



WELCOME TO THE MONTHLY “TRUCK STOP” WEBINAR

**TRUCK STOPS ARE PRESENTED THE SECOND
THURSDAY OF EACH MONTH AT 2:00 P.M. ET**

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REMOTE COMPLIANCE REVIEW – EFFECT ON INSURED’S SFD?

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SAFETY FITNESS DETERMINATION (SFD)

- FMCSA provides a Safety Fitness Determination
 - Unsatisfactory
 - Conditional
 - Satisfactory
 - Unrated



RATINGS

- Rating of motor carriers affect their:
 - Loads
 - Insurance
 - If not Satisfactory
 - Maybe Unrated



RATINGS CONT.

- Insureds with a MC# rating breakdown
 - Satisfactory – About 11%
 - Conditional – About 3%
 - Unsatisfactory – Less than 1%
 - Unrated – About 86%



RATINGS CONT.

- Safety Rating only occurs after a “Compliance Review” **385.3(1)**
 - On-site – Compliance Review
 - Few because of time – Only 2-3% of insureds get visits for compliance
- “During the Coronavirus Disease 2019 (COVID-19) public health emergency, Federal Motor Carrier Safety Administration (FMCSA) will conduct [remote] compliance reviews under 49 CFR part 385, subpart A ...to access information and records ... Using the same standards otherwise applicable, FMCSA will assign safety ratings following a compliance review even if no on-site review activities have taken place”.¹

1. FMCSA Guidance on Leveraging Technology to Conduct Compliance Reviews During COVID-19 Health Emergency, May 19, 2020



RATINGS CONT.

- Recent On-Site Compliance Review results for interstate motor carriers:

	S	C	U	Total
2019	2208	1617	222	5145
2020	790	637	68	1927
Total	3772	2789	380	7072
	S	C	U	Total
2019	0.9%	0.6%	0.1%	2.1%
2020	0.3%	0.3%	0.0%	0.8%
Total	1.5%	1.1%	0.2%	2.8%



RATINGS CONT.

- Other interventions – After an “Alert”
 - Letters
 - Off-site (desktop/remote)
 - On-site focus audit to address a problem found at roadside inspection, such as a BASIC Alert or Crash (with no fatality)
- Crash Fatality triggers a Compliance Review (On-Site or Remote) regardless of fault
- Roadside Inspection – Get enforcement officer’s attention and motor carrier could get on the list



RATINGS CONT.

- Since CSA
 - It takes time to complete a compliance on-site audit
 - More focused audits (unrated) than full compliance
 - But then COVID-19



RATINGS CONT.

- Now with Remote Safety Audits & Compliance Reviews, who may get a letter requiring a review within 48 hours?
 - a. Insureds that have significant roadside inspection violation(s)
 - b. Crashes with fatalities or injuries
 - c. Insureds that did not have current information in FMCSA system, such as MCS-150 not update
 - d. Insureds with high Inspection Selection System (ISS) scores



RATINGS CONT.

INSPECTION SELECTION SYSTEM (ISS) Score

Estimated ISS: **99 INSPECT**

75-100
INSPECT

OOS Carriers
High-risk Carriers
Carriers with multiple BASIC Alerts
Carriers with HOS Alert

50-74*
OPTIONAL
INSPECT

Carriers with Insurance or Other Serious Violations
Carriers with one BASIC Alert (not HOS)
Carriers with "Insufficient Data" to calculate BASIC Scores*

1-49
PASS

All other carries with sufficient data to calculate scores
and No BASIC Alerts

* Carriers without sufficient data to measure in the SMS or a Serious Violation are prioritized using the Insufficient Data Algorithm



RESULTS

- Violations – fines
 - Acute Violation
 - Critical Violation
- Safety Rating
 - Non-rating if focused
 - Safety rating if comprehensive
 - Satisfactory/Conditional/Unsatisfactory
 - Respond in 15 days
 - Appeal fines/rating
 - If no response from motor carrier it becomes permanent

Agent make insured answer and help with response



LET'S ASK AN "EXPERT"

BUDDY WALLS

CARRIER SOFTWARE

WILL SHARE

POSSIBLE CONCERNS FOR MOTOR CARRIERS
REGARDING **REMOTE FOCUSED SAFETY AUDITS**
AND **COMPLIANCE REVIEWS**



CONSIDERATIONS

FMCSR 390.29 Records Carrier will need to produce*:

- a. Proof of financial responsibility
- b. DQ files
- c. Drug and Alcohol testing records
- d. Records of Duty (ROD) & Supporting Documentation
- e. Driver Vehicle inspection reports and maintenance records
- f. Hazardous Materials records of applicable
- g. Accident Register and copies of all accident reports as required

* May need to be produced within 48 hours. Does not include weekends and Federal Holidays.



CONSIDERATIONS

- What will remote audit entail?
 - Depends on reason for audit
 - Depends on type of audit (Focused, Safety, or Compliance Review)
 - DOT Officer will provide a list of items requested that motor carrier scans and sends within 48 hours



CONSIDERATIONS

- Will it be part of FMCSA enforcement after COVID-19?
 - What is the process?
 - Presumed to continue as currently being practiced
 - What does an underwriter need to know about the change
 - New Entrants must have an “Audit” within first 12 months
 - More small motor carriers will have Remote Audits and/or Remote Compliance Reviews that could lead to:
 - More Investigations & Penalties
 - Conditional or Unsatisfactory Safety Ratings



CONSIDERATIONS

– Retail Agent involvement

- Let small motor carriers know about the increased chance of a remote audits and/or Compliance Review
 - Points they need to address with their insureds
 - Importance of paperwork that meets requirements
 - Plan ahead: have all required documentation in order
 - » Then if a letter is received asking for information, motor carrier can respond within 48 hours:
 - Setting up a DQ file
 - Drug testing requirements
 - How to set-up records in case of an audit

– Retail agent needs to keep up with insured's FMCSA activities



Alert-VU™ Monitoring

- 1) Monitor Truck Fleets by DOT number
- 2) Vehicles Not On Policy, Sidelined Vehicles, etc.

Daily	Bi-Monthly	Monthly
SAFER Operating Status	Severe Violations	BASIC Scores
Out-of-Service Orders	Crashes	Within 10pts of Alerts
FHWA Authority	Inspections	ISS
FHWA Insurance		Power Units & Driver Counts
Revocations		



CALL AN “EXPERT”

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WRAP-UP



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