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Risk Management Guide for Light Commercial Vehicles

According to the Traffic Safety Act, a commercial vehicle means a vehicle operated on a highway by or on behalf of a person for the purpose of providing transportation but does not include a private passenger vehicle.

The first consideration when reviewing your fleet management policy is ensuring that your vehicle is registered correctly.

REVIEW THE FOLLOWING ITEMS

- Would any vehicle, or combination of vehicles, that stays in Alberta exceed 11,794 kgs gross weight?
- Would any vehicle, or combination of vehicles, that leaves Alberta exceed 4,500 kgs gross weight?
- Are any of your vehicles designed to seat 11 or more people including the driver?
- If you answered yes to any of the questions above, then you need a Safety Fitness Certificate (SFC) and the National Safety Code (NSC) applies to you.

CONSIDERATIONS

- The Government of Alberta allows you to register a trailer for weight. Regulations are applied based on the combined registration compared to the total gross weight at the time of attendance at a Vehicle Inspection Station (VIS) (aka Weigh Scale).
- All commercial vehicles weighing over 4,500 kgs are

expected to attend VIS, regardless of registration.

- If you have both NSC and Non-NSC vehicles, then the best practice is to apply NSC knowledge to Non-NSC vehicles and drivers.
- While other regulations offer additional/differing definitions of a "Commercial Vehicle" the Traffic Safety Act is the overarching act.

EMPLOYER NEGLIGENCE

If none of your vehicles are NSC registered then your responsibilities remain the same; every driver must be capable, competent, and qualified. The path to that end is not well defined and failing that test means you can be seen as negligent.

See below for a detailed explanation of what this entails:

Capable – is your employee capable of completing, or learning to complete, the tasks set out in a fashion that ensures safety? If they are learning, then training them is your responsibility.

Competent – are they already competent? Do they possess the skills to complete the tasks you ask of them in a safe fashion?

Qualified – do they hold the appropriate licences and certifications for the job at hand?

Can you show evidence that you know them to be capable, competent, and qualified? Can you defend your efforts in the event of a crash?

In addition to being seen as negligent for specific actions or a failure to act, you may also face a claim of negligent employment:

Negligent Hiring- hiring someone where you could have reasonably known them to be a risk.

Negligent Retention - keeping someone who you know to be a risk.

Negligent Supervision - failing to monitor or control the actions of an employee.

Negligent Training - failing to adequately train an employee.

HERE ARE 3 TYPES OF RECOMMENDATIONS TO ASSIST CLIENTS AS THEY BUILD SAFETY AND DEFENSIBILITY INTO THEIR FLEET MANAGEMENT PROGRAMS.

- **Basic practice** recommendations are those that are required to directly satisfy regulatory requirements and, in doing so, ensure basic defensibility.
- **Better practice** recommendations are meant to ensure that regulatory requirements are thoroughly satisfied and to build on basic defensibility.
- **Best practice** recommendations are those that go beyond regulatory need and basic defensibility. They are intended to create opportunities to be proactive rather than reactive as you manage risk and mitigate loss.

Given that management of light commercial vehicles lacks the guidance that the NSC offers, little of what follows can be considered as Basic Practice, instead most are Better and Best Practices that would serve to protect your employees, the public and your organization.

While driving may not be the principal reason you hire your next employee, it may well be the most dangerous aspect of the work they perform for you and it is normally performed in a worksite you cannot control.

What follows is intended to help offer them better opportunities for safety and success, it also shows diligent effort and builds defensibility.

Recommendation	Practice Type	Benefits & Considerations
Application Forms	Better	<ul style="list-style-type: none"> • A signed, attested, application in a familiar format helps protect against negligent hiring. <ul style="list-style-type: none"> ◦ There is no set standard, this can be customized to your needs. ◦ Forms the foundation for background & interview questions. ◦ Should include a minimum of 3 years employment, traffic conviction and collision history.
Documented Reference Checks	Basic	<ul style="list-style-type: none"> • Helps evaluate compatibility. • Helps define/identify high risk drivers. • Informs interview questions. <ul style="list-style-type: none"> ◦ Minimum 3 years continuous history ◦ Record 3 attempts. ◦ Review abstract details. ◦ Review collision history. ◦ Review holes/missing timeframes indicated in application
Documented Interview	Better	<ul style="list-style-type: none"> • Helps evaluate compatibility. • Helps identify gaps in stated work history. <ul style="list-style-type: none"> ◦ May be formal, predetermined and documented. ◦ May be informal and recorded as notes. ◦ Should include a review of the application
Driver Abstracts	Better	<ul style="list-style-type: none"> • Often required by your insurer. • Helps verify qualification. • Helps define/identify high risk drivers & remedial needs. • Might play a part in Award /Recognition Programs • Informs the interview process. <ul style="list-style-type: none"> ◦ Should be dated within 30 days of hire. ◦ Should be drawn annually to confirm the driver remains qualified. Best to set a reminder for this and all recurrences. ◦ Confirms the driver's licence is valid and of the correct class for the intended work. ◦ Does it meet defined criteria? (see below) ◦ Should be the original or a copy you make. ◦ Should be compared against information found on the application. ◦ Draw more often where you see elevated risk.

Driver Abstract Criteria	Better	<ul style="list-style-type: none"> • Often insurance recommended. • Helps define/identify high risk drivers. <ul style="list-style-type: none"> ◦ May be part of a larger program meant to identify risk behaviours. ◦ May be linked to safety bonuses. ◦ Should include violations in all type vehicles including personal. ◦ Best Practice is to establish, in policy, a maximum allowable criterion for violations and collisions for applicants as well as existing drivers and a system to return existing drivers to within criteria, normally a merit based defensive driving course.
Driver Hiring Criteria	Better	<ul style="list-style-type: none"> • Insurance company expectation. • Helps verify that the driver is capable. • Helps verify that the driver is competent. • Helps determine suitability for work type. • Helps define/identify high risk drivers & remedial opportunities. • Helps outline acceptable behaviours. <ul style="list-style-type: none"> ◦ Outline the minimum expected experience. ◦ Outline a training program for those who do not meet the minimum standard. Eg. Short Service Employee (SSE) ◦ Determine who makes hiring decisions to ensure continuity. ◦ Establish a policy that outlines minimum competency and how an SSE policy is applied to bring drivers to that level of competency
Driver Evaluations (Road Tests)	Better	<ul style="list-style-type: none"> • Insurance company expectation • Helps verify the driver is capable. • Helps verify the driver is competent. • Helps determine suitability for work type. • Helps define/identify high risk drivers & remedial opportunities. • Helps highlight acceptable behaviours. <ul style="list-style-type: none"> ◦ Establish defined/expected capacities, often as part of a job description. ◦ Establish expected competency. ◦ Establish methods for achieving expected capacity and competence. ◦ Re-evaluate for each change in job / competence. ◦ May be included in a competency matrix
Driver Evaluations Coach/Mentor/ Instructor qualifications	Best	<ul style="list-style-type: none"> • Normally, insurance required in new (inexperienced) driver training environment. • Builds trust in respect for the established role. <ul style="list-style-type: none"> ◦ Additional training for those who conduct evaluations, coaching or training. ◦ Alternately, outline capacity and competence specific to that role, test or describe internally. ◦ May be included in a competency matrix
Policy & Procedure Manual	Basic	<ul style="list-style-type: none"> • Labour Regulation requirement. • Insurance expectation. • Outlines expectations and boundaries. • A key factor in any risk mitigation strategy. • A key factor in any defense against a claim of negligence. <ul style="list-style-type: none"> ◦ Should be a comprehensive overview of all policy and procedure related to the health and safety of your employees. ◦ It should include policy and procedure specific to the vehicles and equipment associated with the work you do, this should include maintenance of the same. ◦ Should be reviewed, at least, annually. ◦ Comprehensive health & safety program and behaviour-based information can also be included in driver's handbook

Orientation	Basic	<ul style="list-style-type: none"> • Labour Regulation expectation. • Insurance expectation. • A key factor in any risk mitigation strategy. • A key factor in any defense against a claim of negligence. <ul style="list-style-type: none"> ◦ A review of Policy and Procedure including Speed limits, Seat Belt use, Drug and Alcohol use, Defensive Driving, Load Security, Fueling, Adherence to all applicable regulation and law, Fire extinguisher, Personal Protective Equipment, Use of Safety Equipment, Record Keeping ◦ Vehicle Inspection / Maintenance ◦ Transportation of Dangerous Goods, Workplace Hazardous Materials (WHMIS), Load Securement (where applicable) ◦ Post training knowledge testing should be conducted for each competency. ◦ As best practice the orientation would be structured with each topic getting a defined theory and practical component. This should be followed by documented on-the-job training and periodic assessments. (see annual review below)
Training and Knowledge Testing	Better	<ul style="list-style-type: none"> • Helps evaluate compatibility. • Helps evaluate competence. • Helps define additional training needs. <ul style="list-style-type: none"> ◦ Ensure competence in Load Securement, Vehicle Inspection, Defensive Driving and Dangerous Goods (where applicable.) ◦ Should be followed by a test to establish that the training has been successful. ◦ Keep a record of all training including on-the-job/mentoring/coaching/in-class/online/safety meetings/bulletins and client specific. ◦ May be included in a competency matrix.
Short Service Employee (SSE)	Best	<ul style="list-style-type: none"> • Insurance company expectation if you are hiring new, inexperienced drivers and/or those who have a Graduated drivers Licence (GDL). • Shows a commitment to employee development. <ul style="list-style-type: none"> ◦ A formal program should be developed to outline the method in which a new commercial driver or driver who does not meet minimum stated hiring criteria is brought from hire/job change to meet the organizations minimum level of competency/experience. To ensure diligence all training efforts must be documented. ◦ Review progress prior to the end of any probationary period ◦ Development and implement a competency matrix that outlines minimum expected competency levels appropriate to all individual job descriptions. Train, educate and mentor to meet at least those minimums.
Fatigue/Journey Management Plan	Best	<ul style="list-style-type: none"> • Insurance recommendation. <ul style="list-style-type: none"> ◦ Documented fatigue program accounting for additional job duties.
Passengers & Personal Use	Better	<ul style="list-style-type: none"> • Insurance recommendation. <ul style="list-style-type: none"> ◦ A comprehensive policy should include, at minimum, drug & alcohol use, unauthorized drivers, passengers, distracted driving, security, incident management, dash cameras and any telematics. ◦ Should be signed by the employee. ◦ You may also extend the policy to apply to personal vehicles used (compensated) for business purposes
Load Securement / Cargo	Basic	<ul style="list-style-type: none"> • Insurance expectation. • Traffic Safety Act (TSA) required. <ul style="list-style-type: none"> ◦ While the TSA does not provide guidance there is the expectation that cargo does not leak, spill, blow, fall from or through, shift or become dislodged. ◦ Should include all material carried on or in the vehicle. ◦ Specific types and numbers of securement devices should be provided. Alternately, vehicle modifications may satisfy some securement needs. ◦ Instruction should be provided. ◦ Tools, equipment, electronics, personal items, pets and unbelted passengers should all been understood as a risk.

Ongoing Monitoring	Better	<ul style="list-style-type: none"> • Insurance required. • Identifies changes in competence / engagement. • Helps define/identify high risk drivers. • Helps identify trends in behaviour. <ul style="list-style-type: none"> ◦ May be satisfied with checks rides, telematics and on job/site observations. ◦ GPS / telematics often have driver scorecards. ◦ Record all convictions & collisions during employment. ◦ Ensure that all negative events are investigated and that a documented handling, including the potential for discipline and remedial training is kept. These should be signed off by the employee and their supervisor. ◦ Use third party, merit based Defensive Driving courses, at minimum, in response to an incident. ◦ As a best practice the management review should include some level of peer review to ensure a complete understanding of the deficiencies identified.
Safety Meetings	Better	<ul style="list-style-type: none"> • Insurance recommendation. • Labour regulation expectation. <ul style="list-style-type: none"> ◦ Safety meetings should be held in accordance with either Provincial or Federal Regulations. ◦ Minutes of the Meeting should be kept with the copies of the materials presented, sign off sheet for who attended the meeting. Any staff that misses the meeting should be provided with copies of the meeting material and have it reviewed with them. Any staff approached this way should receive a sign off confirming receipt of the Minutes and meeting materials. ◦ As a best practice driver meetings should be held quarterly with mandatory full attendance. In addition the meeting would be fully focused on safety related issues. These meetings should also include operations and maintenance staff to ensure full awareness of the safety topics covered.
Annual Performance Review	Basic	<ul style="list-style-type: none"> • Labour Regulation expectation <ul style="list-style-type: none"> ◦ Should include all performance and disciplinary actions. ◦ Consider adding a check ride and/or review of telematics results. ◦ Should be signed by the employee when completed
Safety Incentive Programs	Best	<ul style="list-style-type: none"> • Insurance recommendation. • May encourage a greater focus on safety. <ul style="list-style-type: none"> ◦ Incentive program should include incidents and safe behaviour indicators and may be tied to overall company performance. ◦ The program should also be run separate from the payroll system as to appear to be true incentives.
Incident Management	Basic	<ul style="list-style-type: none"> • Insurance expectation. • A key factor in any risk mitigation strategy. • A key factor in any defense against a claim of negligence. <ul style="list-style-type: none"> ◦ Driver error is a leading causal factor in collisions and often violations and deficiencies can indicate an elevated crash risk (a previous crash does as well). Review of those indicators is a critical component in risk mitigation. ◦ No risk mitigation plan can succeed without a thorough understanding of what the risks are. Understanding past losses is key to that understanding. ◦ All incidents should be investigated thoroughly, and a root cause determined, a training needs analysis should follow. ◦ Both collisions and violations should be benchmarked following a trending analysis. This analysis will allow for your organization to identify any recurrences in claims to help establish preventative measures to minimize these exposures. ◦ To ensure continuity, engagement and a draw on all available experience and knowledge, a committee should be formed to review all investigation results and potential opportunities that might be taken. This committee should include management from each department as well as ownership. ◦ Person(s) responsible for conducting investigations should receive Investigation training. ◦ Person(s) in your organization who are first to response to a collision, incident, violation or other event should be provided with a check sheet/flow chart which outlines incident response needs and responsibilities. ◦ Incident reporting kits/information should be available to all employees

<p>Dash Cameras (often paired with Telematics)</p>	<p>Best</p>	<ul style="list-style-type: none"> • Insurance recommendation. • May encourage a greater focus on safety. • Improves monitoring. • Provides training opportunities. • Helps determine fault, preventability, and liability. • Helps define/identify high risk drivers. • Helps define additional training needs. • Additional caution and awareness is built with the knowledge that actions are being recorded. <ul style="list-style-type: none"> ◦ Where cameras are in use there should also be policy outlining their use as well as access to and ownership of data. ◦ Consider additional features such as higher resolution, impact detection, parking surveillance, GPS and speed capture and auto start. ◦ Cloud based storage or large, tamper proof, onboard storage. ◦ Front, driver, and rear facing options. ◦ Hard wired vs not battery operated (12v plug in is okay but can be tampered with)
<p>Telematics (often combined with Dash Cameras)</p>	<p>Best</p>	<ul style="list-style-type: none"> • Insurance recommended. • Improves monitoring. • Provides training opportunities. • Helps determine fault, preventability, and liability. • Helps define/identify high risk drivers. • Helps define additional training needs. • Additional caution and awareness is built with the knowledge that actions are being recorded. <ul style="list-style-type: none"> ◦ Where telematics are in use there should also be policy outlining their use as well as access to and ownership of data. ◦ Governed or monitored speed? ◦ Record of critical events such as braking, acceleration and cornering? ◦ The system should provide email notifications of infractions to key members of the company's management team. ◦ The best practice is to have Satellite based telemetric/GPS systems installed in all vehicles. This system can be utilized to monitor driver behaviour and location. ◦ Data generated by the device should be reviewed with the driver on a regular basis. At a minimum it should be reviewed when policy violations or unsafe driving habits are identified.
<p>Preventative Maintenance Policy and Procedure</p>	<p>Better</p>	<ul style="list-style-type: none"> • Insurance expectation. • Traffic Safety Act (TSA) required. <ul style="list-style-type: none"> ◦ While the TSA does not provide guidance there is the expectation that all vehicles attending a public roadway be in safe operating condition. ◦ Ensure that the Preventative Maintenance Program schedules are written so that they are encompassing enough to be followed and then ensure that they are adhered to without exception. ◦ Should be, at minimum, manufacturers' recommendations. ◦ A company developed checklist should include items unique to the operation

CONCLUSION

While there are several recommendations here that speak to areas of regulation seldom enforced, thorough and encompassing management systems that answer known and potential risks create the greatest opportunity for safe conduct and defensibility.

Once decisions have been taken, these recommendations can be used as a check sheet or action plan. It is crucial that you ensure completion and capture all efforts.

ASSISTANCE

Incorporating the recommendations outlined above will serve to improve safety and defensibility. Your needs, and those of your employees are best met through careful analysis and an action plan tailored to your organization. Lloyd Sadd's Risk Services team can assist you with this process.

Please feel free to reach out if you have any questions or wish to discuss next steps.



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With more than 40 years experience in the transportation industry and over 20 of those years in Safety, Risk Management and Loss Control, Kim is well positioned to offer support and resource to clients with any type of commercial auto exposure. Kim's principal responsibility is to help fleets understand and control the risks they face in a diverse and dynamic market.

Kim's experience in transportation is broad. Starting his career at a truck depot at 14, he worked his way up through most aspects of the industry, including directing Partners In Compliance, and ultimately moving to Fleet Risk Specialist with an insurer and a now a member of the Lloyd Sadd team

If you have questions specific to your business, or would like additional information, please reach out to your Lloyd Sadd Advisor.

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