of company-owned vehicles, and other vehicles used on company business, should be required to use safety belts. (“Safety Belts” (F.13519) Data Guide.)
- Personal use policy – A statement detailing the conditions under which personal use of company-owned vehicles is permitted, and who is authorized to drive the vehicles on personal business, should be developed and adhered to by all company vehicle operators. Personal use should be limited to the authorized employee and his or her spouse. (“Personal Use Policy” (F.13354) Data Guide.)

(3) Provide Management Controls

Organizations are successful because they do a good job of establishing adequate controls to assure that corporate objectives are met. When considering objectives, it should be realized that safety and efficiency go hand in hand. Effective Management Controls for Loss Prevention not only eliminate or reduce loss exposure, but also increase efficiency and productivity – by reducing operating, maintenance, and insurance costs, and improving customer relations. Key Management Controls for Loss Prevention include:

- Driver selection – Selection activities should include operator’s license verification, written application, personal interview, reference checks, Motor Vehicle Record review, road test, written test, post-offer physical examination, and drug screen. (“Driver Selection” (F.13374) Data Guide.)
- Driver training – Initial training in safe driving techniques, and periodic refresher training assists greatly in the elimination/reduction of vehicle accidents. Driver motivation – Safe driving award programs reinforce and reward safe driving and provide positive motivation to your vehicle operators. (“Driver Motivation” (F.13394) Data Guide.)
- Accident review – Reviews of all vehicle accidents should be completed to identify the root causes, so that appropriate action can be taken to prevent recurrence. (“Driver Accident Review” (F.13493) Data Guide.)
- Vehicle theft – Procedures detailing key control, vehicle parking and storage, and cargo security should be developed and implemented. (“Vehicle Theft” (F.13354) and “Cargo Security” (F.13628) Data Guides.)

For assistance with developing and implementing a Vehicle Operations Loss Prevention Program, copies of our Commercial Vehicle Data Guides, or for any additional information you need, contact your local Great American Loss Prevention Specialist for additional information.

The loss prevention information and advice presented in this brochure are intended only to advise our insureds and their managers of a variety of methods and strategies based on generally accepted safe practices, for controlling potentially loss producing situations commonly occurring in business premises and/or operations. They are not intended to warrant that all potential hazards or conditions have been evaluated or can be controlled. They are not intended as an offer to write insurance coverage for such conditions or exposures, or to simply that Great American Insurance Company will write such coverage. The liability of Great American Insurance Company is limited to the specific terms, limits and conditions of the insurance policies issued.
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