


MANAGING





ROAD RISK:
Carefully screening
drivers and investing in
traffic safety courses
can help broadcasting
and cable companies
manage transport risk.

Steering the Right Course

**Traffic's a mess and trucks
are expensive. Here's how
to keep risks under control.**

By Mike Heembrock

Radio and television broadcasters and cable TV companies deploy a wide range of vehicles, from private passenger vehicles for sales to vans and trucks stocked with sophisticated, costly equipment for mobile broadcasting and production. Those responsible for insurance at broadcasting companies should be aware of the many exposures and risks that accompany the operation of these fleets. There's a strong need for these businesses to consider auto and transport exposures when conducting a comprehensive risk assessment.

The fact is that many stations, especially smaller operations, simply don't have risk managers on staff to help them determine their insurance needs. The task can fall on the company's chief financial officer, corporate controller, station general manager or station business manager.

Too often, commercial auto operations are relegated to last place when stations are purchasing insurance. That's because

pricing is frequently their only focus. With 10 autos to insure in a station's fleet, the manager may be negotiating for the lowest premium per vehicle. But it's important to consider loss prevention, and which insurer is likely to provide the greatest help in controlling exposures and mitigating risk. By including loss prevention in the insurance purchasing process, the station is doing more than paying a premium. It's getting valuable assistance in managing its commercial auto operation, which for many broadcasters can be an exposure that produces losses exceeding policy limits.

A broadcaster could experience a significant financial loss if, for example, an electronic news-gathering truck rolled over en route to a developing news story. Large broadcasting trucks can be awkward to maneuver due to their weight, stopping distance and cornering capabilities. Moreover, they are susceptible to tipping over in high crosswinds. If the vehicles themselves weren't challenging enough, consider the addition of masts, antennas and satellite dishes. The

replacement value of an electronic news-gathering truck can escalate dramatically when you add \$100,000 to \$200,000 of broadcast electronic equipment. In addition, should the accident cause any injury, this kind of loss can ruin a company's reputation and loss history. All the more reason for employers to consider who is driving these units.

Many insurers view very young drivers, inexperienced drivers and older drivers as difficult exposures, and for good reason: statistics show they are more likely to be involved in crashes than those in other categories. Station owners need to take this into consideration when putting anyone under 21, over 70 or with fewer than three years of driving experience behind the wheel of company vehicles. If this is unavoidable, a clean driving record, driver training and routine supervision is a must.

Something else to note: Managers who eliminate company vehicles to rely instead on employee-owned vehicles for sales, pick-ups and deliveries may think they have skirted the issue of fleet exposure. Not so. Having employees use their own vehicles for company business does not shield companies from liability. Employees may not have proper auto insurance for business-related activities. When employees are using their cars for company business, employers should urge them to obtain adequate personal insurance.

Here are several more ways broadcasters can manage their transport risks:

- Screen new and existing drivers by instituting an annual motor vehicle record review. For privacy purposes, broadcasters will need their employees' permission first, but once they understand this is a job-related issue, most will give their consent.
- Invest in driver training courses. Driver awareness programs can be provided by the station's carrier, the American Automobile Association or area safety councils. Online driver training is increasingly available. Drivers of fleet vehicles such as bucket trucks, electronic news-gathering trucks and satellite trucks can get specialized behind-the-wheel training from dedicated schools, vendors or vehicle manufacturers.
- Spend for safety. The National Highway Traffic and Safety Administration

(NHTSA) and the Insurance Institute for Highway Safety (IIHS) have Web sites reporting safety ratings for passenger vehicles. If the plan is to spend \$25,000 to \$35,000 for a sedan, SUV or truck, buy a vehicle with a high safety rating. This may make the difference between no injury and a severe injury for one of your employees.

- Require all company drivers and occupants to wear seat belts. Set a good example: make such precautions part of the company's culture.
- Stay on top of needed repairs. Many people think that if a car or truck passes state inspection, it's in good shape. That's not necessarily so. Parts of broadcast vehicles can deteriorate quickly. For example, tires are a critical aspect of vehicle safety, and they can develop problems within days. Tire quality is especially important on expensive and heavy news-gathering vehicles. And, even the highest quality tires must be inspected regularly for proper wear and inflation.
- Make it company policy to document all crashes, no matter how minor. Such thoroughness will help the insurance carrier and the station manage losses better. Require employees who drive for company business, whether in company vehicles or their own cars, to report any collision to their employer and obtain a police report at the scene. This report should prove useful should any severe damage, not visible on the exterior of the car, turn up later. Even more important, it should relate whether either of the drivers or any of the occupants of the cars involved was injured.

Drivers are probably the most problematic piece in the transport risk equation. The biggest challenge for a broadcasting organization is to declare safety as a primary goal, even more important than getting that scoop or meeting that deadline. Few stations, especially smaller ones, can afford the luxury of having a full-time safety manager. But someone has to take the lead – it's usually the principal – and he or she must hold everyone accountable for adhering to safety standards.

It's critical, for instance, that employees understand they can't be careless or take imprudent steps to reach a news scene or production site. Also, those in the field

must resist the temptation to squeeze too much into a day of calling on sponsors or customers in a bid to boost sales. This overload can jeopardize their safety as well as the good will of the station in the community.

Station owners set the tone for safety. They also are responsible for reviewing the company's vehicle-related loss history over the past three to five years to determine where improvements could be made. Always ask: If something had been done differently, if one area of vehicle operations had received a bit more attention, could losses have been shaved by 5 percent to 20 percent?

This review is especially important for stations operating in metropolitan areas, where the U.S. Census Bureau expects to see most of the nation's population growth during the next 25 years. The IIHS notes that vehicle miles traveled also are increasing rapidly in America's cities. From 1983-2003, the institute says, total vehicle miles traveled rose 75 percent, but miles traveled in urban areas skyrocketed 90 percent.

Greater numbers of cars and trucks on the road increases the odds that more crashes will occur, resulting in more employee injuries or deaths. This will drive up the costs to obtain insurance which, in turn, will drive up the costs of broadcast operations. But understanding a station's transport risks – and applying commonsense measures to boost safety in a fleet – can go a long way to help protect the company's future.

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