

# The MVR: An essential tool for qualifying fleet drivers.

Failure to know your employees' driving history increases your business's exposure to lawsuits.



When the American Transportation Research Institute (ATRI) reviewed nearly 600,000 truck drivers' records in 2011, it found that specific prior violations were statistically tied to a greater likelihood of a future crash.<sup>1</sup> In a separate study, the California Department of Motor Vehicles determined that unlicensed drivers and those with a license that's been suspended or revoked are almost three times more likely to cause a fatal crash than properly licensed drivers.<sup>2</sup>

## What's the risk to your business?

As a business owner, you are responsible for placing safe drivers on the road, and one of the best ways to do that is to get to know their driving history. If you don't, you run the risk of having an employee with a history of violations who:

- Is likely to continue to receive violations and become involved in collisions
- May be carrying a physical driver's license that is invalid, revoked or suspended

<sup>1</sup> *Predicting Truck Crash Involvement*, American Transportation Research Institute, <http://atri-online.org/2011/04/01/predicting-truck-crash-involvement-a-2011-update/>

<sup>2</sup> *Estimation of Fatal Crash Rates for Suspended/Revoked and Unlicensed Drivers in California*, California Department of Motor Vehicles (2012), p. 17.

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Before reviewing your employees' MVRs, it's important to notify them and obtain their consent.

- Could expose your company to greater risk of punitive verdicts or settlements

In fact, failure to know your employees' driving history increases your business's exposure to negligent entrustment litigation, a direct claim against an employer that is completely separate from any liability for an employee's actions.

### Baseline specifications for drivers.

Your investment of time and energy to carefully qualify all operators will help your safety results if you enforce a uniform set of standards consistently. This process typically starts with your company's baseline specifications for:

- **Minimum age**, which is often dictated by state law
- **Minimum term of prior driving experience** in similar vehicles, on similar routes, with similar traffic safety laws, signs and symbols
- **A valid, in-force driver's license** appropriate to the type of vehicle(s) that will be used by the operator on the job
- **Additional specifications** that may be required by regulatory bodies such as the Federal Motor Carrier Safety Administration (FMCSA) and apply to your business and/or region

Beyond these basics, a commonly accepted mechanism to help management teams qualify new and existing employee drivers based on past performance is the review of motor vehicle records (MVRs).

### MVRs and how to obtain them.

An MVR is a state-issued summary of past moving violations and police-reported collisions. Although the time period varies, most states report on at least the most recent three-year period of violation activity. If your drivers are licensed in states with varying reporting periods, you may want to set a consistent window of activity review at the past three years. In addition to evaluating new hires, you should review an updated MVR annually for all existing employees who drive on your behalf.

MVRs can be obtained directly from a state department of motor vehicles (DMV) or through a private firm in the business of providing personal information. One big advantage of dealing with third party vendors is that they typically supply MVRs from multiple states. Plus, they may offer additional training for your team on how to comply with privacy regulations, and they often supply a standardized format of data to make it easier to compare the records of drivers from multiple states against your company criteria defining an acceptable driver.

Even when dealing directly with a state DMV, you need to be aware of certain steps required to protect the privacy of your operators. For example, before you review an employee's driving record, it's important to notify him or her that the record is subject to scrutiny and that adverse actions may be taken if the review demonstrates unsatisfactory performance. Plus, you need supporting documentation through

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signatures and/or written consent from the employee acknowledging and agreeing to those terms. This notice and accompanying documentation must be conspicuous and must be provided on a separate document so as to prevent any disclosures from being buried in an employment application. Most vendors and state DMVs can provide specific guidance on compliance.

### Defining your company's violations threshold.

Every company needs to establish its own dividing line between acceptable and unacceptable driving history. Some violations, due to their severity, are more troubling than others. Additionally, the frequent, repeated occurrence of seemingly minor violations is another concern. That's why most MVR evaluation programs incorporate a pair of thresholds for the presence of severe violations vs. too many minor violations.

The above-mentioned ATRI study showed that convictions for the following moving violations dramatically increase the likelihood of becoming involved in a collision by the corresponding percentages:

- Failure to use or improper use of a turn signal: 96%
- Improper passing: 88%
- Improper turn: 84%
- Improper or erratic lane change: 80%

Because each state has its own coding system, there are thousands of possible codes and descriptions to cover the many types of violations. Fortunately, there is a recognized inter-state coding system, the AAMVA Code Dictionary, to streamline these codes into roughly 400 possible descriptors. Called ACD codes, these make MVR scoring possible with uniform weights for various types of violations. Even without learning all of these codes, your company can easily review common violations and create a list of serious violations vs. minor violations.

Here is an example:

- **Serious violations** include but are not limited to: driving under the influence of drugs or alcohol (DUI); refusing substance abuse testing; homicide or assault with a vehicle; leaving the scene of an accident—hit and run; eluding a police officer; any vehicle-related felony; drag racing; reckless driving; excessive speeding (15 mph or greater over the speed limit); license suspension due to moving violations; driving while license suspended.
- **General violations** include all moving violations that are not serious, such as: speeding (within 15 mph of posted limit); improper lane change; failure to yield; the running of red lights or stop signs; careless driving.
- **Administrative violations** include non-moving violations such as: illegal parking; equipment violations; obstructing traffic; failure to provide license, registration and/or insurance.



Setting a warning threshold helps alert drivers to check their own behavior to avoid suspension of driving duties.

## How much violation activity is too much?

Your next step is to define how many of each type of violation would push the operator across your threshold from acceptable to unacceptable. You may want to use the chart below as a starting point.

General violations during past 36 months	Collisions during past 36 months				Serious violations (passing school bus, DUI, excessive speeding)
	0	1	2	3	
0	Clear	Acceptable	Acceptable	Probation	Unacceptable
1	Acceptable	Acceptable	Probation	Unacceptable	Unacceptable
2	Acceptable	Probation	Unacceptable	Unacceptable	Unacceptable
3	Probation	Unacceptable	Unacceptable	Unacceptable	Unacceptable
4 (or more)	Unacceptable	Unacceptable	Unacceptable	Unacceptable	Unacceptable

Once you determine the threshold of too much activity, it's important to circle back to establish a warning threshold so you can proactively notify drivers that they're approaching the upper limit of activity. This may be one violation short of the highest threshold, or it may simply be when any activity occurs. Most drivers would be expected to have a clear MVR indicating no activity within the past several years. Setting this warning threshold will help alert drivers to check their own behavior more urgently to avoid potential suspension of driving duties.

## Does careful MVR review really work?

At a recent fleet safety conference, two firms with similar fleet operations had historically used the same standard for MVR review — exclude violations greater than 36 months old and allow for a combination of three violations and one preventable crash before suspending driving privileges.

However, one of the fleets tightened their standard to two violations and one crash during the most recent 24 months and saw a five point reduction in collisions (from 22% of their fleet vehicles involved in a crash per year to 17% of their vehicles involved in a crash) and \$2 million in savings.

Designing and consistently exercising a strong program to review MVR violations against specific standards can help to make a big difference in results.

Providing solutions to help our members manage risk.<sup>SM</sup>



For your risk management and safety needs, contact Nationwide Loss Control Services: 1-866-808-2101 or [LCS@nationwide.com](mailto:LCS@nationwide.com).