

# FLEET SAFETY ESSENTIALS

## Formal Motor Vehicle Record (MVR) Evaluation Policy

Motor vehicle accidents often rank among the most expensive types of claims for businesses. The average cost of a loss related to vehicle accidents is approximately \$70,000, nearly twice that of the average workplace injury (\$36,592).<sup>1</sup>

Furthermore, the National Highway Traffic Safety Administration reports roadway injuries and fatalities increasing at record levels. The first nine months of 2021 saw a startling increase of 12% in traffic fatalities compared to that same period the previous year, recording the highest number of fatalities during a three-quarter period in any year since 2006. 2021 also saw the highest percentage increase in fatalities in the history of the NHTSA's Fatality Analysis Reporting System.<sup>2</sup>

Whether you have a single vehicle or a large fleet, auto accidents pose a significant liability exposure to your organization. Luckily, some steps can be taken to help mitigate this risk.

### Establishing a Fleet Safety Program

To protect your company operations and the general welfare of your staff, it's recommended a formal fleet safety program is established. A generic driver policy can be of some benefit, but it is far more effective to specifically design a program for your unique fleet.

Having a formal fleet safety program will establish the policies and procedures necessary to help ensure a safe work environment for employees and helps protect against liability from vehicle accidents.

### What is an MVR?

Two of the most critical elements of any fleet safety program are screening your drivers and carrying out ongoing performance management. Assuring all the operators driving on behalf of your company are safe and maintaining clean records can protect your people, assets, and reputation while shielding your business from costly litigation, including allegations of [negligent entrustment](#).

To best screen and monitor your fleet, you should pull and review an MVR on each of your drivers.

An MVR is a state-issued summary of past moving violations and police-reported collisions. Reviewing a motor vehicle record (MVR) on every driver at hire and at least annually thereafter has long been a standard practice, and organizations that fail to do so risk more accidents and increased liability.

For organizations that operate regulated commercial vehicles, obtaining and evaluating MVRs can be a required part of the driver hiring and screening process.

Pulling an MVR validates your driver has the correct license and that it has not been revoked, suspended, or withdrawn. It also identifies past unsafe driving behavior which can often be a strong indicator of behavior tendencies or potential future accidents.

The time varies but most states report on at least the most recent three-year period of violation activity. However, some serious violations can remain on a record for up to 13 years depending on the type and severity. A study conducted by the American Transportation Research Institute (ATRI) shows that past record of moving violations and accidents is linked to increased crash risk.



Data source: Predicting Truck Crash Involvement: A 2011 Update Summary, American Transportation Research Institute, 2011.

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It is important for employers to have a formal policy to ensure your driver screening process is administered consistently and all drivers are familiar with the provisions and know what is expected of them.

### Obtaining an MVR and screening for safety

MVRs can be obtained directly from a state department of motor vehicles (DMV) or through a vendor. Vendors offer the advantages of obtaining MVRs from every state, ease of ordering, and providing a consistent format. Some provide online MVR screening tools, normalizing data from different states; and remedial driver training related to violations.

In California, MVRs cost between \$2 and \$5. Vendors typically add an additional \$2 to \$7 service fee and may also charge a one-time account set-up fee. Written driver permission is required, with permission forms available from the state or vendor.

Drivers can often obtain their own MVR from the DMV for a lower fee; however, it is less than favorable to accept MVRs directly from a driver. Reports obtained online, although convenient, can be easily forged or altered and are not considered official documents.

If obtaining MVRs directly from your drivers, it is best to have them provide the official copy obtained in person from a local DMV office for \$5 rather than the digital copy available online. With an account with the DMV or a vendor, you as the Employer can also obtain MVR data on prospective drivers.

As an added layer of verification, it is best practice to have prospective drivers disclose all violations and accidents as part of the application and interview process. This should also be performed for those existing employees who will be moving into a role that requires them to drive on behalf of the company.

The MVR policy should state who is subject to the policy. Generally, any employee who operates a vehicle for your company should be evaluated. Employers are vicariously responsible for the actions of their employees so your policy should also encompass those operating personal or rented vehicles on behalf of the company.

Insurance companies often run MVRs on your drivers but are prohibited from sharing them with customers due to the Fair Credit Reporting Act. This only tells whether a driver is insurable at a single point in time but gives the employer no insight into their violation/accident history.

Insurability is an important element and should be considered; however, each insurance company has different evaluation criteria and guidelines for adding drivers throughout the policy term. Some insurance companies need to pre-qualify every driver, while others rely on the policyholder's internal driver evaluation practices and only evaluate drivers at renewal.

Regardless, a business can greatly improve its risk profile by developing and applying a formal MVR evaluation process which can lead to fewer claims and lower premiums over the long term.

### Ongoing monitoring – a more proactive approach

MVRs should be pulled at hire and at least annually thereafter. Seventeen states have a "pull notice" program available in which an organization is sent an updated MVR when the driver's MVR has changed for any reason: new violation, suspension, upgraded class, etc. Many third-party vendors provide continuous monitoring as well at an additional cost.

Continuous MVR monitoring is becoming a standard best practice. Organizations cannot afford to wait 11 months to find out a driver lost their license due to a DUI 30 days after the previous MVR was pulled.

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Learn more about California's Employer Pull Notice Program here: [Employer Pull Notice Program - California DMV](#)

For DOT-regulated vehicles, the DOT requires organizations to pull MVRs upon hire and at least annually thereafter. Drivers must submit a separate list of violations annually which should coincide with the annual MVR pull. Management should investigate any discrepancies.

### Evaluation – defining your company's violation threshold

Every organization must establish its own standards regarding an acceptable and unacceptable driving record. Violations are generally classified as major (serious), minor, and non-moving. Non-moving violations are ordinarily not included in the evaluation process. Accidents might not be classified as preventable or non-preventable on the MVR.

It is important to discuss the details of the accident with the driver to help you determine preventability. All violations and accidents should be evaluated, not just those occurring on the job.

Major violations indicate a disregard for safety and should not be acceptable if occurring within the last three to five years. Check with your insurance provider to make sure your evaluation criteria is in alignment with underwriting guidelines.

Multiple minor violations and accidents indicate a trend of aggressive driving. Best practice is to limit them to two within the last 12 months and no more than three in the last 36 months. The following matrix is a best practice for organizations operating vehicles such as sedans, SUVs, pick-ups, and light vans.

Depending on the types of vehicles, driver skills required, or road exposures you may want to consider holding a higher standard. For example, drivers of heavy vehicles or those transporting passengers should have no more than one violation/accident in the last 12 months and no more than two in the last 36 months.

Major Violations	Minor Violations/Accidents
<ul style="list-style-type: none"> <li>Excessive speeding — 15 mph or more over the posted speed limit</li> <li>Racing or exhibition driving</li> <li>Careless/reckless/imprudent driving</li> <li>Attempting to elude a police officer</li> <li>Failure to stop/report an accident</li> <li>Making a false accident report</li> <li>Failure to stop for a school bus</li> <li>Vehicular homicide, manslaughter, or assault resulting from a vehicle-related incident</li> <li>Drug- or alcohol-related violations, such as driving under the influence (DUI) or driving while intoxicated (DWI)</li> </ul>	<ul style="list-style-type: none"> <li>Any moving violation not listed under major violations</li> <li>All accidents, except:                             <ul style="list-style-type: none"> <li>Verifiable not-at-fault accidents</li> <li>Animal collisions</li> <li>Broken windshields</li> </ul> </li> </ul> <p>Organizations may want to establish more defined criteria as to what constitutes an accident. Non-moving violations are not typically included but should be reviewed individually as some may indicate a disregard for safety.</p>

#	Moving violations and preventable accidents combined*		Major violations
	Last 12 mo.	Last 36 mo.	Last 36-60 mo.
0	Acceptable	Acceptable	Acceptable
1	Acceptable	Acceptable	Unacceptable
2	At-risk	Acceptable	Unacceptable
3	Unacceptable	At-risk	Unacceptable
4+	Unacceptable	Unacceptable	Unacceptable

\*a violation received because of an accident would be considered one incident.

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Also, for drug and alcohol-related offenses some companies may want a lookback threshold of 60 months or longer. Whatever your risk appetite may be, make sure your policies are clear and applied in a consistent manner.

An organization's MVR policy and screening criteria should be in writing and shared with all drivers. It is important that a driver understands the consequences of having accidents or violations.

### Identifying at-risk drivers

When an MVR is found to be Unacceptable or At-Risk, consider whether the job applicant or employee should be hired for the driving position or allowed to drive on behalf of the business. Similarly, consider whether current employees should have their driving responsibilities suspended or be reassigned to non-driving positions until their driving record becomes acceptable.

Regular or continuous monitoring of each driver's MVR will help employers identify unsafe behaviors, hopefully before it turns into a costly accident. A driver with an Unacceptable MVR should not be permitted to operate any vehicle on behalf of the company.

If an exception is made to the policy, the decision should be discussed with legal counsel and additional controls should be put in place for that driver: training, more frequent monitoring, drug and alcohol testing, etc.

Drivers identified as "At-Risk" should be warned of their status and the repercussions of another violation/accident. Some examples of "At-Risk" control measures include:

- Conduct a ride along with these individuals to observe and coach them on driving improvements.
- Obtain MVRs more regularly (i.e., quarterly) if not continuously monitoring
- Provide driver safety training (i.e., defensive driving)
- Review vehicle performance reports via telematics with the driver and provide coaching (i.e., hard braking, speeding, sudden acceleration, and any other signs of aggressive driving) on a regular, frequent basis
- Prohibit certain types of use (i.e., personal use, long-distance, etc.)

Additional considerations:

- States often assign different points to similar violations so best practice is to use a minor/major violation weighting system, like described above, instead of a state point system.
- Legal counsel and HR staff should review your MVR policy before implementing it.

### Protecting what matters

If you have any questions about your commercial auto insurance driver guidelines, please reach out to your Account Manager. If you have questions relating to an MVR policy, please submit them online here [Risk Management Inquiry](#).

Sources:

<sup>1</sup> [8 Elements of a Fleet Safety Program | Travelers Insurance](#)

<sup>2</sup> [NHTSA Estimates Traffic Fatalities Continued to Rise at Record Pace in First Nine Months of 2021 | US DOT](#)  
[The MVR: An Essential Risk Management Tool for Qualifying Drivers | Nationwide](#)