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VOLUME ONE, NUMBER TWO

September 2009

Solving the Driver Identification “Accident Waiting to Happen” Dilemma through Technology

After reading our first white paper, “Enlist the Aid of ‘Road warriors’ to Help Predict Your Next Crash,” you know at-fault crashes are predictable. In this White Paper, Number Two of our series, you will learn that, since at-fault crashes are predictable, they are also preventable. Through the use of new technology, we can identify the drivers who are most likely to cause your next at-fault crash. Solving that dilemma will enable you to intercede *BEFORE* your next accident occurs.

Summary of Volume One, Number One:

“Enlist the Aid of ‘Road warriors’ to Help Predict Your Next Crash”, September 2009



The first essential ingredient of any successful fleet is hiring the right driver. Before a hiring decision is made, a candidate’s MVR (motor vehicle report) should be reviewed to determine past driving infractions. Risk of an at-fault accident increases as a function of the number of citations on a driver’s prior record.

Focusing part of the pre-employment interview on safety practices is also a good way to glean the driver’s attitude toward safe driving behaviors. The challenge is to identify safety conscious drivers who will be a good fit with the overall safety culture in your organization. Immediately after hiring, and prior to a driver’s hand touching the steering wheel of one of your vehicles, the driver should participate in a proactive driver safety training program. This will reinforce how seriously your organization takes safe driving practices and enhance driver awareness of safe and unsafe behaviors — when drivers “know better,” most also “do better.”

After assuring you have hired and trained the “right” driver, you want to focus on reducing at-fault crashes. Our best practices require several critical components working together in an integrated and



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accurate system. The first component, a driver observation program, enlists the aid of millions of other non-biased drivers on the road, who are happy to pick-up their phones and report an erratic driver. Observation reports are highly correlated to the likelihood of a crash by a specific driver – the more calls a driver receives the more likely he/she is to have an at-fault crash. An analysis of our data reveals that, if a driver gets two calls from concerned motorists, he/she is 40% more likely to be involved in an at-fault crash.

As we discussed in our first white paper, driving is a patterned activity with habits that develop over a period of time. Tailgaters tend to tailgate, speeders tend to speed, and drivers who change lanes frequently without signaling tend to do that a lot. Why? Because these are behaviors they engaged in repeatedly without any negative consequences to date and these behaviors become habits. In fact, these unsafe driving behaviors can be considered “near misses”. The observation call reporting serves as an “early warning system”, alerting a supervisor to the fact that this driver is engaging in an unsafe driving behavior that, in time, will cause an at-fault crash unless there is an incident-specific and meaningful intervention.

The second critical component of this integrated driver safety management tool, which will reduce at-fault crashes, is call validation. In the driver observation industry, approximately 30 – 40% of all calls received by call centers are inaccurate, mainly due to incorrect identification of the vehicle and other erroneous information provided by the concerned motorist. One erroneous call report leads the supervisor and driver to doubt all call reports.

Thus, the call center handling in-bond motorist calls should validate all calls and delete inaccurate ones that cannot be validated prior to sending the report to you. This helps to build confidence in the current report as well as all future call reports. In addition to developing credibility for ALL reports, the supervisor will save time by not having to chase after inaccurate calls. If a call center’s call accuracy rate is less than 90%, the program is not very effective. In other words, if more than 10% of the call reports you get are inaccurate, your entire program’s effectiveness is greatly reduced.

A comprehensive and integrated driver observation report, including a .WAV file of the actual motorist’s call, should immediately be sent to the driver’s supervisor (the third component). This report aggregates all of the unsafe driving calls reported on this specific driver to ensure the supervisor has all of the data needed to analyze the driver’s driving habits and maximize the opportunity to reduce the risk of an impending crash by taking appropriate action.



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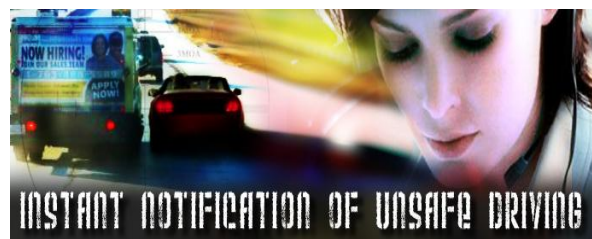
After an unsafe driving act is reported, validated, and addressed by a supervisor, the driver should be assigned incident-specific, corrective online safety training (fourth component). Following this thorough approach to vehicle and driver monitoring can dramatically reduce at-fault crashes and costs as well as related insurance costs, while saving lives and property.

Moving On to Solving the Driver identification “Accident Waiting to Happen” Dilemma through Technology

Sounds simple enough. But in these hard economic times, how can you, a fleet or safety manager, justify adding an additional expense to your cost structure? Throughout the country, fleet managers are aggressively studying ways to reduce their overhead, so why should you consider adding to it? Because in the end, this system will actually save you money. How? Let me explain ...

95% of your drivers are practicing safe driving, but the other 5% are at-risk of causing your next at-fault accident. Crashes are very, very costly. The average cost of a low-end fender bender property-damage-only crash is \$15,000. A crash involving a straight truck will cost within \$50 - \$60,000, personal injuries can soar into the hundreds of thousands of dollars, and a fatality can be a multi-million dollar cost to a company.

Knowing that, if I told you we can accurately identify and predict which of your drivers will cause your next at-fault accident, would you be willing to invest in the program? I think you would. And knowing this, you can take action to prevent the crash from happening.



2007 National Crash Statistics:

The following list from the Federal Motor Carrier Safety Administration details the number of 2007 traffic accidents per large truck and bus:

- ▶ 4,584 Large Trucks and 278 Buses Involved in Fatal Crashes
- ▶ 4,808 Fatalities in Crashes Involving Large Trucks and 322 Fatalities in Crashes Involving Buses
- ▶ 142,949 Large Trucks and 13,228 Buses Involved in Non-Fatal Crashes
- ▶ 58,043 Large Trucks and 7,130 Buses Involved in Injury Crashes
- ▶ 86,245 Injuries in Crashes Involving Large Trucks and 16,237 Injuries in Crashes Involving Buses
- ▶ 84,906 Large Trucks and 6,098 Buses Involved in Tow away Crashes
- ▶ 2,293 Large Trucks and 10 Buses Involved in Hazmat (HM) Placard Crashes



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The Federal Motor Carrier Safety Administration also released an extensive study in December 2006 of the actual costs of crashes involving many types of trucks – including straight trucks (no trailer), tractor-trailers, medium and heavy vehicles.

TYPE OF CRASH	COST ESTIMATE
<u>The lowest average cost-per-crash is for property-damage-only crashes:</u>	<u>\$15,114 per crash</u>
<u>Crashes in which straight trucks with no trailers were involved averaged:</u>	<u>\$56,296 per crash</u>
<u>Crashes involving non-fatal injuries soared to:</u>	<u>\$195,258 per crash</u>
<u>And finally, crashes involving a death exceeded:</u>	<u>\$3,604,518 per crash</u>

The above listed crash statistics and cost estimates highlight the significant number of annual commercial vehicle accidents that occur and the expense associated with crashes in terms of lives, time, property and equipment. In addition, there are many indirect costs to a crash, which are excluded from these cost estimates, such as damaged goods, down-time and replacement of vehicles, administrative costs, mental health care costs for crash victims, cargo delays, earnings lost by family and friends caring for the injured, etc.

To put this into a meaningful perspective for your business, if your company operates on a 5% profit margin, you'd have to generate an *additional \$1 million in revenue* to cover the cost of a single \$50,000 accident.

Now... if I told you that The Driver's Alert **SMART RISK™** Program can help you prevent, reduce or eliminate at-fault accidents, and help you save lives, reduce costs and protect your bottom line right now **AND** that it was guaranteed to deliver a minimum 10% reduction in at-fault accidents and/or a 300% Return on Investment, or your entire program is FREE, what would you say? I'd say you can't afford NOT to try The Driver's Alert **SMART RISK** program.



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Good News: Crashes Are Highly Predictable

At-fault accidents are not accidents at all. They result when the odds of high-risk driving behavior finally catch up with a driver. And they always do; it's just a matter of time.

Drivers who believe it's OK to speed from time to time, or to tailgate, or change lanes without signaling tend to repeat these high-risk behaviors often. And while they may get away with it once, twice or even a hundred times, eventually these unsafe acts will cause a crash.

But the good news is the observation reports for these high-risk behaviors are an early-warning indicator of an accident waiting to happen. And if we can predict the likelihood of a crash, we can intervene quickly to prevent it from happening.

The ability to predict accidents is based on your ability to identify drivers who engage in high-risk driving behaviors as they occur. Very quickly, patterns emerge that can accurately identify those drivers who need supportive counseling and remedial training.

The Better News: Crashes Are Highly Preventable

By identifying high-risk driving behavior and drivers who engage in unsafe driving acts, we can intervene quickly to correct and control these risk factors and high-risk activities.

It's impossible for any safety director or fleet manager to watch every driver of every vehicle, every mile, every minute they are out on the road. That's where Driver's Alert comes in.



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Driver's Alert *Smart Risk* Helps You Predict Which Driver in Your Commercial Fleet Will Cause Your Next At-Fault Crash

Driver's Alert *Smart Risk* empowers companies to analyze driver risk based on real time data, identifying drivers in their fleet that are going to have a crash. It aggregates the data from MVRs, driver observation calls, driver safety training, accidents and, if appropriate, maintenance records and GPS alerts to identify your riskiest drivers and assign a risk level to them, which will be standardized across your fleet. Let me explain...

The Driver's Alert Difference

Other companies offer various components of this program, but Driver's Alert *Smart Risk* is the only totally integrated program in the industry that is fully operational in-house with all functions performed through its own technology and by its own employees.

It begins with a state-of-the-art call center, which is 100% dedicated to handling road observation calls. The call center answers 99.4% of its calls by a live operator on the first ring. All calls are validated by a supervisor, and Driver's Alert guarantees a 97% call accuracy rate. That means the supervisor's valuable time is spent in responding to verified and accurate call reports.

The observation call report and digital .WAV file of the actual motorist's call is sent within minutes to the driver's supervisor. The Driver's Alert driver observation report includes a map which can pinpoint the exact location of a GPS-equipped vehicle when the call was reported. From this report, the manager and driver can click a link and listen to the original motorist's call, assign immediate training, or open-up an online call report. The incident call's details are provided, and from the report a manager can record the action taken, i.e., training assigned and no further action taken, a verbal or written warning issued, suspension of driving privileges of a company vehicle.

And here's where the latest technology brought to you by Driver's Alert *Smart Risk* program really hones into an industry-leading service. The call report also includes a list of the driver's MVRs, number of driver observation calls received, number of training courses taken, and the number of at-fault crashes caused. A fleet or safety manager pre-assigns a risk level to each of these driving history items for the entire fleet. Driver's Alert *Smart Risk* program then captures all of the data, analyzes it and

applies the benchmarked metrics to evaluate the individual's driving habits. Using this





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algorithm, a color-coded risk level is assigned to the driver.

This report is a real-time, single-source management tool to review a driver's complete three-year driving history **AND** to compare that driver's history against that of the other members of your fleet.

DRIVER OBSERVATION CALL Saturday, May 09, 2009 10:40:00 AM					DRIVER'S ALERT™				
Incident Information					Call Report Number 1018566				
Decal Number: 488 License Plate: 8101AKF Vehicle Number: 488 Color / Type: White Van Comment:	Road Type: Interstate Conditions: Dry / Moderate Traffic Location: The vehicle was heading south on I-285 near Shanley Dunwoody Road/ Exit 30 in Atlanta, Georgia. Editor s/w Caroline @ company.								
Incident Details Caller claims driver was drifting in and out of #3 lane, into #4 lane and #2 lane, as caller was traveling beside driver for 4 minutes, traveling an estimated 75-80 in a posted 55mph zone, driver was observed texting on phone.									
Decal Location Information					Incident Summaries & Points				
Krispy Kreme Doughnuts -149 Norcross Robert Pennington Winston-Salem NC 27102					Failure to Stay in Lane: 1 Point Speeding: 2 Points				
Caller Survey									
Did caller give a decal number? Yes Did caller give a vehicle number? Yes Did caller give a plate number? Yes			Did caller give a company name? Yes Did caller confirm vehicle type? Yes How many occupants in vehicle? 1			Caller Name: Thomas Drew Caller Phone: (404) 932-3975 NOTICE: To protect the confidentiality and safety of the caller, under no circumstance should the caller information be provided to the driver.			
Manager's Actions & Comments									
Manager's Action <input type="checkbox"/> Performance Award <input checked="" type="checkbox"/> Verbal Consultation <input type="checkbox"/> Verbal Warning <input type="checkbox"/> Written Warning					Manager's comments Harry has been talked to numerous times about Driver's Alert call-ins. Another call will result in a 2nd and written notice. The vehicle was checked and governor was operating correctly.				
<input type="checkbox"/> Additional <input type="checkbox"/> Suspension <input type="checkbox"/> Termination <input type="checkbox"/> No Action Taken <input type="checkbox"/> Other					Manager's Signature: <u>Wesley Pennington</u>				
Driver's Information & Comments									
Name: Harry Miles ID or #: 4575 Comments: Harry states that he was not speeding and does not remember weaving in and out of lanes. This is a heavily congested area with merging traffic that is not conducive to erratic driving.									
Histories								Actions	
Driver	Company	City	State	MVRs	GPS Alerts	Calls	Training	Accidents	Risk
Harry Miles	DA Loc: 018	Scranton	PA	2	0	2	2	1	3
								Listen to call audio Assign training to this driver Open call report online	

This is the key to the Driver's Alert **Smart Risk** product differentiation. The system automatically compiles all of the drivers' data into a risk level sequence from high-to-low risk within the fleet.



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24/7 Access to Real Time Data: Fleet & Individual Driver Reports

With more than 20 reports, we give you an in-depth view of your fleet and driver trends.

DRIVER RISK REPORT

Thursday, June 05, 2009, 10:04:20 AM

Data from 6/5/2006 to 6/5/2009

Driver's Name	Company Name	City	State	MVR	Calls	Training	Accidents	Risk
Harry Miles	DA - Location 018	Scranton	PA	2	2	2	1	3
Sue Steddman	DA - Location 020	Washington	DC	2	2	2	1	3
Tom Tombs	DA - Location 003	Portland	OR	1	3	3	1	3
Ernie Concini	DA - Location 007	Arlington	VA	1	2	2	1	3
Herb Fiore	DA - Location 010	Des Moines	IA	1	1	1	2	3
Ken Longboat	DA - Location 101	Wayne	MS	0	2	2	1	3
Link Potts	DA- Location 042	Rosemont	NB	0	2	2	1	3
Terry Moore	DA - Location 055	Reno	VNV	0	2	2	1	3
Ron Blackenship	DA - Location 074	Harrisburg	PA	0	2	2	0	2
Sam Briggum	DA - Location 050	Arden	MN	0	2	2	0	2
Art Kossner	DA - Location 044	Garden City	NJ	0	2	2	0	2
Kumar Gursahane	DA - Location 053	Sacramento	CA	0	1	1	0	1
Al Homes	DA - Location 009	Corpus Christi	TX	0	1	1	0	1
Marti Jensen	DA - Location 115	Dallas	TX	0	1	1	0	1
Scott McKendal	DA - Location 035	Concord	CT	0	1	1	0	2
Horst Durkeim	DA - Location 088	Chicago	IL	0	0	0	0	0
Lenny Harrison	DA - Location 047	Lancaster	PA	0	0	0	0	0
Don Johnson	DA - Location 089	Albany	NY	0	0	0	0	0
Karl Dubert	DA - Location 093	Las Cruces	NM	0	0	0	0	0

A manager no longer needs to guess what the MVRs mean in relation to the calls that are being reported or how the data on one driver relates to the driving history of another. At a glance, you can clearly see which of your drivers is at-risk to cause your next at-fault crash. And knowing that enables you to take action to prevent that crash from occurring, which saves lives, property and money.



Be SMART when it comes to managing your fleet. Contact Driver's Alert today for further details about Driver's Alert **Smart Risk** by emailing sales@driversalert.com or calling 1-800-443-9600.