



Sample Report Demonstrates the Depth of a Carrier Risk Review

The J. J. Keller® Carrier Risk Review Service provides shippers and brokers with a report that documents our analysis of all available DOT data. This includes select carriers' valid US DOT/MC #, proper operating authority, satisfactory FMCSA rating, BASIC scores, and more. The following sample report reveals the methodology of our risk review, along with recommendations and overall findings, so you can make the safest choice of carrier possible.

INTRODUCTION

A thorough safety and compliance assessment of contract carriers was conducted for Example Company's operations. The carrier who was the subject of this assessment was Keller Transport, USDOT #398157 (*not an actual carrier; for sample only*). This assessment included a review of the carrier's Compliance Safety Accountability (CSA) scores, operating authority, Safety Fitness Rating, insurance, Inspection Selection System (ISS) score, out-of-service (OOS) rates, accidents (crashes) per million miles, and other factors.

RISK ASSESSMENT METHODOLOGY

Our review of Keller Transport includes providing a Risk Assessment Rating based upon the results of their status in the following areas:

- USDOT number
- Active DOT authority (not OOS)
- BIPD insurance of at least \$1,000,0000
- Safety Rating status (Unrated, Satisfactory, Conditional, or Unsatisfactory)
- CSA Behavior Analysis and Safety Improvement Categories BASICs) in Alert Status (Unsafe Driving, Hours of Service (HOS) Compliance, Driver Fitness, Drugs and Alcohol, and Vehicle Maintenance)
- Carrier Operations Type (Interstate or Intrastate)
- Carrier Classification Type (For-Hire Authority, For-Hire Exempt, etc.)

Our experts assess your carriers based on key safety criteria.

Carriers reviewed by this process are then assigned one of four Risk Assessment Ratings, as follows:

LOW RISK: These carriers provide the lowest risk to your organization based upon this analysis. These carriers have an active USDOT number, appropriate operations and classification types, appropriate levels of insurance, an UNRATED or SATISFACTORY Safety Rating, and no BASICs in alert status. These carriers expose you to the lowest amount of risk in comparison to the other carriers.

ELEVATED RISK: These carriers provide an elevated level of risk to your organization, but not significant enough to never consider utilizing them. These carriers include those that have one BASIC in an elevated status (within 10-15% of the threshold), one or more OOS categories (Vehicle/Driver/Hazmat) above the national average, have an ISS rating of Optional or Inspect, and/or crashes per million miles of 1.5 or

ANALYSIS AND RECOMMENDATIONS

After a thorough review, we have assigned a Carrier Risk Rating of **HIGH RISK** to Keller Transport. This rating is based on the following: Keller Transport has two BASICs in alert status (the HM Compliance BASIC and the Crash Indicator BASIC). They also had an ISS rating of Inspect.

We found that Keller Transport had active for-hire authority, was authorized to haul property, and had active insurance of at least \$1,000,000, as required to transport certain hazardous materials.

Keller Transport previously received a Conditional Safety Fitness Rating from a compliance review

CSA Overview

We evaluated Keller Transport’s CSA scores, accident frequency, roadside inspection OOS rates, ISS recommendation, and Safety Fitness rating in comparison to industry averages.

Keller Transport had a vehicle OOS rate of 17.5%, which is below the industry average of 21.4%. Their driver OOS rate was at 1.8%, which is below the industry average of 6.0%. Their hazmat OOS rate was at 2.4%, which is also below the average of 4.5%.

Their ISS score was 90, with below 50 being passing. Their recommendation was INSPECT, meaning that drivers are more likely to be selected for roadside inspection. Additional information is provided in the ISS Score section.

CSA BASICS

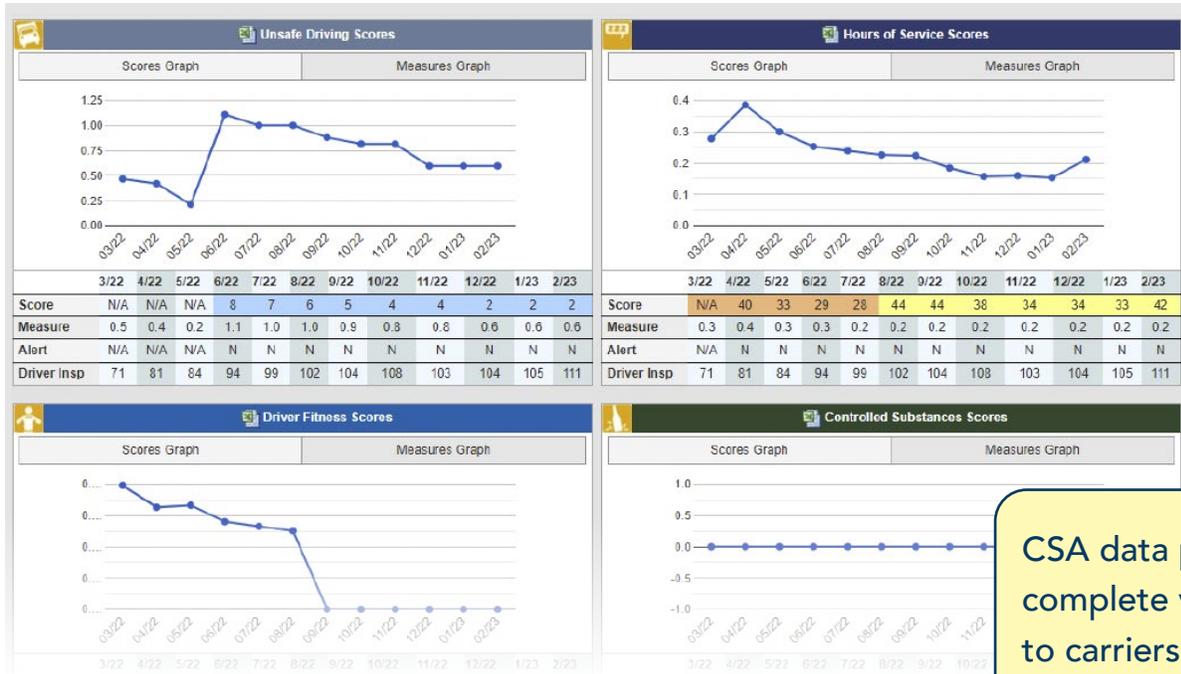
Keller Transport had two BASICS in alert status – the Crash Indicator BASIC and HM Compliance BASIC. If any BASIC is in the alert status, then that would be an indicator that additional monitoring would be prudent.

The percentile scoring methodology for hazardous materials carriers is more stringent than for standard property carriers, and their thresholds are lower (e.g., the Unsafe Driving BASIC has a threshold of 60% rather than 65% for a standard property carrier). When compared on a percentage basis to their peer group, Keller Transport’s scores are below all thresholds. As an explanation, a carrier with a score of 55% means that 45% of their peers scored worse than they did. The following was found for Keller Transport:

Carriers’ CSA BASIC scores are assessed for negative trends and poor performance.

BASIC	THRESHOLD	KELLER TRANSPORT ESTIMATED PERCENTILE
Unsafe Driving	60%	2%
Crash Indicator	60%	79% - ALERT
Hours of Service (HOS) Compliance	60%	42%
Vehicle Maintenance	75%	38%
Controlled Substances/Alcohol	75%	0%
Driver Fitness	75%	0%
HM Compliance	80%	93% - ALERT

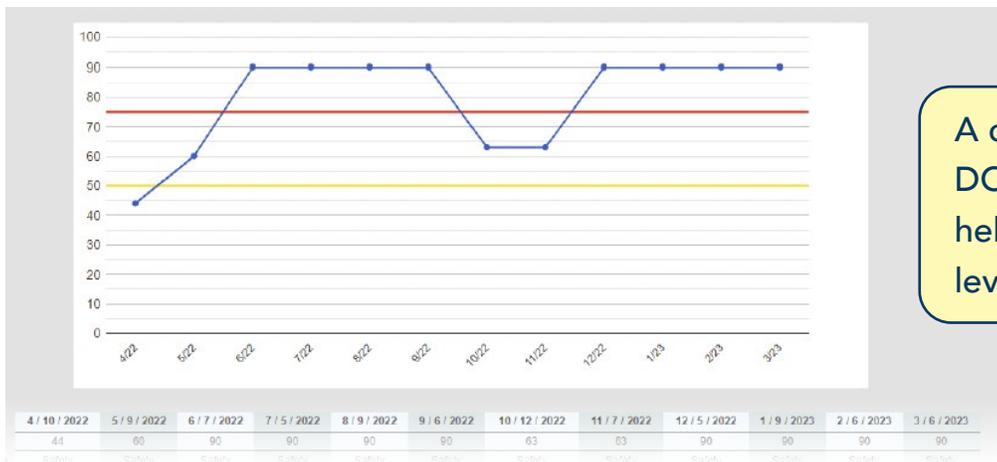
Additional information regarding the carrier's roadside history can be seen when the individual BASIC scores are reviewed over a one-year period. The charts below demonstrate data from March 2022 through February 2023.



CSA data provides complete visibility to carriers' roadside history.

ISS Score

The ISS score is utilized by roadside inspectors to determine which carriers should be chosen for inspections. The ISS relies heavily on roadside inspection scores, particularly more recent roadside inspection scores and accidents, and can include past violations found during FMCSA Compliance Reviews. Carriers with scores between one and 49 are given a "green" or "pass" status. Their drivers are less likely to be selected for inspection at the roadside. When a carrier



A carrier's ISS score and DOT-recordable accidents help determine their risk level.

Accidents

Keller Transport has 10 DOT-recordable accidents in the past 24 months. Two of these accidents were reviewed by the FMCSA and found to be preventable. In the past 12 months, they had 3 DOT-recordable accidents and travelled 4,445,000 miles in 2022. Based on this, the accident rate per million miles would be calculated at 0.67, which would result in a Satisfactory rating.

OVERALL FINDINGS

Overall, as a result of these findings, we have rated Keller Transport as a **HIGH RISK** carrier.

The following chart contains a comparison of all carriers that Example Company selected for assessment:

Carrier Risk Assessment	# of Carriers	Carriers
Low Risk	1	• Safety Transport
Elevated Risk	1	• Compliance Carriers
High Risk	1	• Keller Transport
Extreme Risk	0	
Unrated		

Four-tiered rating helps you quickly assess the risk of each carrier.

High risk carriers expose you to a significantly higher amount of risk in comparison to other carriers.

Keller Transport has two BASICS in the alert status – the Crash Indicator BASIC and the HM Compliance BASIC. Their roadside inspection trends seem to be showing a decline in all BASICS except the HOS Compliance BASIC which had a score increase in a recent SMS update. A worsening in any area would be cause for concern. We would also encourage any carrier without a current safety rating to conduct internal audits to evaluate their compliance stance, make any additional corrections needed, and continue to make compliance an ongoing process. J. J. Keller & Associates, Inc. would be happy to review these findings in more

The guidance provided in this report includes advice and opinions from J. J. Keller along with information from governmental sources. This report is a "snapshot in time" summary that offers options to assist with achieving and maintaining compliance; it is not legal or accounting advice. Please keep in mind that issues and items that were not observed, reviewed, or discussed during the course of this review, may also have an impact on your company's overall compliance program.

Identify risky carriers and protect your company from vicarious liability.

J. J. Keller's **Carrier Risk Review Service** analyzes all available DOT data of your third-party carriers and delivers a risk assessment of each so you can make the safest choice possible.

Many shippers and brokers think that by using a third-party motor carrier, they're not liable for that carrier's vehicle accidents or violations. But it's not true. Through vicarious liability, if your company hires a third-party, it's liable and responsible for knowing the status of their motor carrier fitness prior to hiring them.

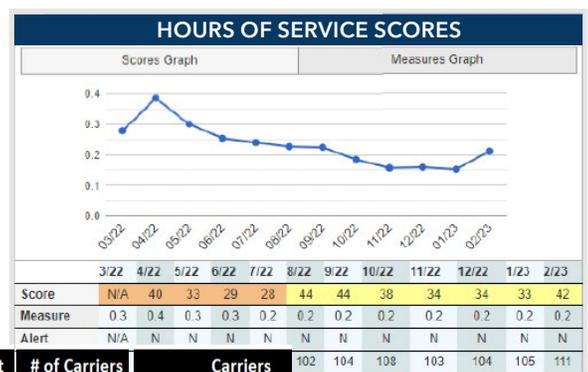
Risk Assessment Criteria

Carriers you select will be assessed for ...

- Valid US DOT/MC #
- Proper Federal/State Operating Authority
- ACORD Form/MCS 90 (Certificate of Insurance Coverage)
- Satisfactory FMCSA Rating
- Inspection Selection System (ISS) Scores below 50
- FMCSA BASIC Scores

Based on the results of their assessment, your J. J. Keller consultant will provide a risk rating for each carrier consisting of **low risk**, **elevated risk**, **high risk** or **extreme risk**.

Let us make it easy to improve your carrier selection process and reduce your risk of vicarious liability!



Carrier Risk Assessment	# of Carriers	Carriers
Low Risk	1	Safety Transport
Elevated Risk	1	Compliance Carriers
High Risk	1	Keller Transport
Extreme Risk	0	
Unrated		



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