

Annual Vermont Employer Traffic Crash Costs

According to the National Highway Traffic Safety Administration publication, ***Economic Burden of Traffic Crashes on Employers***, every year Vermont employers pay out:

- \$17-million in health fringes for benefits and insurance, etc.
- \$22-million in non-health fringes for property damage, etc.
- \$13-million in alcohol-involved crashes.

That's a total of \$52-million that Vermont businesses could save with an effective workplace traffic safety program.

Check out your cost of traffic crashes with the special chart in this brochure.

The standard workplace now includes our highways and motor vehicles that are used to deliver products and services. Whether your workers are injured in the company car or in their own vehicle, if they are on company business, you may have a workers' compensation liability.



Chart Your Cost

ex: the estimated direct cost of on-the-job crashes for a company that had 20 such crashes would be 20 x \$16,471 = \$329,420.

Project Road-Safe <small>(A workplace traffic safety program of the Vermont Department of Labor)</small>	Per Million Vehicle Miles Traveled	Per Crash	Per Injury	Per Fatality	Per Non-fatal Injury
Health Fringe Benefit Costs	\$32,976	\$3,570	\$23,865	\$314,284	\$22,126
Other Direct Costs	\$64,858	\$6,699	\$20,432	\$158,104	\$19,608
Liability for Losses by Others	\$60,043	\$6,202	\$32,016	\$32,016	\$32,016
Totals	\$157,878	\$16,471	\$76,313	\$504,408	\$73,750

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This is the Real Story About the Cost of Traffic Crashes



There is a relationship between the cost of a traffic crash and the bottom line of any business.



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How Much Money Has Your Business Lost Because of a Traffic Crash?

Recovering the Cost of a Traffic Crash

- 1) Assume a 5% Company Profit Margin (CPM)
- 2) Assume for every \$1 in crash costs, \$20 in products and services must be sold to break even.
- 3) Assume 15 vehicles used for company business
- 4) Assume a 10% crash rate.
- 5) Assume \$5,000 cost for each crash.
- 6) Total Cost of Crashes (15 vehicles x .10 = 1.5 vehicles x \$5,000 per crash = \$7,500)
- 7) Break even point (\$7,500 [cost of crashes] x \$20 [sales] =

\$150,000

Employers pay:

*** employees and their dependents for injuries that occur to their employees on and off the job.**

*** for harm caused to non-employees for crashes involving a vehicle on company business.**



Costs Covered by Employers

Health Fringe Benefits:

(Costs of fringe benefits paid because of illness and injury of employees and their dependents.)

- Contributions to workers' compensation
- Medical and disability insurance
- Health insurance
- Sick leave
- Social Security disability insurance
- Life insurance
- Private disability insurance
- Insurance administration
- Overhead

Non-Fringe Costs

- Motor Vehicle property damage and liability insurance
- Crash-related legal expenses
- Taxes to pay for:
 - * Police
 - * Fire
 - * EMS
- Loss of productivity
- Recruiting and training replacement workers

Workplace Traffic Safety Policies:

- Create the policies (including warnings and disciplinary action for non-compliance)
- Post the policies (Owner/CEO sign-off)
- Establish training sessions (Employees sign-off)
- Enforce the policies
- Issue warnings

An effective workplace traffic safety program is a program endorsed and practiced by the company Owner/CEO.

Safety is NOT a major consideration when people purchase a motor vehicle.

<u>% of People</u>	<u>Consideration</u>
1) 87.4%	Monthly Payments
2) 64.2%	Cup Holders
3) 56.5%	Luggage Capacity
4) 55.1%	Sound Systems
5) 48.3%	Interior Appearance
6) 45.1%	Safety

The Top Five Causes of Traffic Crashes

- * Driver Inattention & Distractions
- * Speeding
- * Driving While Impaired
- * Disregard for Stop Signs and Traffic Lights
- * Failure to Yield Right of Way



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