

SHIELD

a quarterly publication from Protective Insurance

Inspiring Safety-Minded
Work Habits in Others

Reducing Cargo Theft

Five Factors Driving
Commercial Vehicle Loss

BACK TO BASICS: Hours of Service

FALL 2022

 **PROTECTIVE
INSURANCE**

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NEWS & NOTES

Motor vehicle fatalities increase

Motor vehicle deaths in the United States continue to rise, with early estimates for 2021 indicating an 18 percent increase since 2019, according to data from the Centers for Disease Control and Prevention (CDC).

The CDC recently reported that motor vehicle deaths rose by 6.8 percent between 2019 (36,355 fatalities) and 2020 (38,824 fatalities). This trend occurred despite an 11 percent decrease in vehicle miles traveled over the same period.

The United States has the highest rate of motor vehicle fatalities per 100,000 people out of 29 high-income countries researched.

Failing to use seat belts and speeding are two factors that have contributed to the elevated death rate from motor vehicle fatalities in the United States. In 2019, more than 47 percent of people killed in passenger vehicle accidents weren't using seat belts. Speeding was another contributing factor, playing a role in 27 percent of motor vehicle fatalities. Distracted driving, drug impairment and fatigue have also been identified as top causes of fatal crashes.

"Motor vehicle crash deaths and injuries are a public health problem, but one with proven solutions," the CDC stated. "Increased and proactive implementation of proven road safety strategies, especially those addressing leading risk factors, could have an immediate effect."

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OSHA OVERVIEW

Many employers with more than 10 employees are required to keep a record of serious work-related injuries and illnesses. Minor injuries requiring first aid only do not need to be recorded.

OSHA defines a recordable injury or illness as:

- Any work-related fatality
- Any work-related injury or illness that results in loss of consciousness, days away from work, restricted work, or transfer to another job
- Any work-related injury or illness requiring medical treatment beyond first aid
- Any work-related diagnosed case of cancer, chronic irreversible diseases, fractured or cracked bones or teeth, and punctured eardrums

OSHA defines first aid as:

- Using a non-prescription medication at nonprescription strength
- Administering tetanus immunizations (other immunizations, such as Hepatitis B vaccine or rabies vaccine, are considered medical treatment)
- Cleaning, flushing or soaking wounds on the surface of the skin
- Using wound coverings such as bandages, Band-Aids™, gauze pads, etc.; or using butterfly bandages or Steri-Strips™ (other wound closing devices such as sutures, staples, etc., are considered medical treatment)
- Using hot or cold therapy
- Using any non-rigid means of support, such as elastic bandages, wraps, non-rigid back belts, etc. (devices with rigid stays or other systems designed to immobilize parts of the body are considered medical treatment for recordkeeping purposes)
- Using temporary immobilization devices while transporting an accident victim (e.g., splints, slings, neck collars, back boards, etc.). Drilling of a fingernail or toenail to relieve pressure, or draining fluid from a bliste
- Using eye patches

Maintaining and Posting Records

The records must be maintained at the worksite for at least five years. Each February through April, employers must post a summary of the injuries and illnesses recorded the previous year. Also, if requested, copies of the records must be provided to current and former employees, or their representatives.

Electronic Submission of Records

The Injury Tracking Application (ITA) is accessible from the ITA launch page, where you can provide the Agency your OSHA Form 300A information. The date by which certain employers are required to submit to OSHA the information from their completed Form 300A is March 2nd of the year after the calendar year covered by the form.

Severe Injury Reporting

Employers must report any worker fatality within 8 hours and any amputation, loss of an eye, or hospitalization of a worker within 24 hours.

Visit [osha.gov/recordkeeping](https://www.osha.gov/recordkeeping) for forms and links.



Inspiring Safety-Minded Work Habits in Others

Have you ever worked with someone who inspired you? A hardworking person can have a powerful influence on their team, especially when they are working with someone who is new to the job or to the company.



Lead by Example

Modeling safe behaviors begins at the top. The leadership of an organization can have a profound impact on their team. Their attitude toward and respect of policies and safety procedures set the stage for everyone else in the organization.

Safety Mentors

The transportation and warehousing workplace is full of potential hazards. Your employee manual should stress the importance of doing each job the safe way. Creating safety mentors for new employees is one way to reinforce safety. They can pass along a wealth of knowledge about the risks of the job and ways to stay safe. When those mentors are working around others, new employees will naturally look to them for advice and information. Their early impressions of the way mentors value safety will set the stage for future work habits.

BACK TO

B A S I C S

HOURS OF SERVICE

The Hours of Service (HOS)

**Compliance Behavior Analysis and
Safety improvement Category**

(BASIC) is one of seven categories that the Federal Motor Carrier Safety Administration (FMCSA) uses to determine how a motor carrier ranks relative to other carriers in its Compliance, Safety, Accountability (CSA) initiative.



All roadside inspection violations that pertain to a BASIC are assigned a severity weight on a scale of 1 to 10 that reflects the violation's association with crash occurrence and crash consequences.

All safety-based roadside inspections count, not just out-of-service violations. Roadside inspections can occur at any time, so be prepared! Driving safely and following all regulations is a smart choice for everybody involved.

As a motor carrier, maintaining BASIC scores below the intervention threshold is crucial. Not only does this demonstrate to the FMCSA that your fleet is operating safely, it also can help you avoid fines and business interruptions should your organization or drivers be placed out of service. And because violations that impact BASIC scores will show on a driver's pre-employment screening program (PSP) record for three years, your employees have just as much to lose from poor driving performance.

Know where you stand

Motor carriers can view their scores for each BASIC by logging into the Safety Measurement System website. To log in, you will need to secure a PIN from the FMCSA. If you do not have a PIN, you can request one online.

Once logged in to the system, you will have access to your scores and can even deep dive into violations for specific drivers. If your business is at or above the intervention threshold for any of the BASICs, you will see a warning symbol in the system. This essentially means your fleet has been prioritized for further monitoring, and you will need to act to lower your score and avoid any further consequences.

How to keep your score low

Keeping your score down takes the combined effort of both you and your drivers and can be accomplished through specific fleet safety initiatives.

Educate Drivers on the HOS Compliance BASIC

Your employees need to have an understanding of the BASIC program. Driver behavior has a direct impact on how your fleet ranks in the program, making it important to educate employees on:

- How their violations impact BASIC scores: Drivers should understand how violations not only harm their personal record, but also contribute to your business' score. Specifically, employees should be aware of what violations carry more points and have the greatest impact on the HOS Compliance BASIC. For instance, driving while impaired by fatigue carries more points than operating a commercial motor vehicle equipped with nonapproved devices. Making drivers aware of these sorts of distinctions can reinforce simple safety precautions that can go a long way toward lowering your BASIC score.
- How long violations stay with the company: Drivers may not be aware of how long violations impact your business's BASIC score. Just one violation can affect your company's standing for up to two years. What's more, violations may remain on a driver's record for three years. It's also important to educate employees on how recent violations have a greater impact than those that occurred in the past.
- How warnings impact BASIC scores: Drivers need to be aware that even if they don't get a ticket, your organization can still be affected. In fact, warnings can impact BASIC scores just as much as a ticket, making it crucial for drivers to operate with the highest levels of care and safety when out on the road.
- How to avoid HOS Compliance BASIC violations: In order to avoid hitting the intervention threshold, your drivers need to appropriately manage their hours and document their time. This will require thorough training on your part that highlights the following:
 - What methods the company uses to log hours of service. Depending on your operation, this could include a combination of ELDs and more traditional paper logs. It should also be noted that there are different HOS rules for property- and passenger-carrying commercial

motor vehicles. When training drivers, ensure they are aware of these distinctions and that the appropriate rules are being covered.

- The importance of keeping an accurate record of duty status (RODS). Every motor carrier must have their drivers record their duty status for each 24-hour period using specific methods outlined by the FMCSA. These requirements can be complex and may require supplemental documentation such as bills of lading, freight bills, dispatch records, electronic mobile communication/tracking records, gate record receipts, weigh/scale tickets and fuel receipts. Drivers should be aware of their RODS requirements and how to properly complete a log. Contact Protective Insurance to secure a valuable resource on HOS, entitled Hours of Service Logbook Guidelines.
- Inputting and extracting data from the ELD. Train your drivers on the specifics of using your company's ELD. They need to know how to put in data AND how to retrieve information from the device. Create step-by-step instructions for them to keep in their vehicle.
- The intent of the HOS Compliance BASIC. Many wrongfully assume this BASIC only relates to a driver's hours on the road. And while that's an important component, ultimately the goal of the HOS Compliance BASIC is to reduce fatigued driving. Even if a driver's logs are 100% correct and their on-the-road hours are in good standing, they can still get an HOS violation for driving fatigued or ill. Drivers should be aware of this as you train them on the HOS Compliance BASIC and how to avoid violations.

Use ELDs to Meet HOS Rules and Avoid Violations

An ELD synchronizes with a vehicle's engine to automatically log driving time for easier, more accurate HOS recording. They are designed to create a safer work environment for commercial motor vehicle drivers and make it easier and faster for them to track, manage and share RODS data.

ELD's not only reduce HOS issues, but they may also be required. In December 2015, the FMCSA published its final rule on ELDs, which applies to most motor carriers and drivers who are currently required to maintain RODS. The rule also applies to commercial buses and trucks as well as Canada- and Mexico-domiciled drivers.

But even if your business is exempt from the ELD rule, implementing them can provide a number of benefits for your fleet and drivers:

- ELDs allow carriers to supplement what has largely been a time-consuming, paper-based logging

system. As a result, using ELDs can free up your resources, allowing you to focus on things like route optimization and overall safety.

- ELDs can provide more accurate metrics as they are not as easily falsified or tampered with. What's more, ELDs can provide carriers with a complete telematics package that allows them to track driving behaviors—like hard braking and speeding—that could increase crash, FMCSA violation and insurance risks.
- ELDs can help reduce driver fatigue and violations as they allow carriers to more closely monitor HOS. According to suppliers of ELD technology, installing ELDs can lead to a 40% to 60% reduction in citations for HOS violations.

With the advent of ELDs, the bar has been raised when it comes to HOS compliance. Simply by installing ELDs in all of their vehicles, motor carriers can see a marked decrease in HOS violations. And because your BASIC score is a percent comparison to your peers, not using ELDs can place your business well behind those that do.

ELD Considerations

ELDs provide many benefits for the motor carriers that implement them. However, there are some considerations to keep in mind.

- ELDs are not foolproof—While ELDs can provide more accurate metrics and the FMCSA requires them to be tamper resistant, no system is 100% infallible. Crafty drivers can still falsify data, making it all the more important to audit your ELDs regularly. The following are some common tactics drivers will use to get around ELD tracking:
 - o A driver may drive long distances before turning on the ELD.
 - o A driver may use an ELD's personal conveyance mode when they should be tracking their hours. This mode is primarily used when employees are driving off-duty. Any hours logged in this mode will not appear on RODS, leading to potential HOS violations.
 - o A driver may log in as someone else.

- Unsafe Driving BASIC violations may go up as a result of ELD use—A number of studies have shown that carriers who implement ELDs often have more Unsafe Driving BASIC violations, particularly when it comes to speeding. This is likely because, under a paper log system, drivers are more easily able to tamper with their hours, allowing them to drive further without having to worry about going over time. ELDs make it harder to do this, so drivers will simply drive faster to get to their destination, increasing the potential for violations.

Keep in Mind Paper Log Considerations

While ELDs are the preferable way to track HOS, not all carriers are required to use them. If you fall under this category and opt to use paper logs, there are some considerations to keep in mind:

- Train drivers on how to complete paper logs—do not assume a driver knows how. Give extra attention to drivers who would otherwise be exempt from maintaining paper logs. These individuals will likely need additional training and may even be unaware of HOS rules altogether. Even if you do use ELDs at your business, training drivers on how to complete paper logs can be beneficial should any devices malfunction. In these instances, drivers would need to know how to reconstruct RODS from scratch.

- Audit your paper logs. Compare the logs to other records, including, but not limited to, gas receipts, toll receipts, customer stops and inspections. Above all, you'll want to check that the distance the driver covered in the documented amount of time seems reasonable. It should be noted that auditing paper logs thoroughly can take time, which is why many carriers exempt from ELD rules still implement them to cut down on administrative time.

Create a Fleet Safety Policy

To establish a culture of safety and stress the importance of HOS compliance, it's critical to set expectations upfront. Creating a fleet safety policy can help educate drivers on their responsibilities and even outline disciplinary actions your organization will take should safety or HOS issues occur.

Your policy should cover specific violations and topics that affect your HOS Compliance BASIC (e.g., driving while impaired by fatigue) and include a progressive disciplinary system. Be specific about what actions you will take for each type of violation. Actions, like warnings, can be used for less severe concerns while more severe issues like falsifying HOS data should not be tolerated.

Any HOS issues must be addressed in a timely fashion if carriers are to avoid going above the intervention threshold. Even if the driver avoided a ticket because the HOS issue was caught by an internal auditor, the driver's behavior must still be addressed. Be sure to determine the root cause of the HOS violation and provide additional training as needed.

Use All Available Data to Make Informed Hiring Decisions

Because your BASIC score is directly tied to the performance of your drivers, it's important to hire the

best candidates possible. Do not tolerate drivers who rack up high scores and refuse to change their ways. CSA is not going anywhere, and it's in your best interest to hire drivers who buy into the system.

The best way to accomplish this is to consider a combination of motor vehicle records (MVRs) and information from the pre-employment screening program (PSP) when making hiring decisions. While MVRs are a great tool, they only show a portion of a driver's history.

Information from the PSP gives you access to a driver's five-year crash history and three-year inspection history. What's more, information from the PSP provides insight into violations that do not show up on an MVR, such as violations where a ticket was not issued (e.g., the driver received a warning for speeding).

Creating a fleet safety policy can help educate drivers on their responsibilities and even outline disciplinary actions your organization will take should safety or HOS issues occur.





It is estimated that cargo theft results in losses of \$15 to \$30 billion annually in the United States. While those numbers may seem alarmingly high, they illustrate just how vulnerable cargo is during the shipping process.

Shipping losses can dramatically cut into your bottom line, making it essential that you do everything you can to ensure that the goods your company is entrusted to transport reach their destination.

PREFERRED GOODS

Thieves are selective when choosing their targets. Certain types of goods are more susceptible to theft. Computer hardware and other consumer electronics, designer apparel, pharmaceuticals, and alcohol and tobacco products all have a history of being highly targeted. In general, thieves look for products that are:

- Difficult to identify as stolen
- Small, but of high value
- Easy to transport
- Easy to resell

While you should always strive for strong security measures no matter the cargo, if you regularly deal in goods that have these characteristics, it is especially important that you institute anti-theft controls.

MITIGATING THEFT RISKS

There are several practices you can employ to help secure your shipping process, including the following:

Start with the hiring process

While the value of selecting good drivers cannot be understated, you need to diligently check all of your employees involved in the process. From the warehouse to the front office, any employee who knows about a truck's cargo, planned routes or any other logistical information has the potential to be a liability. Use aggressive background checks during the hiring process to ensure that you are bringing on trustworthy employees.

Give employees the training they need

Not every employee will come to the job knowing what they need to do in order to prevent cargo theft. It is important that you institute an employee training program that outlines their responsibilities. This is especially important for drivers; a driver who exhibits even basic tenets of security is less likely to be targeted by thieves.

Maintain security during transit

Obviously, loaded vehicles are much more vulnerable when stopped. This makes it important to plan appropriate routes that allow drivers to take rest stops at secure areas. However, while routes should be chosen for their safety, they also need to be alternated frequently as repeatedly using the same route can give thieves a better chance to plan.

Also, it is not uncommon for thieves to monitor shipping centers, waiting for an attractive target and then following the vehicle to its first stop. Encouraging drivers to drive at least 200 miles before making their first stop can reduce the chance they will be followed.

Use technology to your advantage

Vehicle and cargo tracking devices, security seals, tractor air locks, king pin locks and other devices can all be used to provide additional security. Depending on the cargo, a minimal investment in security devices could save you from a huge loss. Keep in mind, for these devices to be fully effective, employees need to be trained in how to use them. You also need to have a plan in place for alert features. If an onboard alarm signals you of a potential problem, you need to have a response planned out and ready to go.

Five Factors Driving Commercial Vehicle Losses

Inflation has been the buzz word in the news for the past year. We experience those rising costs in our households and our businesses; they are easy to see at the grocery store and the fuel pump. But inflation is only one factor driving the increasing costs of commercial vehicle losses.

1 ▶ More Vehicles on the Road

According to a recent article by Statista, there were almost 284 million vehicles on US roads in the fourth quarter of 2021 – an increase of 10 million in just four years. Those vehicles are also older, with an average age of 12 years. More traffic increases the risk of a collision.

2 ▶ Distracted Driving

Drivers face increasing distractions on the road with cell phones being the most common and obtrusive. The National Safety Council estimates that a full 20 percent of crashes involve cell phones. Texting while driving is especially dangerous. Sending or reading a text takes your eyes off the road for five seconds. At 55 miles per hour, that is like diving the length of a football field with your eyes closed.

3 ▶ Driver Shortages

The transportation industry has listed the driver shortage as a top concern for years. Drivers are aging out of the field at the same time demand is increasing. To meet the shortage, some companies may be tempted to fill openings with inexperienced drivers or push their current drivers to work more hours. Both options are dangerous.

4 ▶ Vehicle Repair Costs

Camera systems and assisted driving technologies are making vehicles safer and more efficient. At the same time, the cost to repair those sophisticated systems is also increasing. Older vehicles are also becoming more costly to repair as parts can be difficult to find.

5 ▶ Litigation Trends

The rise in nuclear verdicts is making claims more expensive and encouraging attorneys to take more cases to trial. Add to this the trends of litigation financing and medical financing and even cases that are settled out of court have higher costs.



Fall Safe Driving Tips

Most Americans agree – Fall is our favorite season of the year! The cooler temps mean football and all things pumpkin spice. They also mean new hazards on the road with unpredictable weather. Get ready with these fall driving tips.

Back-to-School

In town, back-to-school has us on our toes around school zones. But don't forget the college kids! A visit home can have them on the interstates and driving tired.

Time Change

When the time "falls back" we are driving more in dark which can impair our vision. Be sure to turn on your lights and take your time – especially on strange routes.

Falling Leaves

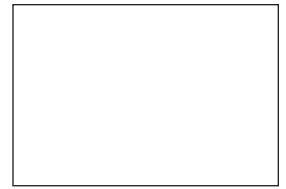
When falling leaves are caught in swirling fall winds, they create a visual hazard. Those same leaves on the ground get wet and create slick spots. Watch for both when driving and walking.

Wildlife

You are 3.5 times more likely to hit a deer in November than any other time of the year due to mating season. Other wildlife is on the move with winter approaching. Keep an eye out for wildlife on the side of the road, especially at night.

Fog and Frost

That chill in the air may be invigorating, but it also causes fog, reducing visibility. Use your fog lights and fully clear windows of any frost that may have accumulated overnight.

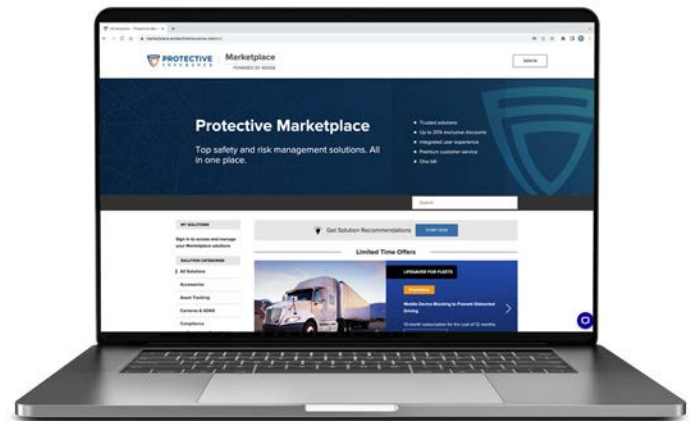


The Protective Marketplace

The rapid growth of safety solutions for the trucking industry has made the job of fleet safety manager both easier and more difficult. The tools available help improve safety

and make the company more efficient; however, finding the right tool for the job can be a challenge.

The Protective Marketplace, powered by Roadz, is a unique platform that serves the safety and risk mitigation needs of the transportation industry. Fleet and safety managers are able to research and buy third-party solutions through an integrated and seamless experience.



RESOURCES AVAILABLE THROUGH THE MARKETPLACE:

- Telematics
- Cameras
- Asset tracking
- Driver accountability
- DOT compliance
- Pre-employment screening
- Training
- Vehicle security
- Roadside assistance
- And much more

VISIT THE MARKETPLACE TO:

- Connect with multiple technology vendors
- See the simplicity of single sign-on and unified billing
- Receive discounted pricing
- Stay current with new trends and technology

The Protective Marketplace is a way to connect to products and services that can improve safety and reduce liability. Protective is the only insurance provider offering this marketplace

You can find the Protective Marketplace at marketplace.protectiveinsurance.com.

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