

Fleet Operations

Vehicle operations are integral to construction activity and are often overlooked in even the most comprehensive risk management program. Although the fleet exposure varies dramatically by size, the use of company cars and pickup trucks by executive supervisors, sales reps, site supervisors, laborers, and tradesmen is typical to the home building industry. It is incumbent upon management to provide direction and control for its fleet operation by implementing recognized, fundamental loss prevention procedures. Toward this end, the following suggestions are offered, understanding that the degree or level of implementation should be commensurate with the size of the fleet.

Management statement of safety policy

- A definitive policy should be adopted to demonstrate positive evidence of management's interest in and commitment to loss prevention.
- The Statement should assign responsibility to supervisors and employees for carrying out operations in a safe and efficient manner. Company rules, regulations and procedures should be specific and understood at all levels.
- The Statement should be typed on company letterhead, signed by top management, and distributed to all employees or drivers, including new employees upon hire.

Driver selection

One of the most important functions of management in a successful fleet operation is the establishment of a meaningful and realistic Driver Selection Program. Creating job standards will reflect the prerequisites and skills necessary for satisfactory performance resulting in the selection of the right person for the positions which will involve driving. Responding to the frequency of vehicle accidents, recent court decisions have assessed punitive damages and/or criminal prosecution under the concept of "negligent entrustment" (permitting unsafe drivers to operate company vehicles.) A comprehensive Drive Selection Program will serve to reduce the likelihood of such uninsured penalties from being assessed. The Program should include:

- Application form – Provides the essential facts about the applicant's history, work experience, education and personal factors. Questions should be safe limited to those that pertain to the drivers potential ability to perform the job.
- Interview – Develops more detailed information concerning the applicant's qualifications and experience in addition to resolving any questions regarding information obtaining or omitted on the application form.
- Reference Check – Accomplished by a telephone interview, a letter, or a personal visit, a reference check will not only verify past employment

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history, but also indicate whether the previous employer would rehire the individual.

- License and Driving Record – An investigation made by contacting the State Motor Vehicle Dept. to verify a valid license and provide applicant's Motor Vehicle Record (MVR). The MVR lists all past and current violations and accidents and is a valid indicator of future performance.
- Medical Examination – A standard practice to evaluate the applicant's physical and mental condition. It should also include drug testing (except where prohibited by law) to avoid hiring employees with substance abuse history.

Driver motivation

Despite safe physical conditions, strong management direction and good management controls, Loss Prevention depends largely on the driver's attitude toward safety. Motivation is dependent upon the personal factors and attitudes of the employee, in conjunction with management's response to them. Two basic tools in creating and nurturing this concept include:

- Driver Award Program
 1. Recognition of safe driving through the use of incentives ranging from pins and emblems to nominal cash awards.
 2. Trophies or plaques indicating management's appreciation of accident-free driving.
 3. Posted photographs or articles in company newsletters detailing employee's conscientious efforts.
- Driver Penalty System
 1. A clearly defined penalty system or plan of disciplinary action for drivers with poor accident records.
 2. A typical plan suggested includes:
 - (a) Warning after the first preventable accident within a three year period.
 - (b) Probation or time off after the second preventable accident within a three year period.
 - (c) Discharge or reassignment to a non driving position after the third preventable accident within a three year period. Cases involving gross negligence, drunk driving, or use of drugs should normally prompt immediate dismissal.

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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