



For Safety's Sake:

MVR Monitoring and Reporting
in the Transportation Industry

A Guideline for Producers and Insureds



The transportation industry is rife with risk on the road.

In fact, there's lack of safety in these numbers: The National Highway Travel Safety Association (NHTSA) reports truck-involved crashes resulted in an estimated **4,895** fatalities in 2020 alone. It's also estimated that by 2030 truck accidents will be the fifth largest cause of death in the U.S. What's more, there are nearly 60,000 bus accidents each year in the U.S. In addition to property damaged, it's estimated that as many as **14,000** injuries occur in these crashes.

How can employers help keep accidents—and litigation—to a minimum?



Invest in MVRs

(Motor Vehicle Reports) for each driver.



WHAT IS AN MVR?

An MVR pulls information regarding a driver's history from a state's Department of Motor Vehicles (DMV). It's part of the background screening process for those who work in the transportation sector. Simply put, it helps employers hire applicants with a reliable driving record and maintain safety and compliance on our roads.

FMCSA AND MVR: THE RULES OF THE ROAD

Under the Federal Motor Carrier Safety Administration (FMCSA), employers must request a pre-employment MVR in every state where a CDL license was held within the previous three-year period. Each year, an MVR must also be requested for the employer to review as part of their annual review process. This way, the employer can determine if the driver continues to meet the requirements.

MONITORING BY THE MONTH

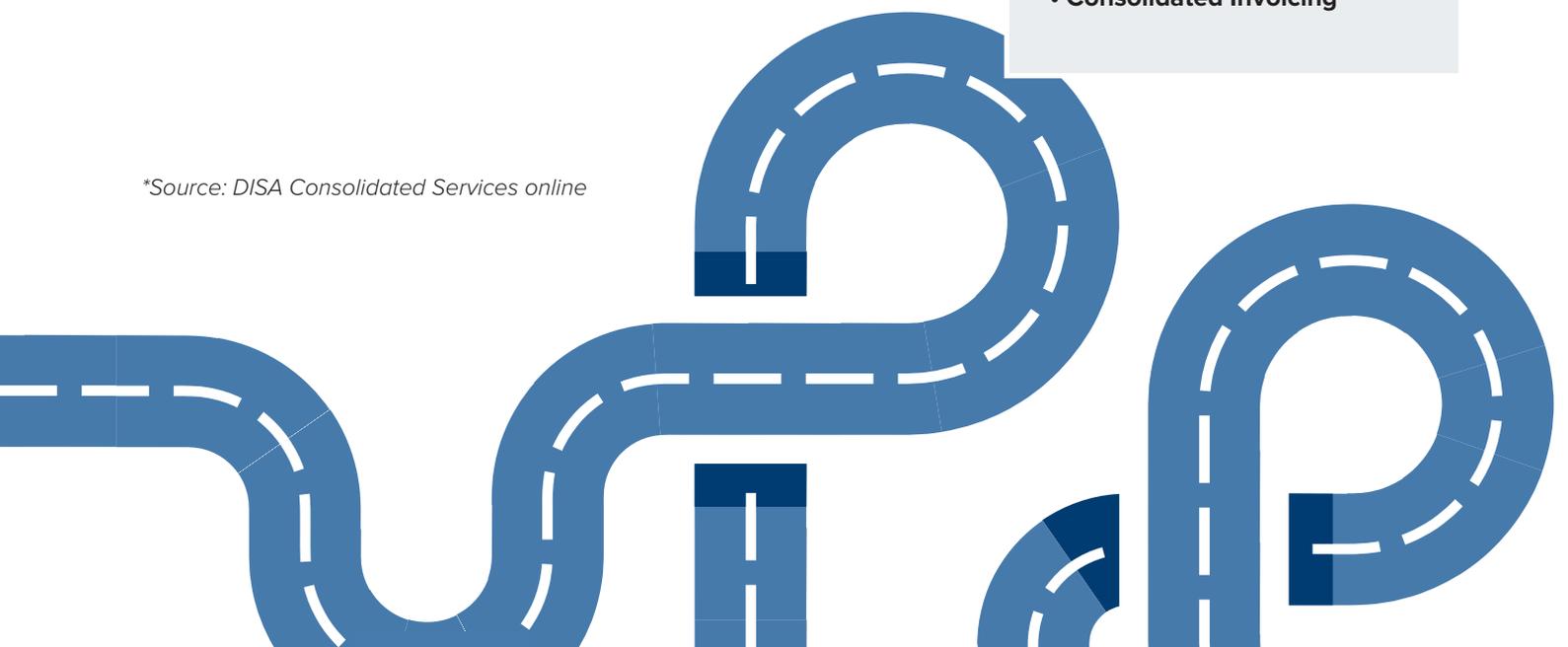
Keeping close track of employee MVRs is key to safety and your best protection in the event of a loss. Monthly MVR monitoring helps improve the overall risk and provides insight into MVR activity—sooner rather than later. Here's an example: a violation is discovered on a driver's MVR. The employer takes the keys from the driver, and uses this as a training opportunity for the driver. This loss mitigation technique could have a positive effect on the claim total.

What's in an MVR: The Inside Story

(Differs by state, position, and industry)*

- **Driver's License Information (driver name, driver's license number, date of birth, etc.)**
- **Violations**
- **License Status (Active/Suspended/Revoked)**
- **Moving Violations/Convictions**
- **Accidents**
- **Automatic Renewal Notices**
- **FCRA Compliance Assistance**
- **Online Tracking & Reporting**
- **Applicant Order Entry**
- **Automated MVRs**
- **Consolidated Invoicing**

*Source: DISA Consolidated Services online



THE INSURED'S RESPONSIBILITY

- If the insured has a policy with an Approved Driver Endorsement, they are required to review MVRs at least monthly (either manually or by subscribing to a service)
- Reluctance to monitor is because of cost, time and fear of having an uncovered claim.

This requirement and process provides a tremendous benefit to you, your company and assets.

Fact is, your employees, business, reputation, physical assets, client assets and more, are on the line. With continuous license monitoring, alerts of violations or license suspensions are sent in real-time, helping to remove risky drivers from the road before a problem occurs. Other than manually monitoring activity 365 days a week 24/7, there's no better way than MVRs to have the real-time awareness and alerts.

Today, there are dozens of MVR monitoring services and various membership packages available. Most are seamless and automatic, with a simple process. An MVR makes information readily available to you. It's the Insured's responsibility to notify the insurer when a driver falls outside the Approved Driver Guidelines per the MVR. This is crucial to the integrity and relationship with the insurance company.



SIMPLE PROCESS

It's simple to get started with a reputable MVR Reporting and Monitoring company:

- Inquire and receive a call back.
- Receive a full overview and view a demo of the entire program.
- Receive a complete kit for your review.
- Costs are determined by a variety of factors, such as what state the company is in, scope of the business, history, and more.

Alerts are reported 365 days a year, 24/7. You can take immediate action when appropriate. It's always important to contact your insurance company to report the incident and actions. Bottom line—this type of service can help you avoid running with a non-compliant driver.

FROM A LIABILITY STANDPOINT

"Reporting claims to the insurance company is of the utmost importance to maintain a transparent and solid relationship," says Rick J. Lindsey, President and CEO of Prime Insurance Company, a leading provider of innovative liability solutions for specialty risks. "We're the Insured's partner. Representing our Insureds is what we do best."

In addition, MVRs can help prevent nuclear verdicts and punitive damages based on negligent supervision, retention, and training. Even more particularly, they can help prevent being found grossly negligent in those areas, e.g., not monitoring drivers that should have been pulled off the road.

Gross negligence is often a predicate for punitive damages that often comprise the primary portion of "nuclear verdicts." Adds Lindsey, "In the transportation industry, grossly negligent hiring supervision and/or retention is a primary theory of liability for receiving these awards, second only to grossly negligent maintenance."



THE VALUE OF AN MVR—ALWAYS SAFETY FIRST

Driver safety is the biggest source of fleet liability risk. Whether a business has a fleet of trucks or just one or two salespeople on the road, it could be at risk for a costly lawsuit. Many companies don't realize they have an important duty of care to do all they can to ensure they put only safe drivers on the roads. An MVR on each driver, monitored monthly, can help the company achieve this — driver after driver.

Producer Errors & Omissions

It would be an E&O concern if Insureds were not encouraged to implement risk mitigation to improve overall safety to the operation. Similarly, if for any reason a Producer discouraged monthly monitoring of MVRs, it would have a detrimental impact on the defense litigation.

Additional resources

- ➔ <https://www.mvronline.com/>
- ➔ <https://www.mvronline.com/mvr-fees/>
- ➔ <https://www.bts.gov/>
- ➔ <https://www.fmcsa.dot.gov/safety/data-and-statistics/large-truck-and-bus-crash-facts-2018>

Reputable Companies for MVR Reporting and Monitoring

JJ Keller

SuperVision

Embark Safety

Good Egg

MVR Online

1.800.257.5590 / quotes@primeis.com / primeis.com

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