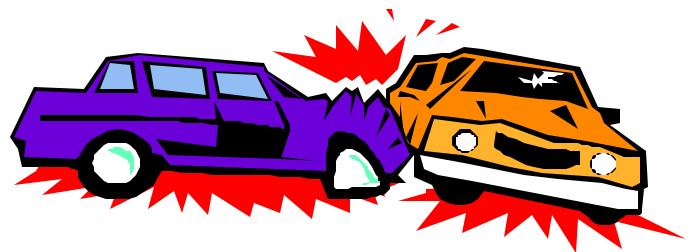


REDUCING AUTO LOSSES – WHAT YOU CAN DO!

A Vehicle Loss Control Program for the Green Industry



hortica.

#1 Horticultural Lane
Edwardsville, IL 62025

1-800-851-7740

VEHICLE LOSS CONTROL PROGRAM

Safe vehicle operation is the result of planning and action, not chance. Often insufficient attention is paid to the problem of ensuring vehicles are safely operated. The reason may be lack of awareness of the problem or the difficulties of organizing an adequate vehicle safety program and providing good supervision.

The Hortica Vehicle Loss Control Program focuses attention on two principal accident factors:

- driver failure
- vehicle failure



Experience has shown driver failure can be controlled by a carefully planned program of driver selection, training and supervision while vehicle failure can be reduced by good preventive maintenance.

This pamphlet covers the elements of a successful program for the reduction of vehicle losses. Vehicle safety is an important part of your overall safety effort because serious accidents are a daily occurrence in all areas of the country. Every day your drivers and some of your most expensive equipment are exposed to potentially devastating situations. The National Safety Council has found that 35% of all work related fatalities and 10% of work related disabling injuries are caused by motor vehicle accidents. Each year in the United States motor vehicle accidents account for 43,500 deaths and 1,600,000 disabling injuries. These accidents cost in excess of \$96.1 billion every year.

In about 85 or 90 percent of all motor vehicle accidents, unsafe acts of drivers can be identified as the cause. Only 10 to 15 percent are due to mechanical failure. Preventing vehicle accidents will result in the following benefits for your company.

- **Reduced losses and injuries.**
- **Improved public and customer relations.**
- **Lower insurance costs.**
- **Reduced indirect accident exposure.**
- **Improved driver morale.**
- **Reduced vehicle and contents damage.**
- **Reduced uninsured accident costs.**
- **Fewer delayed deliveries.**
- **Increased profits.**

Benefits are the bottom line objective, but before they can be achieved the activities for a successful vehicle loss control program must be planned. These activities are what make the program work. The Hortica Vehicle Loss Control Program has the following six elements:

- 1. Management Leadership and Support**
- 2. Selecting Drivers**
- 3. Driver Training**
- 4. Driver Supervision**
- 5. Vehicle Inspection and Maintenance**
- 6. Accident Procedures**

Each of these elements will be briefly discussed in the following paragraphs. Supporting materials such as guide sheets and forms can be found at the end of the pamphlet. Additional assistance is available from your Hortica Loss Control Representative. For the name of the representative servicing your area call **1-800-851-7740**.

MANAGEMENT LEADERSHIP AND SUPPORT



Management's supportive attitude is the key for a successful vehicle loss control program. Unless management accepts the basic concept that loss control is a vital function of doing business, the program will not be successful. Management must realize that an organized approach to loss prevention is the only sure way of achieving the benefits discussed above. Management's responsibilities are to adopt an effective vehicle loss control program tailored to the needs and

size of the business; announce the adoption of the safety program and require the full support of drivers and managers; personally support and show interest in the program through leadership and example; provide drivers with adequate and well-maintained equipment for safe operation; and periodically review accident records to determine the success of the program.

For your program to be effective, someone must be in charge. Specific responsibility and authority for organizing and running the program must be assigned to someone. Each level of supervision still has specific responsibilities for safety. The safety coordinator cannot do the job alone. His or her function is to coordinate and direct the program -- not do all the work.

The success or failure of the vehicle loss control program is directly proportionate to the interest and effort put forth by store managers and the backing the manager receives from senior management. The store manager's attitude should convince the drivers of his or her concern for safe vehicle operations and get their assistance to eliminate accidents. Managers have several responsibilities as follows.

- Select drivers who are mentally alert and physically qualified for driving the type of vehicle used.
- Check the past driving record of the applicant and relate this information to future expectations.
- Test the driver in the type of vehicle he or she will be using, determine the driver's present proficiency and estimate future training needs.
- Instruct in detail about the rules of the road, vehicle maintenance and general operating procedures.
- Make certain vehicles are properly maintained.
- Constantly observe drivers' habits in order to detect and correct unsafe driving practices and unsafe conditions and develop improved techniques.

SELECTING DRIVERS

Personally review all accidents, correct unsafe driving practices through additional training and repair unsafe vehicles to prevent another accident. A good vehicle loss control program begins with good drivers. Every effort should be made to select the most qualified person for each job, because individual job performance affects the safety and success of the entire program. Part-time and seasonal drivers should be selected in the same way as the full-time drivers.

Effective driver selection begins by clearly defining the requirements of the job. These should include the duties, the physical and mental skills required and the education and training necessary. All requirements should be based on objective standards applying to both temporary and permanent employees. Many scheduling problems can be relieved by keeping a list of people who are available for temporary driving assignments.



Application Form

Always use an application form. It is the first source of information you have about a prospective new driver. Although Federal and state law regulate the type of information you

may request, it is safe to ask for the following essential data. Personal information: Name, address, telephone number, Social Security Number and date available to start work. Education: Academic or special training courses pertinent to the job requirements. Work experience: Type of work wanted, previous positions including type of vehicle driven, length of employment, pay rate, names of immediate supervisors, and names and addresses of previous employers. The application form should include a release so you can check motor vehicle records and work references.

Interviewing


Interviews should be held in an informal, relaxed atmosphere, but they must be planned so the interviewer does not forget important items. The applicant should be encouraged to discuss previous employment, training and other qualifications for the job. Attitudes about scheduling, maintenance problems and previous accidents or violations are important. The applicant's driver's license should be checked for expiration date, identification number and class of vehicles authorized to operate. Because driving is an essential element of the position, you may ask questions about the person's driving record. Applicants must understand that their driving record will be checked. You can also ask the applicant to bring a copy of his or her current motor vehicle report (MVR) with them to the interview.

Reference Checking

References should be checked to verify information from the application and interview. Past performance is not a sure guide to future behavior, but is one of the best available. Employment dates, type of work, vehicles driven, accidents and traffic violations should be verified.

Traffic Accident Records

One of the most important references for a driver is the accident and conviction record kept by the state motor vehicle authorities. These reports are often referred to as “MVR or DMV” checks. Statistics show that drivers with a poor accident or violation record are much more likely to have repeat accidents. For example, a California survey indicated drivers with one to three traffic tickets will have twice as many accidents as violation-free drivers. Another survey indicates that a driver who had one accident is twice as likely to have another as an accident-free driver; and a driver who has had two accidents is three times as likely to have another. Knowing the probabilities helps you avoid hiring those most likely to have an accident.



The image shows a form titled "DMV REQUEST FOR INFORMATION" from the Oregon Department of Motor Vehicles. The form includes instructions and sections for requester information, record details, and type of record requested.

DMV
DEPARTMENT OF MOTOR VEHICLES
2000 NE Oregon Street, Salem, OR 97331

REQUEST FOR INFORMATION

The access and use of personal information contained in DMV records is limited. You must first qualify under Oregon law to receive personal information, and may only use the information for specific purposes. Personal information is: driver license, driver permit, or identification card number; name; address; and telephone number. If you do not qualify to receive personal information under Oregon law, your request and payment will be returned to you.

INSTRUCTIONS:

- Section A. - Fill out the name and address fields in full.
- Section B. - You must include enough vehicle and/or driver information for DMV to locate the record.
- Section C. - List the type of record you are requesting.
- Section D. - Describe clearly how you intend to utilize DMV records(s).
- Section E. - Check the box next to the type of entity you are requesting information and certifying under, and sign the bottom of the next page. Provide any required documentation.

SECTION A. - REQUESTER INFORMATION

NAME OF INDIVIDUAL, FIRM OR TRADE NAME	BUSINESS TELEPHONE # (INCLUDES IT ANY)	FAX NUMBER
MAILING ADDRESS	CITY	STATE ZIP CODE

SECTION B. - I AM REQUESTING: (For multiple inquiries attach a separate sheet of paper with this information.)

PLATE NUMBER	VIN NUMBER	COL ID - CUSTOMER#	DATE OF BIRTH - MM / DD / YYYY
NAME			
ADDRESS	CITY	STATE	ZIP CODE

SECTION C. - TYPE OF RECORD REQUESTED

Hortica recommended driver selection guidelines can be found at the back of this

Hortica – The Florists' Mutual Insurance Company
Vehicle Loss Control Program

pamphlet. We reserve the right to exclude any driver based on his or her accident and violation record. You may be sued for hiring a driver with a bad driving record.

Driving Tests

No employee who will drive, even occasionally, should be hired without a road test. Frequently, the experienced applicant will have habits that need correcting. Assuming that applicants can drive because they claim 4 years of experience can be a costly error. All tests should be conducted using the type of equipment that the applicant will be driving, if hired. A Driver's Road Test form is included at the end of this pamphlet. This form covers all necessary areas and is ready to use. Before starting the test, check the applicant's license for validity and any restrictions. The purpose of the test should be explained and any questions resolved. It is safe to assume that the driver will be trying to perform in the best possible manner; however, improper driving habits are not easily hidden and should be evident to the evaluator.

DRIVER TRAINING

Well-trained drivers are a profitable investment. They operate more efficiently, burn less fuel, wear out fewer tires and have fewer breakdowns on the road. They require less supervision because they know what they are supposed to do and how to do it. They are involved in fewer accidents because they know how to drive properly. Training goes on in every business to some extent, whether planned or not. Sometimes the new driver is just expected to "catch on" by watching a fellow employee perform the job. Depending on the person the new driver observes, either good or bad habits or a combination of both could be learned.

You cannot afford to leave driver training to chance. An untrained or poorly trained driver is an accident waiting to happen. To ensure correct driving and work habits are formed, training must be provided. Driver training must integrate the safe way with the proper way of doing the driving task.

Initial training should be given to new personnel to get them properly indoctrinated prior to starting work. Even drivers with many years of experience have a need for orientation due to differences in types of cargo, vehicles and operations. **Refresher** training can be very useful for regular drivers to update information and maintain skills. **Remedial** training may be useful when there is a problem of substandard performance which may be alleviated through corrective training. The need for remedial training may be identified by customer complaints, complaints from the public, accident involvement, moving traffic violations or reports of vehicle misuse or abuse. Drivers must be shown the critical relationship between their actions and the success of the business. Effective training is the key to developing proper driver attitude.

Hortica has a wide variety of training courses and resource material that can help you plan for and provide the necessary defensive driver training for your employees. Our Loss Control Representatives can provide training for your drivers at times and locations that meet your needs.

Selecting a Trainer

The key to a successful driver training program is to carefully select a qualified driver trainer. The person selected should have a superior personnel and safety record, to serve as an example to others, and sufficient experience with the company to know its operations and procedures. The amount of time the trainer devotes to driver training will depend on the size of the fleet and the amount of driver turnover. In smaller fleets it may be a part-time assignment with the trainer doing normal delivery driving when not training.



Training Objectives

The training program must have clearly defined performance objectives for both new and experienced drivers. The gap between these objectives and present performance indicates where training is required. A minimum training program should include: company policy orientation, review of rules and procedures stressing the driver's responsibilities, on-the-job training covering equipment and maintenance, as well as safe work practices and continued in-service training based on periodic driver skill reviews. Before ever sitting behind the wheel, the driver should have a thorough understanding of traffic rules and regulations in the communities and states involved; be familiar with motor vehicle accident problems and their causes; show interest in the company and its safety program and know what to do in case of an accident.

Training Topics

Topics that should be a part of the training program include the following.

- **Orientation.** Drivers' normal route; important customers; importance of servicing customers promptly, courteously, and efficiently; company policy regarding assisting disabled motorists; and other operational and personnel matters as necessary.
- **Defensive Driving.** This is driving so as to prevent accidents in spite of the incorrect actions of others or adverse driving conditions, such as weather, traffic, lighting, vehicle or road condition, or the driver's physical or mental state. Defensive driving is the core of an effective vehicle loss control program.
- **Accident Prevention.** Vehicle loss control is just one part of a total program. Reasons for the various methods of accident prevention; defensive driving; courtesy as an accident prevention technique; how road and weather conditions can contribute to accidents; factors that most often contribute to accidents; and case histories to teach the concept of



preventability.

- **Equipment Care and Operation.** Daily pre-trip inspection procedures; purpose and normal operating range of vehicle gauges; procedures for reporting equipment problems; common maintenance problems and vehicle washing procedures.

Reporting procedures for accidents and breakdowns:

- Practice completing accident report forms
- Practice following emergency procedures
- Discuss and practice obtaining names of witnesses and other evidence at accident scenes
- Discuss usual causes of vehicle fires
- Practice using a fire extinguisher
- Review emergency procedures for cargo or tire fires

DRIVER SUPERVISION

When thinking about driver supervision, one fact must be kept in mind. The nature of delivery fleet operation leaves drivers ***under their own supervision*** for a substantial portion of the workday. A critical element for a successful driver supervision program is the establishment of specific guidelines for job performance, including evaluation criteria, incentives and disciplinary procedures. These guidelines must be clearly understood by supervisors and drivers alike and applied equally to all drivers. A number of techniques for monitoring and improving driver performance are explained below. Each business must tailor the program to suit their particular needs.

Routing and Scheduling

Most managers will have a fairly good idea of factors such as route or area the vehicles will be using, number of miles for the route, average time required to complete the trip, loading arrangements and so on. These items can be supervised to a limited degree through random checks to verify that the driver is actually following the prescribed schedule. Close control of routing and scheduling will make this supervision task less difficult. Always be careful not to make routes too long. This can cause a driver to speed between delivery points to finish the route in a reasonable time.

Hours of Service

Every company having employees who drive, either full-time or part-time, should be aware of the effects of fatigue and establish work hours accordingly. The reason for restricting a driver's hours of work is based on the concept that the longer a driver works, the more fatigued he or she becomes and thus more susceptible to being involved in an accident. Particular attention should be focused on hours of service if accident records indicate a frequency of accidents which may be fatigue related, such as run off the road, rear end and single



vehicle accidents. Management must make every effort to assure that physical and mental stress which might contribute to the loss of vehicle control are minimized or eliminated. The use of drugs or alcohol must be prohibited by company policy.

During busy floral holidays, drivers are often required to work additional hours. Managers must watch for signs of fatigue among the drivers and take action to prevent accidents. A good rule is to limit driving to 10 hours in any 24-hour period.

Road Observation

Use of a road observation program allows managers to directly observe the actions of drivers, note condition of vehicles and identify road conditions along the route likely to cause hazards. Road observation is done through periodic check rides with each driver. A check ride should be conducted with each driver at least once a year. This is an opportunity to check defensive driving habits of the driver and correct problems. It is also an excellent opportunity for managers to visit with customers on the delivery route. This positive customer relations aspect is a terrific advantage of this program. At the back of this pamphlet is a Supervisor's Defensive Driving Checklist that can be used during these check rides.



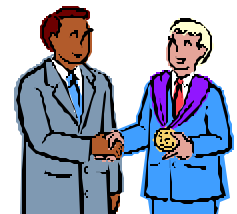
Vehicle Monitoring Program

As we pointed out above, your drivers are under their own supervision for most of the workday. Vehicle monitoring programs are an effective way to get feedback about driver performance on the road. Here's how it works. A decal on the back of your vehicles solicits comments from motorists with a question such as "How Am I Driving?" and an easy to remember toll free number. When a motorist calls, the 24-hour service screens the call for accuracy. After the information has been verified, an "Incident Report" is immediately faxed to you. You now have accurate information alerting you to unsafe driving or near-accidents that previously went unreported. You can take corrective measures before accidents occur.



Incentive Programs

Some drivers will perform expertly for wages alone or the self satisfaction in accomplishing the task, while others will require additional forms of stimulation. One motivation technique which has stood the test of time with fleet drivers is the incentive program. Incentive programs can be used for accident-free driving, fuel efficient driving, or whatever else is suitable for a particular operation.



These programs can provide many different types of awards (safety pins, patches, belt buckles, and so on) and may provide a substantial return on investment if it is administered properly and stimulates driver interest. The goal of any incentive program can only be reached if there are established rules, drivers and supervisors both understand the program and accurate records are maintained. Awards should be made promptly, preferably by top management and in front of fellow employees.

Safety Meetings

Periodic safety meetings keep interest high. Safety meetings should be small and conducted by the manager. Meetings should be confined to a definite subject and deal with specific problems. For example, a safety meeting for drivers might discuss following distance and preventing rear-end collisions. Meetings can also be held to explain a new or revised safety procedure, review a specific accident, discuss road hazards at the changing of seasons or cover the overall safety performance of the drivers. Covering the material in one of these makes an excellent safety meeting. A copy can be made for each driver and one posted on the bulletin board.



VEHICLE INSPECTION AND MAINTENANCE

Well-managed maintenance programs are extremely important in any fleet operation. Reduced operational costs, reduced accidents from vehicle defects and improved customer relations are the direct results of a well-implemented maintenance policy. The maintenance of vehicles within a fleet often reflects management's general attitude and outlook.

Preventative Maintenance

Vehicle fleets require maintenance to keep equipment operating safely and efficiently. Successful fleet managers follow a preventive maintenance program that consists of daily vehicle checks by drivers and regular inspections by mechanics scheduled on a time or mileage basis. A well-maintained fleet ensures the vehicle will be able to arrive promptly and safely and the possibility of accidents caused by mechanical failures will be reduced to a minimum. In addition, condition and appearance of vehicles will make a favorable impression with the public and customers. All of these advantages are possible through a preventive maintenance program.



Depending on the size of the fleet, there are at least two ways a maintenance program can be organized. First, preventive maintenance and minor repairs can be handled in-house while major repairs are sent out. Second, all vehicle maintenance including preventive maintenance can be done outside. A person must be assigned to make sure maintenance schedules are followed and records kept.

Daily Inspection by Drivers

Vehicle inspection is the first line of defense in assuring a vehicle is in safe operating condition; however, its benefits affect many areas other than safety. Finding and repairing a defect reduces the risk of a mechanical condition contributing



to an accident or vehicle breakdown. Drivers should be responsible for the mechanical condition of their assigned vehicle. They should check their vehicles prior to each run following established company procedures. These checks usually cover steering, brakes, engine noise, lights, general handling of the vehicle and tires which serve as clues to developing problems. For this procedure to work properly, the drivers must have a basic knowledge of mechanics as well as a general knowledge of what symptoms to look for. A completed vehicle condition report should be submitted daily regardless of whether a defect is noted.

ACCIDENT PROCEDURES

In the event of an accident, the company must have well-established procedures to ensure the proper actions are taken. Be sure to notify Hortica Claims Division as soon as you have the basic information about the accident. Delayed notification makes it more difficult to handle the claim quickly and effectively. The claim reporting number is: **1-800-851-7740**.

Driver Responsibility

The driver's initial actions are often critical to minimizing the accident. The driver may be under extreme stress, so procedures must be clear, concise and thoroughly understood. To help in this situation, Hortica provides an "*In Case of Accident*" packet and disposable cameras which should be kept in the glove box of every vehicle along with a pencil and small pad. The packet contains instructions and forms for use in the event of an accident. The basic steps a driver should perform at the accident scene are:

- Stop immediately, shut off engine and set the brakes.
- Protect the area by properly placing emergency warning devices.
- Assist any injured person within the limits of their knowledge - never move an injured person unless they are in imminent danger.
- Notify the police (the driver should not leave the scene of the accident except in extreme emergency situations) - if necessary ask a passing motorist or bystander to make the call.
- Provide their name, company name and their driver's license to those involved. The driver should not discuss the accident with anyone except their employer, police or the Hortica representative. Drivers must not apologize or admit guilt to anyone, no matter who's at fault.
- Photograph all areas of the accident scene before the vehicles are moved. Also photograph skid marks, gouges, debris, pot holes, bumps, obstructions and all four

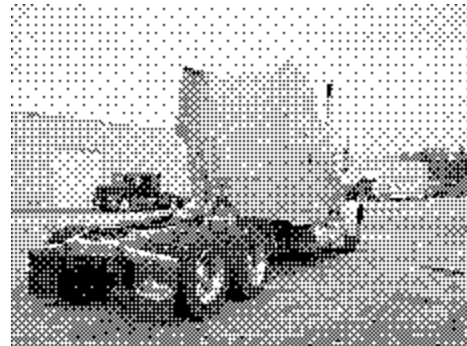


sides of the vehicles involved in the accident. (Hortica provides disposable cameras for our Insured's vehicles free of charge. To order more cameras call the Hortica Loss Control Department at **1-800-851-7740.**)

The first step in accident reporting is for the driver to complete a preliminary accident report and gather all pertinent information at the scene of the accident. Thoroughness in performing this task will be of great help in assessing the accident afterwards.

Accident Analysis

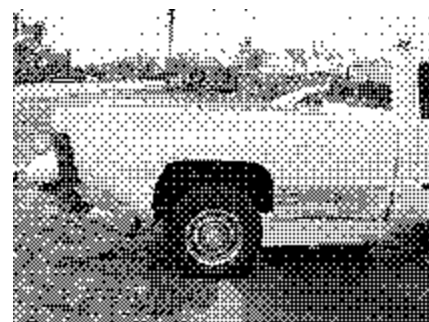
Proper accident analysis involves the gathering of facts, arranging them in a usable format, and analyzing what happened. In most cases, accidents are due to improper driver action. A good job of fact-finding will identify driver deficiencies that require correction. Hortica has a "Vehicle Accident Review" form that will help with the analysis. A copy of this form is at the back of this pamphlet. A poor driving practice that causes an accident may indicate the need for a variety of remedial measures depending on the facts. A road check or a retraining session with the driver may be enough to correct the bad practice. Every driver involved in an accident should get some type of counseling or retraining. Otherwise, the drivers may not take the vehicle loss control program seriously. One purpose of the accident analysis is to determine if this was a "preventable accident."



Preventability of Accidents

A determination should be made as to whether the accident was a "preventable accident" on the part of the company's driver. To avoid involvement in a preventable accident, drivers must understand the concept of, and practice, defensive driving. This is irrespective of the legal conditions surrounding an accident, because preventability relates to "defensive driving" and not legal blame. A preventable accident is one in which the driver failed to exercise every reasonable precaution to prevent the accident. The key word in this definition is "reasonable." How you interpret "reasonable" will determine how high the standard of safety performance will be for your drivers.

Once the determination has been made, you must take action. Possible corrective actions include disciplinary action, increased supervisor emphasis, remedial training or driver re-certification. The Hortica Recommended Driver Performance Standards are attached at the end of this pamphlet. These standards can be an important factor in driver improvement.



SUMMARY

The Vehicle Loss Control program, like productivity, quality and cost control, is a strategic process. To be effective, it must be integrated into day-to-day activities and become a company norm -- not an add-on. Successful businesses set policy, establish procedure,

assign responsibility, hold people accountable and measure performance. Good levels of vehicle accident prevention performance are achieved when vehicle loss prevention is perceived as an important and integral part of running your business.

Motivation of managers and first line supervisors is the key to an effective safety program. They have to see that the intentions and orders of management are carried out by using their personal authority and influence. If the managers and supervisors do not take safety seriously, employees will not either. On the other hand, if managers and supervisors are convinced of the importance of safety, if they show that safety has to be considered all the time, if they do everything that reasonably can be done to prevent accidents -- employees will follow the example.

Good luck with your Vehicle Loss Control Program! Hortica has a wide variety of training courses and resource material that can help you plan for and provide the necessary vehicle accident prevention training for your employees. If you would like additional information please call the Loss Control Department at **1-800-851-7740**.