

Limit Your Company's Liability – Start a Vehicle Accident Prevention Program

Gary S. Rothstein – Mobile Awareness

Motor vehicle crashes cost US employers over \$60 billion annually in medical costs, legal expenditure, property damage, and lost productivity. While costs by state and Industry vary, on-the-job crash injuries (fatal and non-fatal) amount to about 6.5 percent of all crash injuries. As a result, the cost of workers' compensation, Social Security benefits, health and disability insurance continues to rise. An investment in a comprehensive motor vehicle accident prevention program can be a winning approach to reducing these expenses and an effective tool for helping limit your company's liability exposure.

Consider the Savings

According to the National Highway Traffic Safety Administration's report entitled "The Economic Burden of Traffic Crashes on Employers" (request a free copy of the [35-page report](#) on the author's web site), the average crash costs an employer \$16,500. An employee that has an on-the-job crash resulting in an injury, costs their employer \$74,000. In the case of a fatality, costs often go beyond \$500,000. Additionally, off-the-job crashes not only affect individual employees, they are costly to the company as well. The aforementioned NHTSA report had this to say about potential financial benefits, "Traffic safety programs are an alternative to reduce health care expenses to employers without reducing the benefits offered to employees. Protecting employees from motor vehicle crash injury can be a profitable investment of time and resources".

Companies that utilize a crash avoidance program often realize immediate benefits due to the positive return-on-investment (ROI) from a well-designed safety agenda. Consider the findings of Liberty Mutual Insurance Company's report entitled "Executive Survey of Workplace Safety". In their study, they found approximately 61 percent of questioned business executives think their companies receive an ROI of \$3.00 or more for every \$1.00 spent on improving worker safety.

Protecting Valuable Assets

Most well informed employers understand their employees are critical to the success of their business. Showing a commitment to protecting the safety and welfare of valuable workers can go a long way to help improve employee work satisfaction and retention. If your company happens to be a professional transportation or delivery business, the benefit can be even greater. With the extreme shortage of qualified truck drivers, focusing on employee wellbeing can aid in the reduction of a major cost and time encumbrance...truck driver turnover.

"The costs associated with hiring and training new drivers is much better spent on furthering the safety and wellness of our employees", noted Mark W. Kadlec, VP of Human Resources & Safety at Distribution Technologies, Inc. (www.disttech.com). Headquartered in Newbury, Ohio this bulk transport company is an example of a professional carrier benefiting from a highly focused vehicle safety regimen. Consistently recognized by the National Tank Truck Carriers (NTTC) for operating one of the country's safest fleets, DistTech has received the prestigious NTTC Outstanding Performance Trophy six times. Kadlec furthers, "Documenting procedures, on-going safety training and the use of advanced technology allowed DistTech to improve its safety record for 15 consecutive years. Investing in state of the art driver fatigue monitors and video camera systems to alert our drivers of a potential collision, are just two examples of how we protect our employees, our assets and our customers."

Establishing an Accident Prevention Program

Depending on the size and scope of your organization, there are several things to think about in order to best accomplish your safety objectives. Obviously, for any program to be a success, it has to be committed to, and supported by company management. Once the commitment is made, consider the following measures as a part of your complete risk reduction plan:

1. **Setting Goals, Documenting Procedures**

Consider appointing a program manager with the task of overseeing the safety initiatives, including vehicle add-on product evaluation and written company policies specific to vehicle safety. Documenting the goals, as well as the results, should be an integral part of the program. To maximize results, share pertinent information with the employees that drive either a company owned or personal vehicle used for company-related work. You may wish to instigate both an incentive and a disciplinary action program to raise the awareness of everyone involved. Once you begin to realize measurable improvements, consider rewarding individuals for their personal commitment to improving the company's safety.

For those organizations that do not participate in any formal regulatory compliance, consider drafting key documents of your own, such as a written driver agreement, a vehicle inspection and maintenance handbook, along with an accident reporting and investigation procedure. Utilizing this documented information can help minimize further liability; be sure to amend your company policy as necessary to help eliminate reoccurring incidents.

2. **Employing Aftermarket Safety Technology**

Currently there are several aftermarket products available to aid drivers in the safe operation of their vehicles, many of which are cost-effective and easy to install on most trucks, vans, SUV's and cars. While it is beyond the scope of this article to address the broad array of safety solutions available today, you might consider learning more about the following:

- [Sensor Based Obstacle Detection](#): Backing-up sensors utilizing Doppler radar technology are extremely reliable and impervious to the affects of whether. While these devices can be more costly than the parking aid sonar-based products, they are far superior in performance for safety applications.
- [Camera Based Video Systems](#): Today's camera technology is extremely effective in giving visibility to blind spots that are often impossible for the driver to see. A common application is to monitor the rear of the vehicle via a color LCD display, helping to prevent reverse backing accidents.
- [Lane Departure Warning \(LDW\)](#): Often camera based, these devices are most effective when used on highways and long distance driving. If the driver becomes distracted or fatigued, a warning goes off if they begin to drift into another lane.

3. **Safety Education & Training**

Launching your program with an initial training is an effective way to get a running start. Take the opportunity to impart your company's safety goals, employee expectations and reasons why everyone can benefit through active participation. Employee drivers should receive ongoing training; also consider offering access to an internet based driver-training course. In addition, think about adding vehicle safety content to your company newsletter, furthering education and continuously reminding employees that safety is not a part time job.

Understanding the financial burden associated with motor vehicle crashes makes for a compelling case to take action to reduce the impact. It is a known fact that many traffic crashes are avoidable; investing in a company wide motor vehicle safety program can help save lives and reduce costs, ultimately providing benefits that are hard to ignore.

About the Author

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