

Torque Data

Information is critical to the success of any business. And even more so if it is comprehensive and easy to access. It allows you to make informed, timely decisions. This is at the heart of Torque Data.

Torque Data is an online crash and claims analysis operating system that has been exclusively designed for transport companies. We'll introduce you to the features of the system first before outlining its many benefits.

Record and monitor crashes and incidents

Incidents are recorded where there has been damage to a company vehicle and/or third party damage, but where the cost of repair is below the company excess or it's decided that an insurance claim is not warranted. However, where there has been vehicle damage exceeding the company excess, there is third party damage or there is to be a recovery from a third party, a claim can be submitted online through Torque Data.

Vehicle crash claim history

This provides a crash claims history of the last 10 claims.

Record and monitor Carriers Liability events

This has the same facilities as crashes and incidents. Freight damage incidents are recorded where a claim is not made. And when a claim is made because the freight damage exceeds the company excess, it is duly recorded, stored, reported and submitted online.

Carriers Liability claim history

This provides a history screen of the last 10 claims.

Record and maintain staff and staff training details

Staff are your most valuable assets. Here information is recorded on licensing, incidents, crashes and training. A record with a number of tabs is created for each staff member. It is a simple task to record information and to access it in order to check on the status of, for example, training or to examine incident and crash history.

Record and maintain fleet details

Records vehicle information, including trailers, plant and other company vehicle-related information.

Repairs and maintenance recording

Records fleet repairs and maintenance on all vehicles, trailers, plant and other company vehicles.

Record and maintain fleet expenditure

Records the expenses of each vehicle including tyres, fuel, road user charges and sundry items. Reports can be requested on expenditure by vehicle, location, and division.

Provide comprehensive reports

These reports drill down a little further to provide company reports which include financial, crash and road statistics analysis. Comparisons between divisions or branches can also be generated. Likewise, benchmark reports, including the same analysis, can provide comparisons between similar-sized operations and other transport operators operating in a comparable environment.

Torque Data will help you to better understand important parts of your business. And it also comes with full training and online support so you will get the very best out of Torque Data for your business.

For more information, contact your Broker.



Torque Back

Your Torque Fleet Risk Management newsletter

TORQUE
FLEET RISK MANAGEMENT

Find out about Lumley Torque Fleet Risk Management and meet the team

- » Accident Risk Management
- » Managing tiredness and fatigue
- » In-vehicle cameras
- » Savings offset fuel expenses

For more information on subjects featured in this issue of Torque Back please contact your Broker.

Welcome to the first edition of Torque Back, the newsletter from Lumley's Torque Fleet Risk Management Team. It will bring you practical information that is designed to increase the productivity of your fleet through active fleet risk management.

Lumley's Torque Fleet Risk Management division was established in 1998 and provides unique, effective fleet risk management services to minimise exposure to accidental loss. We advise companies and operators how to assess and manage their risk. Through this we aim to improve driver safety awareness, reduce crashes, and help to ensure business continuity. If such factors aren't managed, it can have a significant impact on the cost and availability of insurance.

Torque Back will bring you information about some of our newer initiatives in fleet risk management. In this edition we'll cover: The Torque Offer, Torque Data – an innovative crash and incident reporting system, In-Vehicle Cameras – an update on this fleet risk management initiative, and Managing Tiredness and Fatigue – a key issue for the transport industry.

So on behalf of the Lumley Torque Fleet Risk Management team, welcome once again and I hope you enjoy and benefit from this new publication.



Kind regards

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Lumley Torque

Fleet Risk Management

The overall objective of the Torque offer is simple – to help you save time and money. As we all know, the best approach to avoiding crashes is not to have them. This means that prevention is a big part of the offer, which will also help you to reduce your risk.

Torque Fleet Risk Management service

Our starting point is to learn about your business, your risk management objectives and processes, along with any day-to-day problems you may be experiencing. We can assist you to build a comprehensive fleet risk management programme that will limit the risks your business faces.

And the results speak for themselves. The operators that we work closely with report continued reductions in accidents, ACC levies, maintenance costs, fuel consumption and insurance costs. In addition, efficiencies have been achieved right across their businesses.



Left to right: Richard Pottinger, Haydn Bowbyes, Colleen White, Les Janett, Jim Wiles

The Torque Fleet Risk Management team is one of the most experienced and expert in the commercial fleet risk management business.

Jim Wiles – National Fleet Risk Manager Based in the Waikato, Jim has extensive experience in the transport industry. He has previously held management positions in the Ministry of Transport and in the private sector, advising on crash reduction programmes for professional drivers. Jim has been with Lumley for more than 10 years.

Richard Pottinger – Fleet Risk Manager Wellington based Richard joined Lumley in 2000 and has enjoyed a career in various areas of the transport industry. He has broad experience both in the public and private sector.

Les Janett – Torque Fleet Risk Manager Les works out of Auckland and joined the team in 2006. He has extensive transport industry knowledge

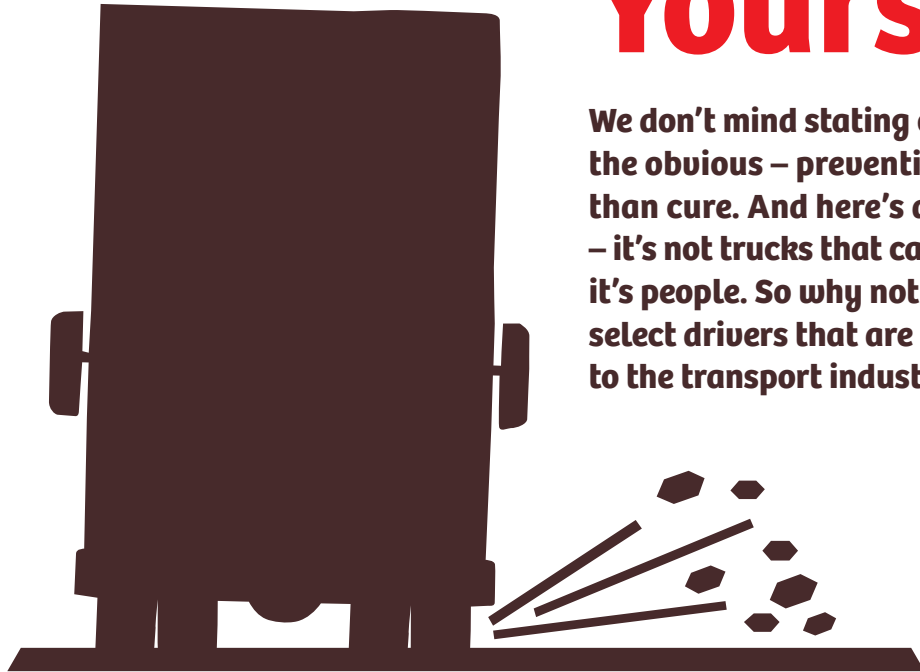
having managed transport companies and has spent numerous years working for the Road Transport Industry Training Organisation (now Tranzqual).

Haydn Bowbyes – Torque In-Vehicle Camera Manager In late 2006, Lumley began working with Haydn and his company's in-vehicle camera initiative. Haydn has a professional background in marketing, electronics and automotive and is an advocate for road safety.

Colleen White – Fleet Risk Administrator Based in Auckland, Colleen joined Lumley in 2001 and provides all the administrative support to the Torque FRM team.

ARM Yourself

We don't mind stating or repeating the obvious – prevention is better than cure. And here's another one – it's not trucks that cause crashes, it's people. So why not recruit and select drivers that are best suited to the transport industry?



Some people are more likely than others to have a crash. Knowing who they are – and why – is an important part of managing your risk.

Everyone within an organisation can benefit from understanding and developing their own attitude towards safety awareness.

One step towards assisting you to mitigate risk and therefore help improve your bottom line is Accident Risk Management profiling (ARM). It is this process which serves to identify who in your business is a greater accident or injury risk, and why.

Some of the key areas ARM profiling covers are:

Safety control

This indicates how much “control” an individual believes they have over their own and other people's personal safety.

Generally, people with a low safety control score lack awareness of their ability to work safely. Accidents are seen as bad luck or misfortune, rather than poor safety management. A perceived lack of safety control reinforces the need for proper safety procedures.

Lower safety control can, at times, be associated with a lack of personal

empowerment. This leaves individuals vulnerable to exploitation or bullying into unsafe acts by those they perceive as “superior” – such as supervisors, managers or workmates.

Risk avoidance

The risk avoidance scale is a measurement of an individual's ability to perceive a safety risk.

It also reveals the ability to distinguish between constructive and destructive risk taking, e.g. personal enjoyment versus acting without regard to the consequence.

Some people who have low risk avoidance scores feel they have to prove how capable they

are by stretching their performance beyond safe levels.

Stress tolerance

Stress is a major contributor to accidents, with the two primary causes being distraction and fatigue.

The stress tolerance scale measures how aware a person is of stress when they have it, how they recognise its effects, and how effectively they cope with it.

Driver attitude

The driver attitude scale is vital for people who drive as part of their job. The driver attitude scale is similar to the safety control scale in that it is a measure of personal responsibility and ability to comply with safety systems and procedures.

Quality orientation

While we are all familiar with quality in relation to customer satisfaction and business success, it is also a critical safety issue.

Many crashes occur because of failures in quality systems and procedures. Neglected maintenance or a lack of attention to detail can lead to equipment or manufacture defects and ultimately failure.

As part of a risk management programme, ARM profiling can help you understand where the risks are in your business and why, which can provide you with a basis for mitigating such risk.

Managing tiredness and fatigue



We all experience it, but for most of us it doesn't become life-threatening. However, it does for short-distance and long-distance heavy motor vehicle drivers.

When fatigue, or even exhaustion, occurs, drivers experience loss of alertness which can lead to falling asleep at the wheel. In turn, loss of alertness results in poor judgement, slower reaction times and decreased skill levels. And it also affects the efficiency and productivity of a driver's performance which can reduce profitability.

The main causes of fatigue are fairly obvious – lack of sleep and rest between daily activities.

The first step to doing something about fatigue is recognising the symptoms, which include:

- » Yawning or feeling drowsy – no surprises there
- » Impatience
- » Slower reaction times
- » Sore or heavy eyes
- » Decrease in concentration
- » Being unable to recall the last few tasks
- » Lapses in concentration or reduction in performance

The second step is to reduce and manage fatigue:

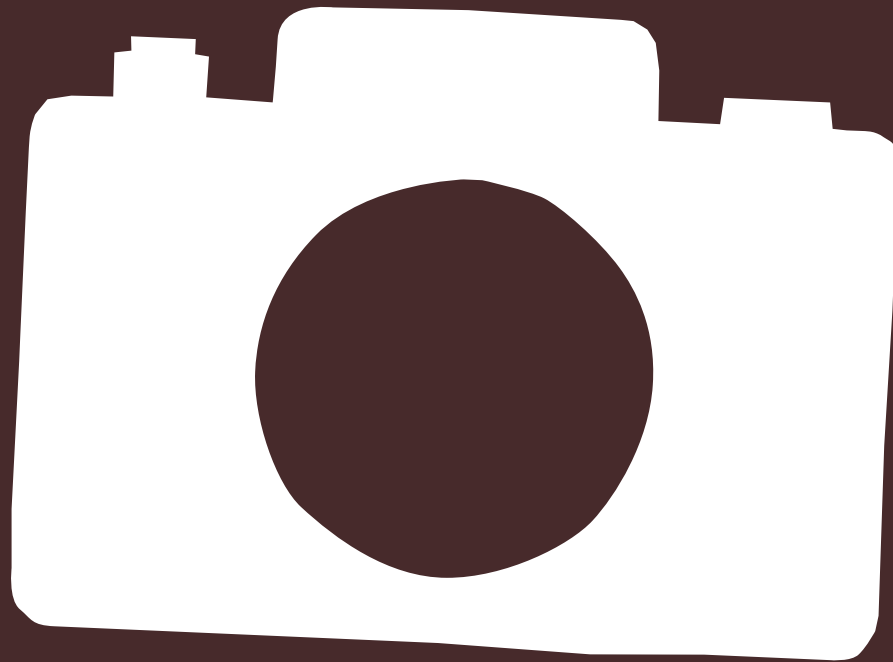
- » Ensuring adequate sleep before the shift or journey – at least 7 to 8 hours for most people
- » Being alcohol and drug free before

getting behind the wheel

- » Planning rest breaks and taking a walk to increase alertness
- » Pulling over and having a “power nap” – this should be no longer than 40 minutes
- » Using the passenger seat (or sleeper) for taking “power naps” to avoid conditioning the body to sleep behind the wheel
- » Choosing non-drowsy medications for conditions such as colds, flu and hay fever
- » Eating a variety of healthy foods, but avoiding large meals which can lead to drowsiness
- » Ensuring there is adequate ventilation
- » Ensuring schedules, rosters and shifts that have sufficient flexibility to allow drivers to rest when tired
- » Being aware of the effect that social activities during off-duty time can have when starting work again
- » Having regular medical checks
- » Being aware that financial worries, relationship and family concerns and other stress-generating factors can impact on driving performance
- » Being especially alert when starting a new shift or doing irregular work
- » Avoiding “moonlighting” and following appropriate work time and logbook rules

And remember, the only cure for fatigue is sleep.

Source: www.itsa.govt.nz; www.acc.co.nz



Introducing In-Vehicle Cameras

In our view, safe driving is the most cost-effective driving, because it has an impact on all key costs including fuel, engine and tyre wear, crash repairs and insurance.

The In-Vehicle Camera system is to the transport industry what the “black box” is to the aviation industry. The window-mounted, palm-size camera records what is happening on the road outside and the action of the driver inside the vehicle. All abnormal driving events are automatically recorded, including hard braking, unsafe cornering and crash incidents.

Lumley’s New Zealand Fleet Risk Manager Jim Wiles says, “This system is proving to be the most significant safety advance for the commercial transport industry for a decade.”

This enhanced “black box” is a proactive device designed to be part

of a total fleet risk management approach to reducing the loss of life, in addition to playing a significant role in reducing escalating fuel bills.

Wiles says that, the results from the many fleets in New Zealand utilising this fully managed system have confirmed the significant benefits that have been experienced for a number of years in the US, as well as those reported in Australia.

In New Zealand, Lumley has seen reductions in incidents and claims in excess of 89% with average reductions around the 85% mark across the board. Not bad, considering the fully managed integrated system costs less per year to run (per vehicle)

than the average truck side mirror costs to replace! On top of this, factor in the savings in fleet operating costs, and we have actually seen the cameras cover their own yearly costs in as little as four weeks from installation.

The video camera is always active, recording on a continuous loop. However, downloads to the system’s hard drive are only triggered when set parameters are exceeded, such as when the vehicle brakes or swerves suddenly. When this happens, the camera downloads fifteen seconds of the video recording either side of the “incident”, capturing what happened both outside and inside the cab.

Furthermore, the driver can also manually activate the device to record.

“As the saying goes, a picture is worth a thousand words,” says Jim Wiles. “The video can be used to support insurance claims and safety-related incidents, and it can also be used to review driver behaviour, leading to better driving habits. The device downloads automatically after each trip via wireless connection when a vehicle passes through the gates of the yard at the end of a run.”

“The biggest benefit of In-Vehicle Cameras is the opportunity for operators and drivers to review and improve operating conditions and the way drivers respond to them. In fleets throughout New Zealand, operators and drivers have experienced marked improvements in driving habits and fleet operating costs through the use of the fully managed In-Vehicle Camera system. In fact, merely having the device in the cab results in improved driver behaviour and cost savings to transport operators. However, with the time-poor environment that the industry often

works in, it is our recommendation that if you want to get the results, a fully managed and reviewed system is the only way forward.”

Having the device in the cab results in improved driver behaviour and cost savings.

Below: In-cab and rear-view downloads from an In-Vehicle Camera.



Savings offset fuel expenses

With the fluctuations in fuel costs over the past year, operating costs per km for fleets have also varied dramatically. Even a 5 cent/litre increase can escalate operating costs by thousands of dollars annually. The use of In-Vehicle Cameras can turn this equation on its head.

How?

Property and casualty claims costs are traditionally considered a fixed cost. Use of In-Vehicle Cameras effectively converts property and casualty claims costs from fixed to variable, which can be pro-actively managed in the same way as fuel and maintenance.

The impact is significant. A typical service or delivery fleet has a \$4,000 to \$4,400 annual property and casualty claims cost per vehicle. This translates into 10.5 cents per km for vehicles averaging 60,000 km a year. By lowering property and casualty claims to between 30% and 90% through improved driving behaviour, and making it a variable cost, the savings of 3 to 9 cents per km can assist in offsetting a rise in fuel expenses.

When fleet operators use In-Vehicle Cameras, they can monitor and reduce aggressive driving to further decrease costs, proving that In-Vehicle Cameras are a best practice approach to managing fleet operating expenses.