

Commercial Risk Advisor

Distracted driving is one of the leading causes of vehicle accidents, posing significant risks to both individuals and businesses. An effective distracted driving policy is essential for protecting employees, reducing liabilities and ensuring compliance with safety regulations. Below are key strategies for developing a strong distracted driving policy:

- **Understand the reason for the policy.** The primary purpose of a distracted driving policy is to protect employees and the public. By addressing the root causes of distracted driving, employers can proactively mitigate safety and liability risks and promote a culture of driving responsibility.
- **Establish the scope.** The scope of the policy should cover all employees who drive a vehicle for business purposes, including drivers of company vehicles and those who drive personal vehicles for business reasons.
- **Define the types of distracted driving.** To help workers understand and prevent distracted driving, businesses should detail various types of distractions. These include manual distractions that take drivers' hands off the wheel (e.g., texting, eating), visual distractions that take their eyes off the road (e.g., looking at screens), cognitive distractions that take away their focus (e.g., conversations with passengers, drowsy driving), auditory distractions that interfere with safe driving through noise (e.g., loud music) and physical distractions that include unnecessary movements inside the vehicle (e.g., combing hair).
- **Address phone use.** Cellphone use plays a significant role in motor vehicle accidents, and many states have laws against using handheld devices for calling and texting. Employers should consider banning cellphone use entirely to prevent distracted driving. If employers allow hands-free cellphone use, they should require employees to keep interactions brief and focused to avoid any distractions. To prevent the temptation of using a phone while driving, employers can require their employees to turn their phones on "do not disturb" or "silent" before operating a vehicle.
- **Include information on technology.** Employers have access to various tools that can minimize distractions and improve safety (e.g., telematics, cellphone-blocking technology, dash cameras, and artificial intelligence-based monitoring). By including information on these tools in the policy, employers establish the expectations and rules around them.
- **Require pretrip inspections and meal breaks.** Employees should be required to conduct pretrip inspections and make needed adjustments (e.g., mirrors, seats, climate and GPS settings) before driving. They should allow time for meal breaks and be instructed to pull over to eat.
- **Discourage drowsy driving.** The policy should address mental alertness and fatigue management and explain how schedules promote restfulness. Employees must feel comfortable voicing concerns if they are too tired to drive, and employers should encourage regular breaks on long trips to prevent fatigue-related distractions.
- **Train employees and communicate.** Training sessions should educate employees about the risks of distracted driving, the company's expectations and the importance of compliance. If technology is being used to address distracted driving, employees should be trained in how it works, what to expect and how collected data is used to promote safety. Employers should also encourage open dialogue by allowing employees to ask questions during training, creating an environment where employees feel comfortable discussing the policy.
- **Review and enforce the policy.** Employers should regularly review their distracted driving policies and update them as necessary to incorporate new best practices or technology. Employers should also establish clear disciplinary actions with specific penalties for repeated or severe policy violations. Consistent enforcement across all employees is essential to ensure fairness and prevent bias.

An effective distracted driving policy requires clear guidelines, proper training and consistent enforcement to ensure employee safety and compliance. By effectively communicating expectations for safe driving behaviors, employers can foster a strong safety culture and reduce distracted driving risks. Contact us today for more risk management guidance.

Cryptocurrency is a digital currency that operates independently of traditional banking networks. It is based on blockchain technology, a decentralized and immutable ledger system that uses cryptography to ensure secure transactions. Despite its intangible form, cryptocurrency functions similarly to physical cash across various countries and governments. Utilizing this currency can provide several benefits for businesses. However, the unique and evolving nature of cryptocurrency and its market also poses considerable risks. That's why it's crucial for businesses to have a clear understanding of cryptocurrency's advantages and risks and know the best practices to minimize potential exposures.

Accepting cryptocurrency can benefit businesses in the following ways:

- **Reduced transaction fees**—Some traditional payment processors implement fees as high as 4% per transaction when using traditional payment processors, but cryptocurrency-related transaction fees are often much lower (e.g., below 1%), generating cost savings.
- **Faster transactions**—Cryptocurrency isn't attached to a country of origin or national bank and doesn't involve intermediaries, eliminating the risk of related delays. Through blockchain technology, cryptocurrency transactions can be processed in minutes. This can help businesses improve their cash flow management practices, particularly with international transactions.
- **Connect with more customers**—Cryptocurrency isn't limited by geographical borders, so it can simplify connections with customers worldwide. Such international accessibility provides opportunities to expand customer bases and tap into new markets. Furthermore, accepting cryptocurrency can help businesses foster a more innovative brand, attracting tech-savvy customers who favor virtual transactions.
- **Minimize fraud exposures**—Once a cryptocurrency payment is processed, it cannot be reversed or undone, reducing related fraud concerns (e.g., fraudulent chargebacks). Additionally, blockchain technology establishes advanced security measures to safeguard the funds and sensitive information being processed, potentially limiting the likelihood of data breaches and other cyberattacks.

Although accepting cryptocurrency can provide benefits, it also comes with risks, such as the following:

- **Market volatility**—The cryptocurrency market is considered highly volatile and can experience frequent and drastic price fluctuations, making businesses that accept it vulnerable to financial instability and lost revenue if its value drops suddenly following large transactions.
- **Regulatory uncertainty**—The cryptocurrency market is largely unregulated because it is still relatively new. However, government agencies and organizations are in the process of developing cryptocurrency standards. Regulatory changes that require operational adjustments can occur suddenly, and failing to comply could result in costly noncompliance fines and other penalties.
- **Security issues**—Cryptocurrency carries elevated security exposures because it is a highly attractive target for cybercriminals to use in hacking attempts, phishing scams and ransomware threats. Without security measures, businesses could experience large-scale financial losses, operational disruptions and diminished profitability.
- **Technical and perception barriers**—Businesses could face technical challenges when adjusting their operations and digital infrastructures to accept cryptocurrency, and inexperienced customers might struggle to use it. Additionally, customers could be wary of using this currency if they perceive it's tied to criminal activities (e.g., cybercrime, money laundering and terrorism financing).

To reduce the risks associated with accepting cryptocurrency, businesses should conduct risk assessments and audits; establish robust policies and secure payment systems; maintain diversified digital assets and leverage offline wallets for long-term storage; regularly monitor transactions; train employees on its use; develop an incident response plan; keep detailed transaction records; and comply with anti-money laundering rules, know customer requirements and other laws.

As cryptocurrency's popularity rises, businesses seeking to utilize it must assess the pros and cons and know effective risk management techniques. Contact us today for more risk management guidance.

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