Vision for Vehicle Safety

May, 2017
Agenda

• Ongoing Problem of Vehicle Safety
• Why have previous efforts failed?
• Vision for a comprehensive Safety Plan
• Cost/Benefit
• Questions
Industry background, Joe Stergios

- Corporate Business Development Manager - St. Louis, MO
- Partnered with So Cal ABC Chapter 2004-2015
- 27 years in Fleet Management Industry
  - Enterprise - 20 years
  - ATT/GE Capital
  - Donlen
  - General Motors
Vehicle Safety Facts

• 94% of accidents caused by Driver error (NHTSA)
• Fatalities on the rise
• Accident cost to employers was $47.4 billion in 2013 (NETS)

<table>
<thead>
<tr>
<th>Fatalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
</tr>
<tr>
<td>2014</td>
</tr>
<tr>
<td>2013</td>
</tr>
</tbody>
</table>

Source: FARS
Exhibit 9: Traffic fatalities sharply rising: +8.9% CAGR in the last 2 years versus 34-year CAGR of -1.3% previously

Note: FY2016 fatalities estimated by applying 1H2016 growth rate to FY2015
Source: National Highway Traffic Safety Administration, Morgan Stanley Research
DRIVER BEHAVIOR HAS A DIRECT EFFECT ON EMPLOYER CRASH COSTS

- **SPEEDING**: $8.4 BILLION
- **DISTRACTED DRIVING**: $8.2 BILLION
- **ALCOHOL**: $6 BILLION
- **NOT WEARING SEAT BELT**: $4.9 BILLION
Exposure to Risk

- Company-Owned vehicles
  - No grey area
- Company-Leased vehicles
  - No grey area
- Employee-Owned vehicles
  - Established use on company business?
  - Maintenance?
Fleets Big & Small Struggle with Safety

Automotive Fleet Magazine Survey, 2014

- 66% Do not check motor vehicle reports (MVR) annually
- 70% Do not monitor regular activity of drivers
- 59% Do not have a meaningful Safety Program
Consequences

1. **Economic**
   - Insurance Premiums up 29% in Trucking Industry

2. **Operational**
   - Productivity disruption

3. **Reputational**
   - Company image
   - Owners and GC’s care
   - Recruiting/Retention

“If you choose not to decide, you still have made a choice.”

-Rush
Vision for Safety Success

Vehicle Selection
Policy
Telematics
Driver Training
Driver Monitoring
Insurance Coverage
## Vehicle Selection: Newer vehicles really are safer

### Chevy Equinox

<table>
<thead>
<tr>
<th>Model year</th>
<th>Front overlap</th>
<th>Roof strength</th>
<th>Head restraints &amp; seats</th>
<th>Front crash prevention</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>Basic</td>
</tr>
<tr>
<td>2016</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>Basic</td>
</tr>
<tr>
<td>2015</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>Basic</td>
</tr>
<tr>
<td>2014</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>Basic</td>
</tr>
<tr>
<td>2013</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>Basic</td>
</tr>
<tr>
<td>2012</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>Basic</td>
</tr>
<tr>
<td>2011</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>Basic</td>
</tr>
<tr>
<td>2010</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>Basic</td>
</tr>
<tr>
<td>2009</td>
<td>G</td>
<td>G</td>
<td>G</td>
<td>Basic</td>
</tr>
<tr>
<td>2008</td>
<td>G</td>
<td>M</td>
<td>A</td>
<td>M</td>
</tr>
<tr>
<td>2007</td>
<td>G</td>
<td>M</td>
<td>A</td>
<td>M</td>
</tr>
<tr>
<td>2006</td>
<td>G</td>
<td>M</td>
<td>A</td>
<td>M</td>
</tr>
<tr>
<td>2005</td>
<td>G</td>
<td>M</td>
<td>A</td>
<td>M</td>
</tr>
</tbody>
</table>

### Technologies (IIHS)
- ESC
- BLiS
- Camera/Back-up
- Air Bags
- TPMS
- ADAS
- Lane Departure
- Headlamps**
Company Vehicle Policy

• Personalize to match your culture
• Define eligibility and responsibilities
• Texting policy
• Telematics notice
• Uber prohibition
• Maintenance expectation
Telematics

“Scalable” platform:
- Routing
- ELD
- HOS
- Video
- IFTA Fuel Tax
- Eg: “Geotab Marketplace”
Slow and Steady Adoption

Fleet deployment of telematics

Source: NTEA 2013–2017 Fleet Purchasing Outlook Surveys

Figure 26
Continuous MVR Monitoring (Samba)

- Benchmarking: How are you performing compared to others?
- Compliance: Do you have all your releases on file?
- Incentives: Are you providing positive reinforcement to successful drivers?
- Background Check: Are you hiring the best qualified drivers possible?
- Online Training: Is your training targeted to individual drivers?
- MVR Records: Do you know your driver’s history?
- Policy Enforcement: Are you measuring your drivers against your policy?
- Proactive Monitoring: Are you informed of new driving violations?
- External Data Sources: Do you have a complete picture of your driver?
- Crash Tracking: Who’s having accidents and how much they cost?
- 1-800 How’s My Driving: Do you have eyes and ears on the road watching your drivers?
Driver Training

- Assessment
- eLearning
- Targeted
- Periodic refresh

<table>
<thead>
<tr>
<th>Defensive Driver Training Modules</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>ABS</td>
<td>Alcohol, Drugs &amp; Driving</td>
</tr>
<tr>
<td>Avoiding Collisions with Large Animals and Debris</td>
<td>Avoiding Collisions with Pedestrians and Cyclists</td>
</tr>
<tr>
<td>Defensive Backing Strategies</td>
<td>Defensive Parking Strategies</td>
</tr>
<tr>
<td>Drowsy Driving</td>
<td>Escape Routes</td>
</tr>
<tr>
<td>Vehicle Maintenance</td>
<td>Intersections</td>
</tr>
<tr>
<td>Intersection Solutions</td>
<td>Road Rage</td>
</tr>
<tr>
<td>Parking Lots and Backing</td>
<td>Safe Driving at Night</td>
</tr>
<tr>
<td>Safe Business Travel</td>
<td>Safely Navigating Rural Roads</td>
</tr>
<tr>
<td>Safe Freeway Driving</td>
<td>Speeding</td>
</tr>
<tr>
<td>Sharing the Road with Large Trucks</td>
<td>SUVs, Trucks &amp; Minivans</td>
</tr>
</tbody>
</table>
Vision for Safety Success

Vehicle Selection  
Telematics  
Policy  
Driver Training  
Driver Monitoring  
Insurance Coverage
Any organization’s Priorities

- Economic outcomes
  - Profits or Balanced Budget
  - Expense Control
  - Revenue Maximization

- Operational Aspects
  - Productivity of workforce
  - Quality of workmanship
  - Execution of responsibilities and deadlines

- Reputation
  - Culture
  - Community standing, goals and metrics
  - Employee recruiting and retention
Questions?

Thank you!

Joe Stergios

Joseph.Stergios@efleets.com

314-274-4041