

SHIELD

a quarterly publication from Protective Insurance

**Crisis planning: special considerations
for transportation employers**

**Listening to drivers offers ideas for
easing your driver shortage**

Drive down distractions

CRISIS COMMUNICATION Planning

SPRING 2020

 **PROTECTIVE
INSURANCE**

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NEWS & NOTES

A LETTER FROM THE CEO

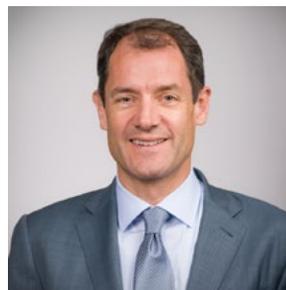
These are challenging times. Whether physically, financially, or emotionally, at some level all of us will feel the impact of COVID-19. But there is strength in adversity, and I have never been more proud of the industry we support and of our Protective team.

As always, truckers are called upon to transport and deliver the critical items of daily living that keep America running. Without truckers, the difficulties would be unimaginable. Thank you for your commitment. We appreciate you and are here to support one of America's most vital industries, trucking.

I am so proud of the Protective community and how quickly employees transitioned to working from home. Everybody is doing their part to provide first class service to our customers, our agents and our claimants while adjusting to our new reality. Today, our commitment to safer roads and safer people takes on a deeper meaning.

This too shall pass. I believe we'll look back with pride at the strength of our communities, the resilience and generosity of our people, and the fundamental optimism in our future. The way we live and work may be different, but change brings opportunity, innovation and ultimately, new growth. Protective stands ready to help you through these challenging times and into the future.

Be safe, be healthy, and thank you for all you do,



Jeremy Johnson
CEO | Protective Insurance

DAILY EXPRESS AWARDS BANQUET

Earlier this year, Daily Express held its 53rd annual awards banquet recognizing the extraordinary safety record of a number of its team members. The culture of safety is evident at Daily Express and Protective is proud to be their insurance partner for almost five decades.

Daily Express presented 215 safe driving awards. The recipients of these awards range in years-of-service from one to 48. That range is impressive!

Over the years, Daily Express has inducted 193 drivers into the Daily Million Mile Club. To be eligible for this award, a driver must have traveled one million miles without being involved in a preventable accident and all million miles must have been with Daily Express. They inducted three new members this year – Charles Allen, James Ireland and David Shrader – each with 13 years of safe driving.

Four new members were inducted into the Daily Two Million Mile Club. To be eligible for this award, a driver must have traveled two million miles without being involved in a preventable accident and all two million miles must have been with Daily Express. This year's inductees were Ron Buckley, Kenny Lewis, Ray Martin and Dana Richardson – each with 26 years of safe driving.



48-YEAR AWARD

Todd Long (left) CEO of Daily Express, presenting a 48-Year Safe Driving Award to Andy Seipel (right)



MILLION MILE

Charles Allen (right) receiving the Million Mile gold watch from Mark Eyer (left) VP Operations of Daily Express



CONTRACTOR OF THE YEAR

Mike Weisgerber (right) receiving his Contractor of the Year leather jacket from Mark Eyer (left) VP Operations of Daily Express

OSHA OVERVIEW

COVID-19 may be OSHA recordable

The U.S. Occupational Safety and Health Administration (OSHA) indicated COVID-19 may be a recordable illness as part of an employer's annual OSHA 300 log if a worker was infected as a result of performing work-related duties.

A COVID-19 case is only recordable if it meets all three of the following criteria:

1. COVID-19 was confirmed as part of Centers for Disease Control & Prevention (CDC) protocols for a person under investigation, presumptive positive or as a laboratory-confirmed case.
2. The case is work-related as defined under OSHA standard 29 CFR 1904.5.
3. The case involves one or more of the recording criteria specified in OSHA standard 29 CFR 1904.7.

Employees who have gotten the common cold or the flu are not considered reportable incidents. Follow your employer's protocols.

U.S. Department of Labor Orders Connecticut Commercial Motor Carrier To Compensate Driver Who Raised Safety Concerns

The U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) has determined that Universal Trucking Solutions LLC – a defunct Hartford, Connecticut, commercial motor carrier – and its co-owner, Juan Ramirez, violated the whistleblower protections of the Surface

Transportation Assistance Act (STAA).

OSHA investigators found that the company and Ramirez retaliated against a driver who repeatedly voiced concerns to management about faulty vehicle maintenance – including missing or inoperative headlights and air pressure leaks – and the company's direction to violate Federal Motor Carrier Safety Administration hours of service regulations while driving. Management and Ramirez later changed the driver's work schedule, resulting in a reduction to the driver's pay.

The driver resigned in February 2017 after concerns that U.S. Department of Transportation officials would confiscate their Commercial Driver's License; that their livelihood and/or life could be lost because of defective trucks; and because their employer forced them to ignore hours-of-service rules.

Following the investigation, OSHA ordered United Trucking Solutions and Ramirez to take the following corrective actions:

- Pay the driver \$8,315.81 in back pay and interest, \$75,000 in punitive damages, and \$50,000 in compensatory damages for mental pain and emotional distress;
- Pay \$21,378.05 in reasonable attorneys' fees to the complainant's attorneys; and
- Refrain from retaliating or discriminating against the complainant in any manner for exercising STAA rights.

"Truck drivers are protected from retaliation when they refuse to violate laws put in place to protect their safety and health," said OSHA Regional Administrator Galen Blanton in Boston, Massachusetts. "This order reinforces the agency's commitment to protect workers who exercise their right to a safe workplace, and refuse to place themselves and the public at risk."

A COVID-19 CASE IS ONLY RECORDABLE IF IT MEETS ALL THREE OF THE FOLLOWING

01

COVID-19 was confirmed as part of Centers for Disease Control & Prevention (CDC) protocols for a person under investigation, presumptive positive or as a laboratory-confirmed case.

02

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03

The case involves one or more of the recording criteria specified in OSHA standard 29 CFR 1904.7.

Crisis planning: *special considerations* for transportation employers

A motor carrier's emergency preparedness plan is created to protect employees, customers and the general public from injury during a crisis. A business continuity plan is a piece of this plan, and it has the primary objective of maintaining and restoring operations during a crisis. Its role is to keep trucks or busses moving.

Your plan should consider the following topics:

AVAILABILITY OF GOODS AND SERVICES

- Are your customers (shippers and receivers) and their vendors able to continue operation?
- What would the demand for your customers' products or services (pharmaceutical vs. appliances vs. toys, etc.) be during an emergency?
- Can essential materials and supplies be safely, legally and practically stored at regional distribution centers or dispersed at sites along likely traveled routes?
- What is the availability of fuel and lubricants? How long can you operate if a shortage occurs?
- Could there be a shortage of repair parts or supplies for vehicles and equipment?
- Are open warehouses or storage containers available locally on short notice if you need to stockpile supplies temporarily?
- Do you have pre-established contracts with multiple vendors for essential supplies? If your supply chain is disrupted, how long can you operate?
- Are there specialty support operations available during a pandemic, such as tank wash stations and cleaning supplies for bulk hazardous materials?

EMPLOYEE AVAILABILITY

- Are you able to re-assign cross-trained employees to fill in the gaps?
 - + Is a mechanic licensed with a CDL able to take loads?

- + Can a dispatcher or supervisor fill in as a driver if qualified?
- + Can someone assist in dispatching?
- Are there enough available certified maintenance technicians in-house if your third-party fleet maintenance service is unable to service your equipment?
- How will you address drivers who are unwilling to transport goods or passengers in areas designated as "hot spots" for the emergency or crisis?
- Do you offer a work-from-home option for administrative personnel?
- Have you modified your policy on absenteeism (making it less stringent) during times of crisis?

If the crisis is a pandemic:

- Are there procedures in place for vehicles, including trucks, trailers and buses, to be adequately cleaned and disinfected between shifts and load changes?
- Are you cleaning (daily) frequently touched surfaces on busses?
- What procedures are in place in the event a driver becomes ill while on the road?

ROLES AND RESPONSIBILITIES

- Have you designated someone to oversee your emergency prevention initiative?

If the crisis is a pandemic:

- Do dispatchers have a checklist of symptoms of the disease/virus in order to refer drivers to treatment?
- Are dispatchers trained that regulations prohibit a driver from operating a CMV when ill?
- Have drivers been trained on your pandemic policy? They should have:
 - + Educational materials (information about signs and symptoms, company procedures)
 - + A point of contact for questions.

Source: *Truckload Carriers Association (TCA)*



CRISIS COMMUNICATION PLANNING

Crisis planning is something every business knows they should do. In the rush of our regular day, it seems overwhelming and often gets pushed to the side.

**THEN, A
CRISIS
HITS.**

Begin the process with a crisis communications plan. It can help you take the first step and get organized to address other areas of your business. Here are a few steps to help with the process.

DETERMINE WHO SHOULD BE A PART OF THE CRISIS COMMUNICATIONS TEAM.

YOU WILL NEED:

01/ A LEADER

someone who is authorized to make decisions regarding what is being said to whom

02/ AN ORGANIZER

someone to keep track of all messages and keeps everyone on the same page

03/ EXTERNAL MESSAGING

this person works with media and posts to social media

04/ INTERNAL MESSAGING

this person keeps employees informed

05/ STAKEHOLDER RELATIONS

the person who keeps your customers, board members and investors informed

Add others to your planning group as you see fit. For example, you may want to designate one person to review and edit all messages before they go out.

FOR INTERNAL COMMUNICATIONS

- **Prepare in advance** for different scenarios such as an extreme weather event or an accident.
- **Develop messages that allow you to communicate early and often.** Have a town hall meeting; send regular emails or text messages.
- **Anticipate questions.** You know your team; what will they want to know?
- **Stay focused on what employees need to know and do;** consider how they may be feeling about the crisis.
- **Stay true to your corporate values** to avoid bias, marginalizing groups or sharing misinformation.
- **Be clear, calm and concise.** Avoid industry jargon and difficult medical or scientific terms.
- **Research reputable and reliable resources of information** for your crisis scenarios such as the National Weather Service or the Centers for Disease Control & Prevention.
- **Dedicate a place where your employees can go** for the latest information such as an intranet page. Make sure it is mobile friendly.
- **Assign a leader** who can be a consistent voice throughout the crisis. This leader may change depending on the crisis at hand.
- **Involve your managers** by sharing key messages.
- **Show you care about what is happening to your employees** by sharing information about local resources such as support services.
- **Provide a way for employees to respond.** Answer their questions quickly and share those questions and answers with the entire team.

EXTERNAL COMMUNICATIONS IS ABOUT STORY-TELLING.

Consider how your company and industry are connected to each crisis scenario. **In the case of COVID-19, the transportation industry has demonstrated the vital role it plays in keeping store shelves stocked and necessary resources at hand.** Share a story about how your company has been involved and has overcome a previous crisis.

If the crisis is local, share a story about how your company is assisting its neighbors. Are you hosting a fundraiser? Are you helping move debris after a storm? Are you providing shelter for those temporarily displaced? Let the rest of the world know what you're doing to be a good neighbor.

Do you have an employee who volunteers with any crisis organizations such as the Red Cross? Highlight their involvement in a story.

Source: Ragan Consulting

COMMUNICATIONS IS VITAL FOR WEATHERING A CRISIS. THE MORE YOU PRACTICE, THE BETTER YOU WILL BE. AND ONCE YOU HAVE TACKLED COMMUNICATIONS, PLANNING FOR YOUR OTHER BUSINESS AREAS WILL BE EASIER.

Listening to drivers offers ideas for easing your driver shortage

Driver shortages have been the talk of the transportation industry since 2005. When the 2008 recession impacted volume, the shortage was erased, only to grow again to an estimated 60,800 by 2018.

The reasons for the shortage are varied. Top among them is the high average age of current drivers.

The Bureau of Labor Statistics (BLS) reports the median age of all employed persons in the US is 42.2. The median age for drivers is 46.3. This aging of drivers indicates that as current drivers retire, fewer younger people are joining their ranks.

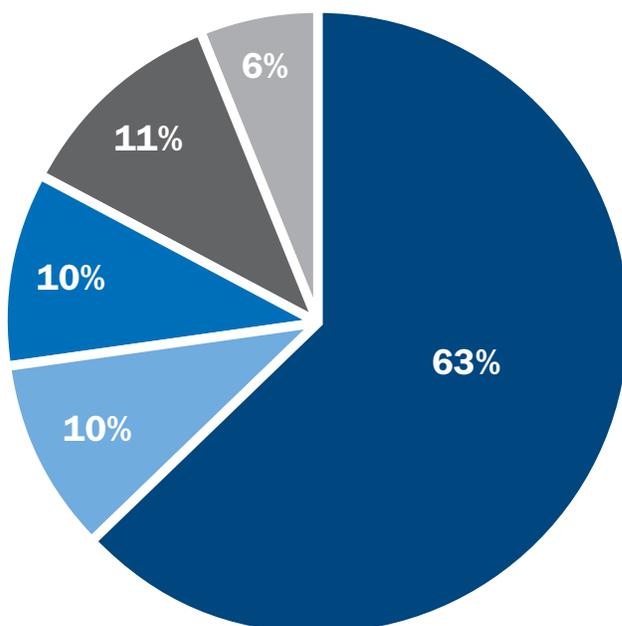
Two other demographics show room for growth within the ranks of drivers: women and minorities. In 2018, 6.6 percent of drivers were women and that number hasn't changed much during the last two decades. Minorities made up 40.4 percent of drivers in 2018. While this is an increase from the 2001 level of 26.6 percent, there is still room for growth.

There is also the issue of quality vs. quantity. Even with the shortage of drivers, carriers that support a culture of safety are selective in hiring drivers who reflect the values of safety and professionalism.

The overall job market also has an impact. Low unemployment rates open up opportunities for a wide variety of career choices. **With the demands of the truck-driving lifestyle, those who may have chosen this career are opting for other paths.**

The graph below is from a Randall-Reilly survey the Commercial Carrier Journal (CCJ) conducted in 2019. It shows that the majority of current drivers have been behind the wheel for at least 20 years.

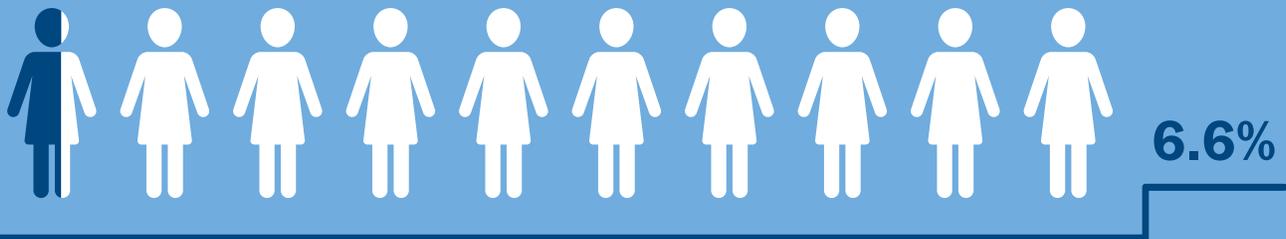
How long have you been a truck driver?



MORE THAN 20 YEARS	63%
16 TO 20 YEARS	10%
11 TO 15 YEARS	10%
6 TO 10 YEARS	11%
5 YEARS OR LESS	6%

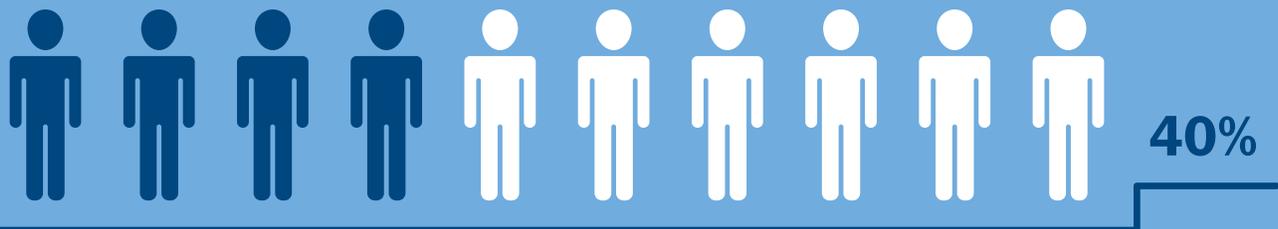
WOMEN DRIVERS IN 2018

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MINORITY DRIVERS IN 2018

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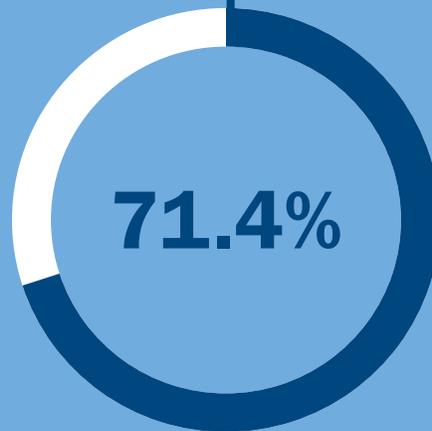
A Randall-Reilly survey of drivers provides some interesting insights that connect to the driver shortage.

When current drivers were asked why they thought fleets were struggling to hire additional drivers, pay rose to the top with respect as a close second.

Similarly, current drivers would change fleets for higher pay, with appreciation and choice of routes tying for second.

Current drivers also value equipment. The items most important to them are: special seat that improves comfort for long hours of driving, auxiliary power unit (APU), late model truck, larger sleeper and satellite radio.

Sources: What Drivers Want – Special Report 2019 from Randall-Reilly and the Commercial Carrier Journal (CCJ) Truck Driver Shortage Analysis 2019 – American Trucking Associations



71.4% of all freight tonnage is moved on the nation's highways. The driver shortage is a concern for the entire supply chain.

Taking into account the causes of the shortage and the input of drivers, consider these ideas for easing your own driver shortage.



TARGET THE RIGHT DRIVERS

Think about your most successful employees. What do they have in common? What makes these drivers different from others? Use this information to create a profile of your preferred candidate then target those people. Don't spend time talking with potential drivers who will not be successful in your organization just to put a body behind the wheel. It may cost you in the long run.



PUT YOUR SUCCESSFUL DRIVERS ON THE CASE

As with other professional occupations, drivers know other drivers. Incentivize your employees to recommend others like themselves. This can also help with retention. If you work with people you like, you are more inclined to continue wanting to work with them.



INCREASE RETENTION

Keeping your current drivers is more economical than hiring new ones. Talk to your drivers. Get their input on how to make things better. Take their concerns and advice seriously. Respect is a big issue with drivers. When they see you taking their concerns to heart and doing something about them, they will be more inclined to stay.



CREATE MENTORSHIPS

To increase the success rates of young and minority drivers, pair them with your most successful drivers. Let those with the most experience in your fleet bring along the newest members of the driving family.

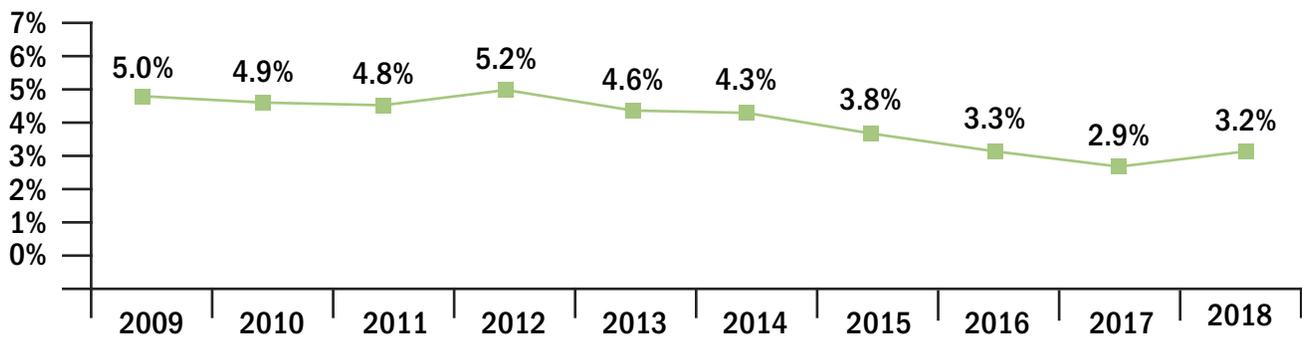


WORK WITH A HIRING FIRM

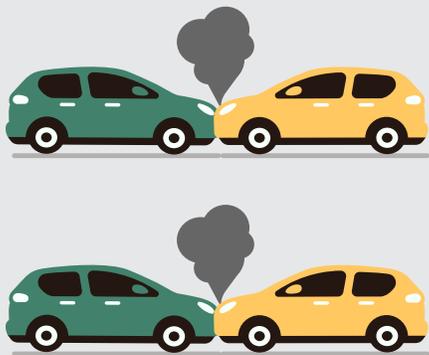
There are hiring and retention companies that specialize in the transportation arena. Use their connections and skills to help you reach your goals.

Drive down distractions

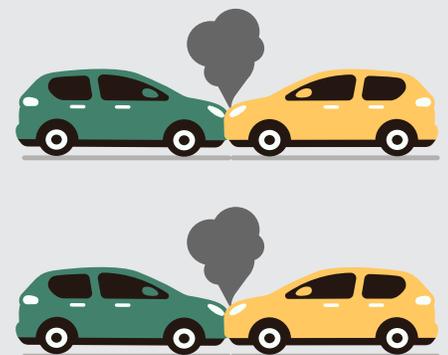
What is the leading cause of workplace death? **Car crashes.** The National Safety Council (NSC) estimates a quarter of crashes involve cellphones. Employers can play a leading role in ending distracted driving by putting cellphone policies in place. As shown in the chart below, the use of electronic devices by drivers had decreased during the past few years. 2018 saw an increase in use.



#1 cause of workplace death: CAR CRASHES



Drivers using handheld or hands-free cellphones are 4x as likely to crash.



NSC estimates 20% of crashes involved cellphones.



Companies have paid big for cellphone-related crashes.

**\$16.1
MILLION**

For a salesperson who was talking on his cellphone on route to a sales appointment and crashed, injuring another driver.

**\$21
MILLION**

For a driver talking on a hands-free headset – in accordance with her company’s policy – who struck another vehicle, seriously injuring the other driver.

**\$24.7
MILLION**

For a tractor-trailer driver who, while checking text messages, ran into 10 vehicles stopped in traffic on the freeway, killing three people and injuring 15 others.

IMPROVE YOUR COMPANY POLICY

Thousands of employers prohibit employees from using cellphones while driving. Federal and state laws fall short of best practices safety standards. It’s up to the employer to keep their employees safe with cellphone distracted driving policies. **The best cellphone policies cover:**

01

All employees

02

All handheld and hands-free devices

03

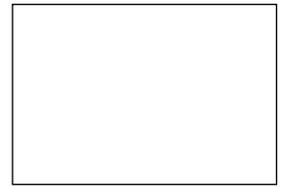
All company vehicles

04

All company mobile phone devices

05

All work-related communications, even in personal vehicles or on personal cellphones



Understanding premium audit

The word “audit” has been known to strike fear into the heart of many a business owner. However, when Protective contacts you about a premium audit, there is **no reason to be alarmed.**

A premium audit is generally necessary when estimated exposures are used to calculate the premium for a policy. These estimates may be for miles driven, payroll issued or revenues collected. At the end of the policy term, Protective must compare the estimates to the actual figures from the insured. If the estimates used are higher than the audited numbers, the policyholder will receive a refund. If the actual figures are higher than the estimate, the policyholder will need to pay additional premium.

The audit also helps Protective and the customer determine if coverage is adequate for the amount of exposure – if they are over or under insured. Not having enough coverage can be devastating for a business should they suffer a major claim.

Audits are required by law and carry penalties if not completed in a timely manner. Protective has a dedicated premium audit team that works to complete all audits within 90 days of the end of the policy period in order to submit information to the insured’s state by the deadline for that state.

Depending on the type of policy, Protective may request mileage reports (IFTAs), profit and loss statements (P&L), and/or gross payroll documents. Insureds can assist by supplying information in a timely fashion so that neither party incurs a fine from the state.

Protective works with our policyholders to ensure that the audit process goes smoothly. Policyholders can do their part by providing accurate exposures throughout the policy period and responding promptly during the audit process.

If you have any questions regarding Protective’s premium audit processing, please contact the team at (844) 739-6767.