



# Continuous License Monitoring: Myth vs. Fact

Driver behavior is the biggest source of fleet liability risk. The benefits of a strong continuous license monitoring program are not always recognized and obstacles are often encountered on the road to implementation.



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Despite the benefits of increased efficiency and safety in fleet operations, continuous license monitoring can face pushback from leadership.

Fleet managers are under constant pressure to save money in all operations and may not fully recognize the value that continuous monitoring provides. Implementing such a program can help save fleets and their customers the costs associated with risky drivers — significantly reducing violations and preserving the bottom line.

Keeping unsafe drivers off the road can also save lives. In 2015, motor vehicle crashes were found to be the leading cause of occupational fatalities in the U.S.<sup>1</sup>

By sticking to the facts, fleet managers can refute the most common myths associated with continuous license monitoring and prove it should be the cornerstone of any fleet safety policy.

## MYTH:

**Continuous License Monitoring is Too Expensive.**

## FACT:

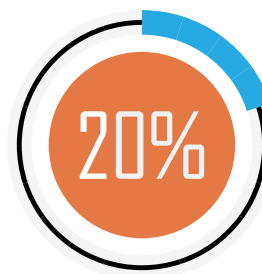
**Continuous license monitoring can help fleets save money.**

At first glance, continuous license monitoring may appear to be an additional expense, but this proactive approach yields substantial cost savings in the long run.

Across the industry, fleets report an average crash rate of about 20% each year. Just one “bent metal” crash cost employers \$5,800 on average.<sup>2</sup> For a fleet of 1,000 drivers, that’s 200 crashes, and \$1.16 million in employer cost per year if there are no injuries or fatalities.

When crashes become more severe causing injuries or fatalities, the costs to employers will grow exponentially. Forty years of continuous license monitoring for a 1,000-driver fleet, on average, costs less for a company than just one fatal accident.

Across the industry, the average fleet crash rate each year is 20%.<sup>2</sup>



**\$5,800** Average cost of one bent metal crash to employers

Number of crashes for a fleet of 1,000 drivers.

**200**

**\$1.16M**  
In employer costs per year due to bent metal crashes for a fleet of 1,000 drivers.

Removing or reducing the number of risky drivers on the road is the highest value a fleet can gain from its safety program; not only because it protects lives but goes directly to protecting a company’s bottom line. Direct costs include personal injury, property damage, workers compensation, and no-fault payouts. Indirect costs including service disruption, lost productivity, claims administration, legal fees, overtime, and training costs.



## MYTH:

**Continuous License Monitoring will create an administrative burden.**

## FACT:

**Continuous license monitoring eases administrative burden.**

While some fleets assume that annual MVR checks will save time by batch processing driver MVR reports, this approach is more time consuming and cost prohibitive. Annual MVR checks use valuable resources by manually going through all MVRs for all drivers each year. If each MVR review takes roughly 5 minutes per driver it amounts to an exorbitant number of staff hours.

For example, for a fleet consisting of 1,000 drivers and using the 5-minute review average, that's 83 hours or over two full work weeks of labor costs to review MVRs.

Continuous license monitoring, on the other hand, sends notifications of violations or status changes as they occur and automatically pulls an MVR for that driver; allowing the fleet manager to focus on the 20% of drivers that are a potential risk in real-time. This also lowers the potential risk of liability.

Continuous license monitoring can satisfy annual MVR check requirements<sup>3</sup> eliminating the costs associated with pulling and reviewing the MVRs of the 80% of drivers that are operating safely.

If the 1,000-driver fleet example uses continuous license monitoring, they have the potential to reduce the time spent reviewing MVRs to just under 17 hours, spread throughout the year.



**20% of drivers are responsible for**



## MYTH:

**Continuous MVR Monitoring is Unnecessary – The basic requirements of pre-employment & annual MVR pulls are sufficient.**

## FACT:

**Annual MVR pulls give risky drivers “grace periods” of almost a year and leave the company open to liability lawsuits.**

Pulling a driver’s motor vehicle record prior to hiring and then once a year after that initial pull is the bare minimum of compliance. Many companies do not realize they have an important duty of care to do all they can to ensure they put only safe drivers on the roads; if they fail to do so they could face costly lawsuits as a result of an accident.

Once a year MVR pulls result risky drivers go unnoticed for a longer period. For instance, if a driver gets a DWI the day after the MVR is pulled, he or she has a “grace period” of 364 days before a serious and potentially costly source of liability is discovered.

Driver behavior plays a critical role in 88% of fatal and injury crashes. Commercial drivers with violation convictions in the past year are 43% more likely to be involved in crashes during the year following a conviction than drivers with no convictions.<sup>4</sup> Fleets have a duty to know what is in their driver’s history prior to putting them on the road in a company vehicle.

Perceived “deep pockets” and willingness to settle quickly make fleets a target for litigation. Regardless of the severity of the crash, potential harmful publicity can impact a company’s bottom line and its brand reputation.

The size of legal rewards against fleets is soaring; a 2019 verdict award was the highest in history against a fleet company at \$280 million. The average verdict award (not including settlements) has climbed to \$17.5 million; some cases involve a wrongful death charge, but most cases are brought with a charge of negligence by the fleet company.<sup>5</sup>



Negligence, or Negligent entrustment, occurs when a dangerous article – in this case a vehicle – is entrusted to somebody who is reckless, inexperienced, or incompetent. If the entrusted individual has an accident, the injured party has the right to bring a case against the individual’s employer.

In order to find fault with the employer, all the plaintiff needs to show is:

- *The organization entrusted the vehicle to the driver*
- *The driver was reckless, incompetent or unlicensed*
- *The organization knew – or should have known – that the driver was reckless, incompetent or unlicensed*

From there, the plaintiff simply needs to prove that the driver was negligent while operating the vehicle and that the negligence resulted in damages.

A 2016 wrongful death and negligence verdict against a fleet for \$35 million demonstrates how a safety policy that is deemed “insufficient” can weaken a fleet defendant’s case.<sup>6</sup>



The driver for a food refrigeration company rear-ended a stopped vehicle, killing the driver of that vehicle, and injuring the driver of another truck. The fleet driver was found to be driving under the influence of numerous narcotic drugs. The company had a drug screening program but had not identified the driver as a potential risk.

Prior to the accident, the driver had an identified history of speeding tickets, a red flag that a continuous license monitoring program would have caught.<sup>6</sup> In addition to the \$22.7 million wrongful death verdict, the company was also found liable for the injuries of the driver in the other vehicle that was involved in the crash. That driver received a verdict of \$12.3 million.

The key issue for company leaders is the responsibility component. Leaders must stay current on each driver’s record. What they don’t know in this scenario can absolutely hurt them and cost the organization millions of dollars.

Companies have an obligation to ensure their drivers are properly licensed and they must monitor their drivers’ safety and behavior. Immediate corrective action for any violation that a driver accrues is crucial. Once-a-year MVR pulls are not enough to ensure risky drivers are in compliance. One of the best precautions that a company can take to prepare for potentially defending themselves in a liability lawsuit is continuous license monitoring.

Continuous license monitoring is a critical safety component for fleet managers to effectively monitor drivers’ risk profiles, ensure compliance, guarantee safety, reduce liability, and scale down business losses.



# about SuperVision®

ELEVATE DRIVER PERFORMANCE

## WHO WE ARE

SuperVision® offers the industry's most powerful suite of tools to help your fleet succeed. Partner with SuperVision® to help monitor, support and retain your drivers. Get the peace of mind that comes from knowing your drivers are good to go wherever business takes them.

- The most comprehensive fleet safety & risk management solution in the industry
- Provides 18 of the top 25 (63 of the top 100) for-hire fleet license monitoring products
- The only continuous license monitoring solution across all 50 states, U.S. Territories, and Canada

## WHAT WE DO

The SuperVision® Product Suite provides the industry's most comprehensive view of driver performance and safety compliance. Receive and analyze CSA scores, telematics, and crash data. Get continuous motor vehicle record (MVR) monitoring, including driver's license status and violation updates for any driver on your team.

With a designated representative provided to every fleet, SuperVision® offers the best customer service and support in the industry.

## WHERE WE COME FROM

SuperVision® is the latest in a line of industry-leading products and services created by Explore Information Services, a Solera Company. Since 1989, Explore Information Services has been providing risk data services and developing superior information solutions for commercial fleets, insurance companies, and government entities. No other service collects more data across the United States and Canada.

“The staff members go above and beyond, assisting every step of the way with any questions or concerns that arise. You're never alone when working with SuperVision.”

– Nichole Cefaratti,  
Motor Carrier Safety Administrator,  
The Davey Tree Expert Company

## Resources

<sup>1</sup> U.S. Department of Labor, Bureau of Labor Statistics. (2018, December 18). National Census of Fatal Occupational Injuries in 2017. Retrieved from <https://www.bls.gov/news.release/pdf/cfoi.pdf>

<sup>2</sup> Network of Employers for Traffic Safety. (2015). Cost of Motor Vehicle Crashes to Employers-2015™. Retrieved from <https://trafficsafety.org/road-safety-resources/public-resources/cost-of-motor-vehicle-crashes-to-employers-2015/>.

<sup>3</sup> Federal Motor Carrier Safety Administration. (2016, December 21). Regulations Section. Retrieved from <https://www.fmcsa.dot.gov/regulations/title49/section/391.25>.

<sup>4</sup> Boris, C., & Murray, D. (2018, July 31). Predicting Truck Crash Involvement: 2018 Update. Retrieved from <https://truckingresearch.org/2018/07/31/predicting-truck-crash-involvement-2018-update/>.

<sup>5</sup> Kingston, J. (2019, November 20). The numbers don't lie: size of legal awards vs. trucking companies is soaring. Retrieved from [https://www.freightwaves.com/news/the-numbers-dont-lie-size-of-legal-awards-vs-trucking-companies-is-soaring?utm\\_content=105995565&utm\\_medium=social&utm\\_source=linkedin&hss\\_channel=lcp-11046286](https://www.freightwaves.com/news/the-numbers-dont-lie-size-of-legal-awards-vs-trucking-companies-is-soaring?utm_content=105995565&utm_medium=social&utm_source=linkedin&hss_channel=lcp-11046286).

<sup>6</sup> Automotive Fleet. (2016, May 9). Jury Awards \$22.7M for Fatal Fleet Crash. Retrieved from <https://www.automotive-fleet.com/135014/jury-awards-22-7m-in-fatal-crash-case>.



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