



FLEET SAFETY: UNDERSTANDING NEW REGULATIONS

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April 2013

Fleet safety has often been a source of serious concern within the trucking industry, but it has now evolved into one of the industry's most critical issues as it seeks to comply with a tough new federal program aimed at reducing crashes and improving safety records.

This article will discuss important aspects of the new regulations, and suggest how to understand their overall impact on the commercial trucking company market.

The Federal Motor Carrier Safety Administration's (FMCSA) Compliance, Safety, Accountability (CSA) safety monitoring and measuring program, launched in January 2010, requires commercial motor vehicle carriers to take early action to head off potential safety problems. Trucking companies that fail to meet certain standards could be fined, see higher insurance premiums, and if the problems are not corrected quickly enough, they could be forced to cease operations. Meanwhile, drivers could lose their commercial driver's licenses.¹

The industry's concern about fleet safety and the CSA program is reflected in the results of an October survey of more than 4,000 trucking industry executives by the American Transportation Research Institute (ATRI). The executives were asked to identify the ten most critical issues facing the North American trucking industry. Of the ten named, the CSA program ranked at the very top of the list.²

While the CSA program raises challenging compliance issues for the industry, there are a number of steps that senior executives can take to improve their company's safety record and meet the requirements of the new program.

A Renewed Emphasis on Safety

With the launch of the CSA program, fleet safety has taken on a new level of urgency. As the program shifts into high gear, trucking companies have begun to receive warning letters from the Department of Transportation (DOT), and executives have become increasingly concerned about compliance and the potential impact of the program on their operations.

Although the CSA program is new, it represents an evolution of previous federal safety programs developed in the 1990s. While many of the requirements have remained unchanged, the process

has been re-engineered to provide a better view into how well large commercial motor vehicle carriers and drivers are complying with safety rules and to intervene earlier with those who are not in compliance.³

The changes to the safety program come after a decade of big improvements in highway and truck safety. The number of large trucks involved in fatal crashes, for instance, dropped 30 percent from 2000 to 2010, and injury crashes dropped by 42 percent, according to figures released from the DOT in August 2012.⁴ These improvements came even as the number of registered large trucks rose sharply, increasing by more than three million, or 41 percent, from 1999 to 2009.⁵

Even so, there is room for improvement. Although 2010 was one of the safest years on record for the trucking industry, there were still a total of 3,261 large truck fatal crashes and a total of 3,675 people killed in large truck fatal crashes. Another 80,000 people were injured in crashes involving large trucks, according to the Large Truck Crash Overview 2010 issued by the FMCSA in June 2012.⁶

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The CSA Program

The CSA program seeks to reduce crashes and improve safety by using roadside inspection and crash results to identify motor vehicle carriers whose behaviors could reasonably lead to crashes.⁷ CSA's Safety Measurement System (SMS) quantifies the on-road safety performance of carriers and drivers and that assessment then helps identify candidates for intervention and allows safety problems to be monitored to determine whether they are improving or worsening.⁸

The SMS assessment is based on a motor carrier's data from roadside inspections, including all safety-based violations, state-reported crashes, and the federal motor carrier census, to quantify performance in seven Behavior Analysis and Safety Improvement Categories (BASICS).⁹

Those seven BASICS include: unsafe driving, hours of service compliance, driver fitness, controlled substances/alcohol, vehicle maintenance, hazardous materials compliance, and crash indicator or patterns of high crash involvement. Commercial motor vehicle companies receive a score based on those seven BASICS.¹⁰

Companies that cross certain thresholds receive a warning letter from the DOT, and vehicles may be taken out of service and fines may be imposed. If problems remain unresolved, the DOT may issue an operations-out-of-service order requiring the carrier to cease all motor vehicle operations, and drivers may lose their commercial driver's licenses.¹¹

Risk Management

The CSA program puts additional pressure on commercial motor vehicle carriers to reduce safety violations that could turn up at roadside inspections. The new enforcement process also sharply increases operating risk by imposing strict penalties for ongoing safety violations.

While commercial motor vehicle carriers have reason to be concerned about the CSA program and its impact on their operations, there are a number of steps executives can take to improve their safety performance and reduce the risk of incurring penalties.

Commercial motor vehicle carriers should:

Review and update records

Commercial motor vehicle carriers should ensure their Motor Carrier Census Form is up-to-date and accurate, and review their new SMS BASIC percentile rank in the CSA Data Preview monthly at <http://www.fmcsa.dot.gov>.

Commercial motor vehicle carriers also should routinely monitor and review inspection and crash data, which is found in the Data Preview, at SAFER <http://safer.sys.org>. In addition, they should review evidence related to any observed violations and request review of any potentially incorrect data using DataQs (<https://dataqs.fmcsa.dot.gov/login.asp>).

Ensure compliance

Companies should review their inspection and violation history for the past two years and try to identify patterns, trends and areas needing improvement.

They also should examine their business processes to determine how they may be contributing to any safety compliance deficiencies. In addition, they should take steps to increase their

drivers' awareness that violations and driver performance directly impacts driving records and the safety assessment of their employing carrier.

Visit the CSA website

The FMCSA regularly updates materials on the CSA website, <http://fmcsa.dot.gov/>. Commercial motor vehicle carriers will find explanations, answers to questions, tips and guidance. They also can submit questions and review a full set of Frequently Asked Questions (FAQs). Be sure to review the materials about SMS and the new BASICS.

In addition to these steps, fleet consultants also can provide trucking companies with valuable assistance in managing this process.

When seeking assistance with CSA compliance and fleet safety, commercial motor vehicle carriers should look for an organization that has a staff of qualified fleet consultants with both industry regulatory compliance and insurance experience. When possible, seek out individuals who understand both the CSA program as well as the trucking industry. These individuals will bring valuable experience and insight into the challenges trucking companies face.

Experienced consultants can develop programs to reduce exposure to loss and manage regulatory compliance problems. The focus should be on the development of programs that are specific to the type of commercial motor vehicle operation, company resources and exposures. Consultants also can conduct mock regulatory compliance reviews to identify regulatory and loss control issues before they are discovered as a result of a DOT compliance intervention or a loss.



Fleet safety and compliance with the CSA program has emerged as one of the most serious concerns for the North American trucking industry. The new CSA program has put the industry under pressure to reduce safety violations as part of an effort to improve overall highway safety. This has sharply increased operating risk, as failure to comply could lead to an eventual order to cease operations. By working with experienced fleet consultants and focusing on the CSA program requirements, companies can reduce their operating risk and strengthen their safety records.

The ACE/ESIS Solution:

The ESIS Health, Safety & Environmental (HSE) consultant unit and the ACE Risk Management (ARM) underwriting team are focused on helping to address the specialized insurance and risk management needs of the transportation industry. ACE Risk Management, ACE's industry-leading U.S.-based retail primary casualty division, provides workers compensation, auto liability and general liability products and services customized for large fleet transportation companies, including truckers, bus operators, waste haulers, rental car companies, and manufacturers and distributors. ESIS HSE provides a range of risk control services that may be sold directly to ESIS clients, or as part of insurance underwriting. ACE and ESIS can serve as a strategic partner in the effort to provide quality services to this highly-regulated and safety conscious class of business.

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ABOUT THE AUTHOR:

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Endnotes:

- 1 <http://csa.fmcsa.dot.gov/about/>
- 2 <http://atri-online.org/2012/10/08/csa-hours-of-service-rules-top-list-of-concerns-in-annual-trucking-industry-survey/>
- 3 http://csa.fmcsa.dot.gov/about/csa_how.aspx
- 4 <http://www.fmcsa.dot.gov/facts-research/LTBCF2010/chap1.htm>
- 5 <http://www.prnewswire.com/news-releases/new-truck-related-crash-numbers-not-indicative-of-truck-safety-trend-135250468.html>
- 6 <http://www.fmcsa.dot.gov/facts-research/LTCO2010/2010LargeTruckCrashOverview.aspx>
- 7 <http://csa.fmcsa.dot.gov/about/basics.aspx>
- 8 Ibid.
- 9 Ibid.
- 10 Ibid.
- 11 <http://csa.fmcsa.dot.gov/about/interventions.aspx>

