



PUBLIC TRANSPORTATION REPORT

Issue 1//2014

Protective Insurance Company

2013 PUBLIC TRANSPORTATION



CLAIMS

SAFETY



SEMINAR RECAP

In November 2013, industry partners gathered in Indianapolis for Protective's annual Public Transportation Claims + Safety Seminar. Attendees heard from experts on a variety of topics geared toward improving their fleet operations and also toured the IMMI seat belt factory, which included a live bus crash demonstration.

In this issue of the Public Transportation Report, we highlight some of the information presented in these sessions. Email publictransportation@protectiveinsurance.com to request copies of any presentation.

A 10-year review of safety innovations for school buses and motorcoaches

James Johnson, IMMI

Located in Westfield, Ind., IMMI is the industry leader in the design, testing and manufacturing of advanced safety systems. IMMI produces seats, seat belts and other products for school buses, motorcoaches and numerous lines of other commercial motor vehicles. They also have a crash test facility on site to study the effectiveness of compartmentalization versus seat belts.

Compartmentalization has been the industry standard since the 70s. Seat backs are designed to absorb the passenger's crash energy and keep the passenger in the compartment


between the seats. IMMI argued that compartmentalization is only effective if passengers are properly seated, feet on the floor and facing forward. Compartmentalization is also not effective for rollover and most side-impact collisions.

A more effective solution, IMMI proposes, is to combine compartmentalization with a lap-shoulder belt. This offers the best protection for school bus and motorcoach passengers. In addition to enhancing safety, seat belts have the added benefit of helping curb bullying and reduce driver distractions because they keep passengers in their seats.

(continued on page 2)

To drive home this argument, IMMI hosted the seminar attendees at their facility for a tour and live demonstration of a bus crash at the Center for Advanced Product Evaluation (CAPE). In the crash test, CAPE placed test dummies in several different positions: restrained in three-point SafeGuard seat belts, unrestrained in base seats without seat belts, and out-of-position (looking over the back of the seat, sitting sideways, etc.).

It was an incredible moment to witness live. CAPE recorded the crash to demonstrate how each passenger was impacted by the crash. You can view that video at <http://www.safeguardseat.com/moving-forward-in-school-bus-safety>.

 To learn more about IMMI and their products, visit www.imminet.com.

Workers' compensation challenges and solutions

Michael Case, Protective and Dr. Katie Rummel, PMSI

The top factors driving the rising cost of workers' compensation are utilization, obesity, prescription drug costs, tort costs, an aging workforce and limited return-to-work opportunities. Protective has implemented several programs to help combat these rising costs.

Supervised by a medical manager, our nurse case manager program is a regional system staffed with fully licensed RN-BSNs for the various states. Each nurse manages 40 to 50 claims to develop a comprehensive medical management strategy. This ensures the injured worker receives the appropriate and most cost-effective medical treatment. Nurses also facilitate return-to-work plans on claims requiring disability management.

Protective also partners with PMSI, the largest standalone workers' compensation-focused pharmacy benefit manager. Dr. Katie Rummel provided an overview of the organization

and some cost containment strategies. PMSI uses a holistic approach to deliver the lowest possible effective unit cost. This is achieved by pushing all spending in-network, driving mail order when clinically appropriate and ensuring generic utilization.

"PMSI uses a holistic approach to deliver the lowest possible effective unit cost."

PMSI also uses an integrated set of programs and tools to ensure the clinically appropriate utilization of medication. They assess population risk through predictive modeling tools, customize pre-dispense controls to stop the dispensing of inappropriate medications at the point of sale, identify drug therapy issues as they occur and apply intensive clinical management to complex claims to achieve long-term cost control.

Commercial fleet insurance uses of telematics data

Dick Mahany, Protective and Isaac Wash, ISO

Telematics systems are now widely accepted in the transportation industry as tools to locate assets, improve customer service and better manage vehicle maintenance, fuel consumption and driver performance. Protective is conducting a study to determine if telematics data can also be applied to commercial fleet insurance underwriting, loss prevention and claims management.

We've developed a usage-based insurance pilot program with the goal of helping clients quantify their operating risks, reduce losses through tailored loss prevention programs and provide more accurate pricing for clients based on their risk. FleetMap™ is the baseline program that characterizes the geographical operating risk of the participating fleet

and targets fleet-level safety improvement. DriverMap™ is an optional add-on program that characterizes the performance of individual vehicles and targets driver-level safety improvement.

Through the FleetMap™ program, we measure and report where and when vehicles accumulate mileage. We correlate losses with mileage characteristics, identify risk areas and help tailor safety programs accordingly. With the DriverMap™ program, we measure and report driver performance and provide driving behavior reports, identify problem locations and tailor safety programs.

**+ DATA
DRIVEN!**

Measure and report driver performance and provide driving behavior reports, identify problem locations and tailor safety programs.

Protective partners with ISO, the leading source of information about property & casualty insurance risk, to implement these programs. ISO has a system to determine risky locations, based on traffic composition, traffic generators, weather and terrain, traffic density and more. They also have a Safety Scoring® system that determines if a driver is safe or not, based on factors like braking, speeding, cornering and fuel usage.

Avoiding the PR crash: How communication can work in an accident crisis

Jim Parham, Hiron & Company

If one of your drivers was involved in a high profile crash today, would your company know how to respond and handle media inquiries? We don't want to think about accidents happening but we need to in order to be prepared and have a plan in place to react appropriately.

Develop a crisis plan that includes the following:

1. Scenarios of potential crisis events (i.e. driver is involved in a fatal accident).
2. List of who should be contacted immediately and who to contact if they can't be reached. This list should include emergency and after-hours numbers.
3. Policy on dealing with the media during a crisis. Drivers should never speak directly with the media. Subject matter experts who can speak to the technical aspects of the accident, such as a safety director, are good choices for your spokesperson. Also have a plan for media calling the office and make sure all employees are educated on how to respond and where to direct their inquiries.
4. How to communicate to various public entities and how will it be accomplished. Key stakeholders such as police, government officials, employees and their family members all need to be communicated with during a crisis.
5. How the facility will be secured and access granted. You may have media show up on site so extra security measures may need to be in place.

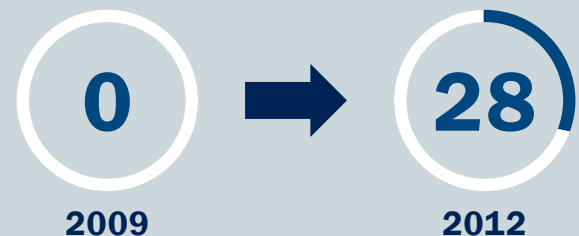
The keys to handling a crisis are speed, accuracy, credibility and consistency. You have to respond quickly, make sure you have quality information, utilize subject matter experts and be consistent in everything you say and do.

(continued on page 4)

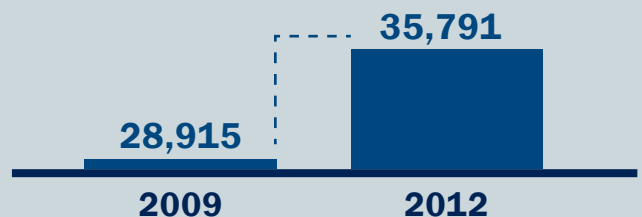
FMCSA BY THE NUMBERS

Kenneth Strickland, FMCSA division administrator, provided an overview of the organization's safety initiatives and shared the follow statistics:

Imminent hazard out-of-service (OOS) orders increased from

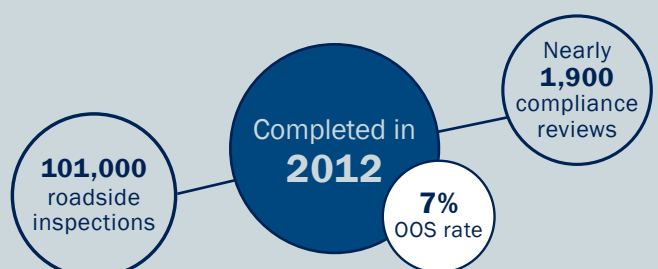
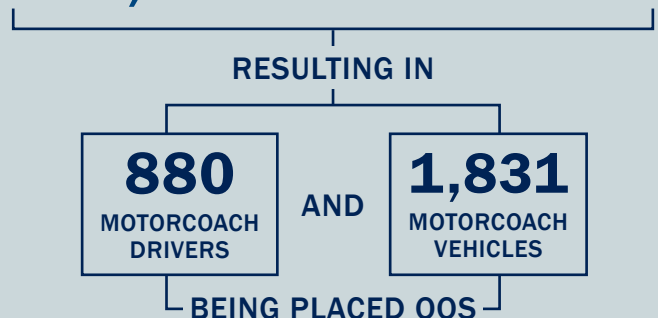


Motorcoach safety inspections increased nearly 24%, from



In 2012, FMCSA conducted

33,684 MOTORCOACH SAFETY INSPECTIONS





111 Congressional Blvd., Suite 500
Carmel, IN 46032

PRESORTED
FIRST CLASS
U.S. POSTAGE PAID
INDIANAPOLIS, IN
PERMIT NO. 1113

PUBLIC TRANSPORTATION **REPORT**

Issue 1//2014

Protective Insurance Company

(continued from page 3)

➤➤ Your spokesperson should be knowledgeable and articulate. They should never say “no comment” but rather something like “It is inappropriate for me to comment at this time because we are involved in an active investigation. We are fully cooperating with authorities.” Give the media information when you can and provide a specific timeline of when you will provide them with more updates. If possible, the spokesperson should control the location of any interviews at the scene of the accident. For example, they should avoid having the motorcoach with the company’s logo in the background of the shot.

Additionally, all drivers should have a “crisis card” that has emergency contact numbers and first steps such as calling 911, reporting to corporate, and not talking to media or first responders without a company representative present.

By having a crisis plan in place, being proactive in a reactive situation, keeping communication lines open and developing key messages that you stick to, your company will be well-equipped to handle these situations.

SAVE THE DATE

2014 PUBLIC TRANSPORTATION



CLAIMS

SAFETY



MONDAY, NOV. 3 –
WEDNESDAY, NOV. 5
INDIANAPOLIS, IND.