



GREAT WEST CASUALTY COMPANY

The Difference is Service[®]

driving for the bottom line

FINANCIAL IMPACT OF DISTRACTIONS

MANAGING THE RISK OF DISTRACTION

Start reaping
the benefits of
enhanced employee
awareness.

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THE FINANCIAL IMPACT OF DISTRACTIONS

Distractions are a high-risk exposure that motor carriers cannot overlook.

Distractions are a high-risk exposure that motor carriers cannot overlook. Incidents like a distracted employee slipping in the shop or losing focus while driving and hitting another vehicle can have a lasting, negative impact on your company's bottom line.

Mobile devices are the top-of-mind culprit these days, but distractions come in many forms and each can lead to the same result: lost revenue, decreased profits, or both.

Calculating the financial impact of losses – such as those caused by distractions – cannot be overlooked by motor carriers. According to the National Safety Council, the average cost of a work-related injury requiring medical consultation is around \$41,000. This includes the direct costs associated with the loss, including wage losses, medical expenses, administrative expenses, etc.

Additional indirect costs, such as the cost of training replacement workers, a decrease in customer service, and so on can also be added to the loss total. So, where does the money come from to pay for this unbudgeted expense?

Insurance may pay for part of it, but what if the company has to pay out of pocket for these expenses? If cash is not readily available, the company has two options: decrease expenses to create a cash surplus or increase revenue.

Decreasing expenses could mean staff reductions, cutting employee benefits, or other unpopular measures that could have negative ramifications (i.e., low morale, higher turnover, etc.). On the flip side, increasing revenue is another option, but how much extra revenue must be generated to pay for an unbudgeted loss? This extra revenue is called Loss Revenue. To calculate Loss Revenue, a motor carrier can follow these simple steps:

1 | CALCULATE PROFIT

Formula: Revenue - Expenses = Profit

Example: Suppose for every \$100 of revenue generated, your company pays out \$95 in operating expenses. Your profit is five dollars (\$100 - \$95 = \$5).

2 | CALCULATE PROFIT MARGIN

Formula: Profit ÷ Revenue = Profit Margin

Example: With a profit of \$5 for every \$100 of revenue, your profit margin is five percent (\$5 ÷ \$100 = 5%).

3 | CALCULATE LOSS REVENUE

Formula: (Cost of Loss x 100) ÷ Profit Margin = Loss Revenue

Example: A \$41,000 loss requires you to generate an additional \$820,000 in revenue to maintain your current profit margin (\$41,000 x 100) ÷ 5 = \$820,000.

As you can see, proactively addressing distractions can help save time, lives, and money. For more information on loss prevention options, please contact your Agent or Great West Safety Representative.

FOCUS ON MINDFULNESS TO IMPROVE DRIVER PERFORMANCE

With more and more technologies competing for our attention, it is becoming more difficult for humans to sift through distractions.

With the invention of more and more technologies competing for our attention, it is becoming more difficult for humans to sift through a swarm of distractions and focus on those items that are worth paying attention to.

For motor carriers, whose survival hinges on preventing crashes, driver distractions and inattention are not new. They are old enemies. Preaching to drivers to pay attention and focus on the road ahead is nothing new, yet preventable crashes still occur, leaving a motor carrier's management team members scratching their heads in frustration. One solution, and arguably the solution to the distracted driving problem, is simple mindfulness.

Mindfulness refers to one's ability to be in the moment and not only be aware of one's surroundings – including potential driving hazards – but also be alert enough to make the right decision to avoid the hazard before a loss occurs.

One could argue that mindfulness is what separates good drivers from bad ones.



One could argue that mindfulness is what separates good drivers from bad ones. After all, most drivers face the same types of distractions on the road and inside the cab. From daydreaming and texting to gawking at a passing crash scene and losing focus on the vehicle in front of the truck, drivers have countless distractions competing for their attention.

Before starting a trip, encourage drivers to take a moment to get their heads in the right place and focus on the task at hand.



It is the mindful drivers, though, the ones who can drive millions of miles without a preventable crash, who can tune out what is non-essential and remain focused on what is important: driving.

As a leader in your organization, addressing mindfulness with drivers is one way to demonstrate your commitment to safety. Here are some ways to help drivers practice mindfulness and be in a state of moment-to-moment awareness.

PUT IN-CAB TECHNOLOGIES OUT OF SIGHT

Electronic logging devices (ELD), GPS units, satellite radios, and of course, cell phones are essential devices for drivers but are also the most common in-cab distractions. Train drivers to start their ELDs, tune to their favorite radio stations and turn off their phones, and then put those devices out of sight before the truck moves. The driver will need to see the driving directions, but the GPS should be programmed before leaving as well.

CREATE A SCHEDULE FOR CHECKING MESSAGES

With the cell phone and ELD out of sight and silenced, drivers will be less tempted to check messages. Encourage drivers to schedule a time to check messages, and train dispatchers not to call drivers during known driving times.

MENTALLY PREPARE BEFORE STARTING

Before starting a trip, encourage drivers to take a moment to get their heads in the right place and focus on the task at hand. Distracted driving is a choice, a bad habit that drivers can correct. There is too much at stake for a driver to take for granted the responsibility of operating a commercial vehicle safely.

IMPROVE EMPLOYEE SITUATIONAL AWARENESS

Human error is a common cause of preventable work-related injuries and vehicle crashes.

When an employer, who recognizes that employees are ultimately responsible for their behavior on the job, finds that the root cause of an incident involves an employee's poor decision-making, the employer may be frustrated and feel powerless.

Yet, despite these head-scratching incidents, employers must persevere and continue to manage this risk. One way to reduce the risk of human errors is by focusing on improving employee situational awareness.

Situational awareness involves a person's ability to:

- 1 | Perceive that a hazard exists in the immediate area
- 2 | Comprehend the meaning of that hazard, and
- 3 | Project that danger to him or herself (i.e. Will stepping on that ice patch cause me to slip and injure myself?).

Of these three, an employee's failure to perceive a hazard is arguably the most frustrating for employers. Failing to perceive a hazard is often the result of being distracted, and incidents involving distracted walking and distracted driving continue to occur despite increased regulations, enforcement, and awareness efforts.

This is why Great West's Value-Driven® Driving and Value-Driven® Life safety products stress avoiding distractions. When a worker loses focus on the task at hand – be it walking, driving, etc. – bad things can happen. Unfortunately, distractions are everywhere in life and continually vie for an employee's attention.

From talking or texting on a cell phone while walking in the shop or adjusting the radio while driving, any activity that distracts an employee from his or her primary task decreases that employee's ability to perceive hazards. To counter this, here is a brief list of ways to promote situational awareness with employees.

ACCOUNTABILITY

Ultimately, it is the employee's responsibility to do the right thing and make a conscious decision to put distracting activities aside to focus on the task at hand. With that said, operations staff can hold employees accountable. Correct unsafe behaviors when they are observed. Also, do not allow operations staff members to create distractions for workers.

TRAINING

Practice observation techniques with employees and create scenarios to help workers identify hazards. For example, train drivers to get out and look (GOAL) before backing the truck, then observe them performing this task to reinforce the positive behavior.

MONITORING

Monitor SMS for potential situational awareness issues. A violation for distracted driving would be easy to identify. However, if a driver is cited for driving while ill or fatigued, this type of violation directly relates to distracted driving. Also, be intentional about observing employee behaviors, like during a driver's pre-trip inspection. These observations create an opportunity to praise good work or correct mistakes.

WHAT IS SITUATIONAL AWARENESS


What is situational awareness? →

Situational awareness involves your ability to assess what is happening around you and determine if there is a threat your health and safety or to the health and safety of others. For truck drivers, being aware of your surroundings while driving on the road, at a customer facility, or in a parking lot is critical to avoiding preventable losses to personnel, property, and equipment.


Why is it important to you? →


Safety and health concerns are the number one reason drivers should always be mindful of their situational awareness. No one wants to put his or her life in harm's way or jeopardize the health and wellbeing of others by causing a preventable crash. Furthermore, your livelihood is at stake. Even incidents involving minor property damage put your driving career at risk.

How can you improve your situational awareness when driving? →


- **AVOID DISTRACTIONS**

Focus on the task at hand by ignoring distractions inside and outside the truck. Put away mobile devices before driving, and do not perform secondary tasks, like texting and eating, while driving.
- **BE ATTENTIVE TO THE ROAD AHEAD**

Be alert for traffic slowing ahead, pedestrian crossings, road obstacles, etc. Continually scan for potential hazards and be ready to react properly and in time to avoid a crash.
- **OBSERVE THE PROPER SPEED FOR CONDITIONS**

Allow yourself more time to perceive and react to hazards by slowing down. Reduce speeds below the posted limit, especially in congested areas and during periods of adverse driving conditions.
- **MAINTAIN PROPER FOLLOWING DISTANCE**

Do not tailgate. Keep a minimum of six seconds behind the vehicle in front of you. Add one second of following distance for each additional hazard present.
- **MAINTAIN ONE LANE**

Manage the space around the truck and be mindful of the truck's blind spots. Whenever possible, stay in one lane and avoid unnecessary lane changes. Signal your intent to change lanes well in advance.
- **REACT PROPERLY TO HAZARDS**

Practice the "What if?" method while driving. For example, scan for hazards and ask yourself what you would do if a certain hazard presented itself, like the vehicles ahead stopped suddenly. What is your best way to stop the truck and avoid causing a crash?
- **YIELD THE RIGHT OF WAY**

After a hazard has been identified, situational awareness also involves taking action to protect yourself and others. Yielding the right of way to others can help prevent a potential loss.

AVOIDING DISTRACTED WALKING

Each year, pedestrians are struck and killed by motor vehicles due to distracted walking.

Work-related injuries and fatalities caused by employees not paying attention to where they are walking have caused workers compensation costs and out-of-pocket expenses for employees to skyrocket. Incidents involving distracted walking are 100 percent preventable. Read the information below about the three types of distractions and what you can do to protect yourself.

MENTAL DISTRACTIONS

Mental distractions can be anything that diverts your mental focus away from walking. Daydreaming, conversing with a co-worker, and talking on the phone while you walk are distractions that could cause you to slip, trip, or fall.

Safety Tips

- > Focus on what's in front of you.
- > Try to put personal or work matters out of mind before walking away.
- > Stop to have conversations.
- > Let your phone go to voicemail and keep it out of sight.

VISUAL DISTRACTIONS

Visual distractions can be anything that diverts your visual attention away from walking, for example, looking up at a beautiful sky and inadvertently tripping over uneven concrete, slipping on ice, or falling into a service pit.

Safety Tips

- > Focus on only the task of walking.
- > Stop walking, then turn your attention to whatever you wanted to look at.
- > Keep your phone out of sight to curb the temptation of checking when notifications arrive.

MANUAL DISTRACTIONS

Manual distractions can be any physical act you perform while walking. This can include texting on your phone, reading a report, or inspecting the truck and not watching where you are walking.

Safety Tips

- > Focus on walking.
- > Stop walking, then respond to a text or read a report.
- > When conducting a vehicle inspection, stop walking, inspect the equipment, then start again.



MAKING IT WORK

Mitigate distraction and improve your bottom line.

[contact an agent](#)

In this book you learned about the high-risk nature of distractions and their potential impact on your bottom line. Exposure to distractions when left unmitigated puts you at great risk and is something that motor carriers cannot afford to ignore. Read the following action steps to begin addressing the primary forms of distraction in your business.

UTILIZE MINDFULNESS TO IMPROVE PERFORMANCE

With more and more technologies competing for our attention, it is becoming more difficult for humans to sift through distractions. Utilize some basic mindfulness techniques to help.

Put in-cab technologies out of sight

Before the truck moves, train drivers to start their ELDs, tune to their favorite radio stations and turn off their phones.

Create a schedule for checking messages.

Encourage drivers to schedule a time to check messages, and train dispatchers not to call drivers during known driving times.

INCREASE SITUATIONAL AWARENESS

Human error is a common cause of preventable work-related injuries and vehicle crashes. One of the best ways to reduce the risk of human errors is by focusing on improving employee situational awareness.

Be Attentive to the Road Ahead

Drivers should remain alert at all times – continually scanning for potential hazards and fully prepared to react both properly and timely to avoid a crash.

Accountability

While drivers are ultimately responsible, operations staff can help hold employees accountable by correcting unsafe behaviors when they are observed.

ELIMINATE DISTRACTED WALKING

Work-related injuries and fatalities caused by employees not paying attention to where they are walking have caused workers compensation costs and out-of-pocket expenses for employees to skyrocket. Prevent distracted walking with the following tips:

- 1 | Try to put personal or work matters out of mind before walking.
- 2 | Stop to have conversations.
- 3 | Let your phone go to voicemail and keep it out of sight.

Thank you for reading *Financial Impact of Distraction*. For more information on loss prevention options, please contact a Great West agent or safety representative.

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