



# Cost Of Non-Compliance & Safety Negligence

Uncover the financial risks of non-compliance and ignored safety measures in your fleet.

# The True Cost Of Non-Compliance And Safety Negligence

## Don't Risk the Fall

When weighing the costs of compliance and safety, it's easy to fall into the mindset of "Nothing's gone wrong so far, so we should be fine." If everything has been running smoothly without any major issues, it's natural to assume that things will continue to go well. However, this kind of thinking can be dangerously misleading.

Relying on luck or past success instead of solid safety practices is like walking a tightrope without a safety net—one small slip can lead to disaster. Understanding the true impact of non-compliance and weak safety practices is crucial for protecting your business from significant losses.

Let's explore what's really at stake when these critical areas are ignored.



# Overlooking FMCSA Compliance

If your company employs DOT-regulated drivers, you are fully accountable for ensuring their compliance and safety with all applicable regulations. This means taking every necessary measure to guarantee that your drivers are qualified, well-trained, and aware of the rules they must follow.

Still in 2024 alone, the Federal Motor Carrier Safety Administration (FMCSA) reported that more than half of all roadside inspections resulted in at least one violation, with **57.03% of inspections uncovering some form of non-compliance.**

## Factors contributing to non-compliance

### Lack of Awareness



Being unaware of or misunderstanding the intricacies of FMCSA regulations.

### Outdated Processes



Relying on outdated tools, or manual processes for tracking compliance and mitigating risk.

### Underestimating Risk



Underestimating the consequences of non-compliance, such as fines or accidents.

### Cost Constraints



Cutting corners, neglecting safety in favor of immediate savings.

On average, DOT-regulated companies pay over **\$27 million in fines for driver non-compliance each year.** Common driver violation penalties include:

Violations	Description	Fines
Driving with a Suspended or Revoked CDL	Operating a vehicle with a suspended or revoked CDL.	\$2,000 - \$10,000 per violation
Medical Certification Violations	Driving without a valid medical certificate.	\$1,000 - \$5,000 per violation
Driver Qualification File (DQF) Violations	Missing or incomplete driver qualification documents.	\$1,000 - \$3,000 per violation
Training and Certification Violations	Failure to ensure drivers have the necessary training and certifications.	\$500 - \$3,000 per violation
Drug and Alcohol Testing Violations	Failing to take required drug and alcohol tests.	\$2,500 - \$10,000 per violation

# Beyond the Fine: Hidden Costs of Overlooked Safety

The financial impact of non-compliance extends well beyond the immediate fines. These hidden costs can be just as damaging, if not more so, than the fines themselves.

## Increased Risk of Accidents

Non-compliance and poor safety often correlate with a higher risk of accidents. When safety regulations are ignored, the likelihood of incidents on the road increases, which can lead to severe injuries, fatalities, and extensive damage.

On-the-job accidents cost employers **\$60 billion in medical expenses, legal fines, and operational disruptions.**

## Insurance Premiums

Insurers view non-compliance as a significant risk factor, leading to higher rates or, in some cases, the refusal to provide coverage.

Insurance premiums can **increase by 20% to 50%** or more after a company is found non-compliant or involved in accidents.

## Operational Disruptions

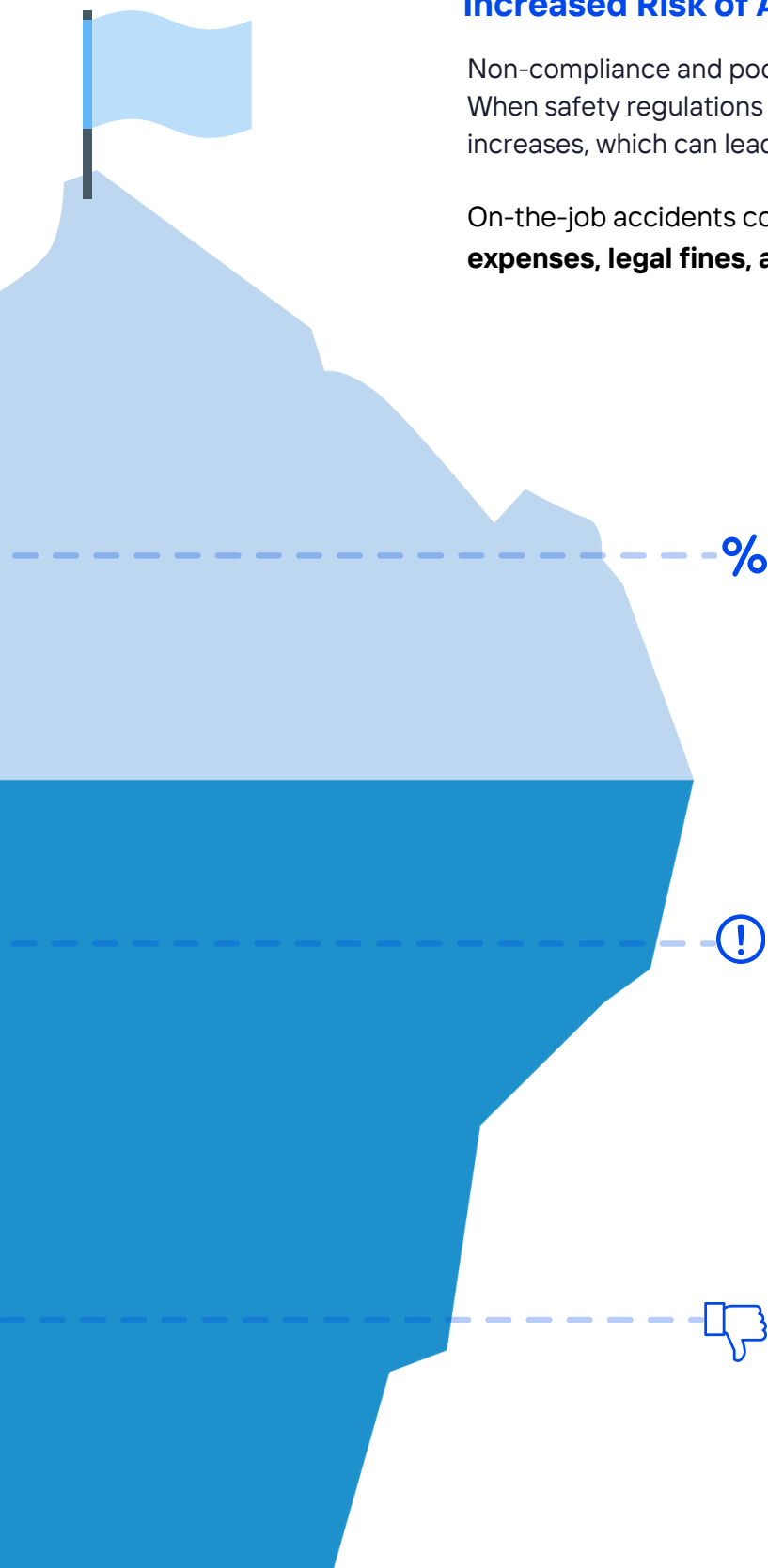
Non-compliance causes operational disruptions due to increased inspections, fines, and potential shutdowns, leading to downtime and lost productivity.

Companies need to make approximately **\$25,500 more in revenue** to cover lost productivity.

## Reputation and Bottom line

News of negligent safety practices, especially when accidents or injuries occur, can quickly tarnish a company's reputation. Failing to prioritize safety can lead to a significant loss of trust from customers, partners, and the public.

**80% of customers** say they won't buy from a company with negative reviews or negative media.

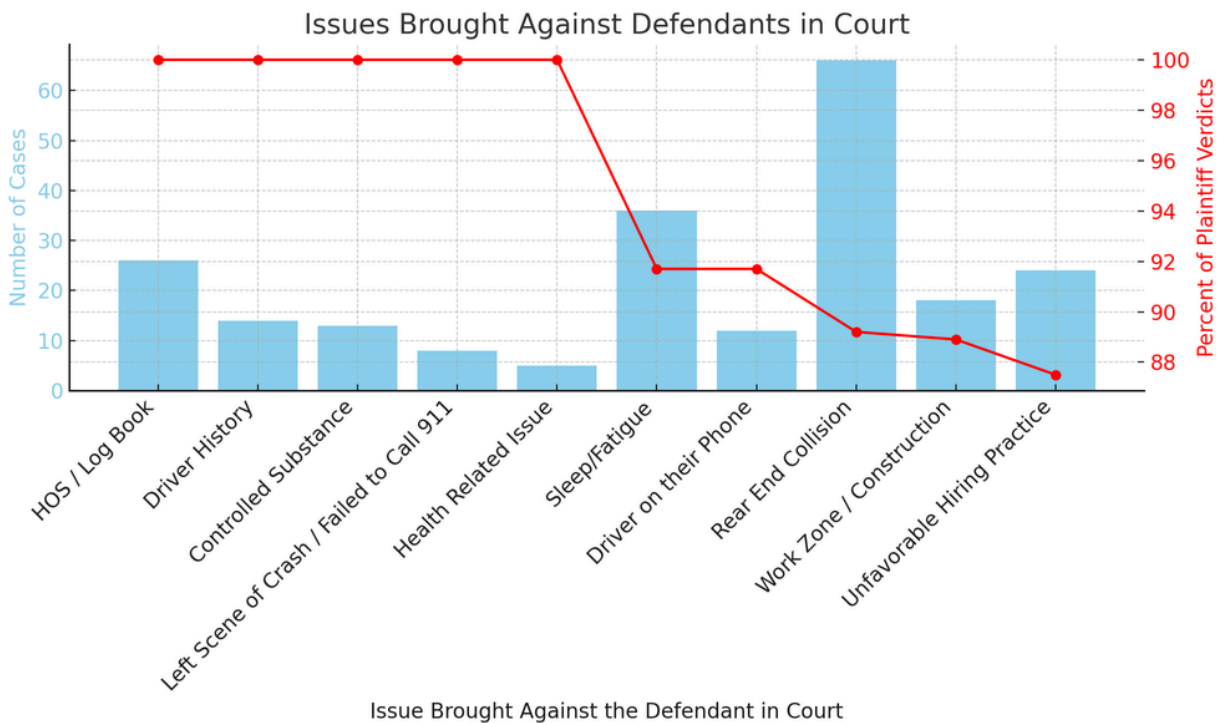


## Legal Fees and Liabilities

Poor safety practices often opens the door to legal challenges. Whether it's from employees, customers, or regulatory bodies, defending your company in court is expensive. Legal settlements can quickly spiral out of control, especially in cases involving serious safety violations that lead to injuries and fatalities.



Jurors are more likely to hold companies accountable when negligence in safety practices is evident. A study by ATRI emphasizes five particular safety factors brought against a defendant that yielded 100 percent verdicts in favor of the plaintiff.



## \$1 Billion Nuclear Verdict

In 2021, a Florida jury awarded a \$1 billion verdict in a wrongful death trucking case, attributing blame to two trucking companies for negligent hiring and retention of a semi-truck driver.

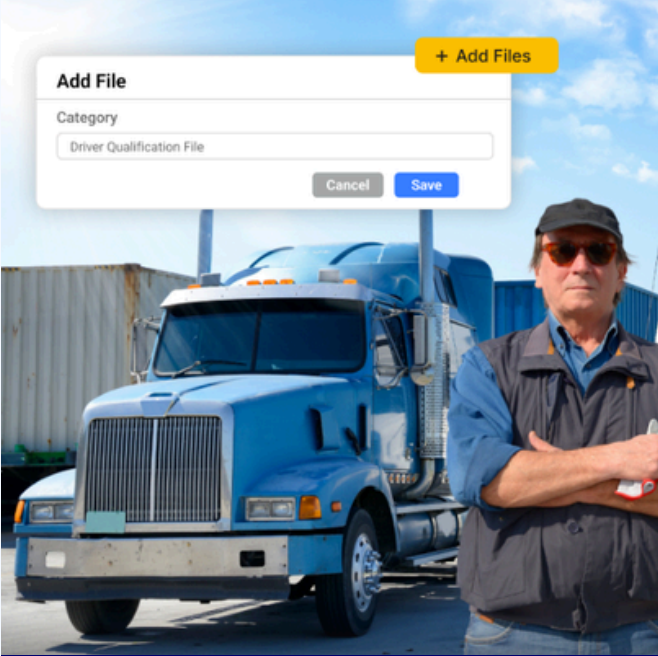


# Reshaping Driver Risk Management: From Reactive to Proactive


The cost of accidents and non-compliance significantly outweighs the investment needed to maintain a safe and compliant fleet.

Managing your drivers shouldn't feel like walking a tightrope; it should be about paving a secure road through proactive safety measures. By prioritizing preventive strategies, continuous training, and regular monitoring, you lay the groundwork for a safer, more reliable fleet operation.

## Learn How Our Driver Risk Management Technology Helps Improve Compliance & Safety



Watch how our all-in-one driver management platform works



### **Near-Real Time MVR Alerts**

Track changes in driver record and license status, such as new violations, DUIs and suspensions.

### **Medical Card and License Expirations**

Manage upcoming license renewal and medical certificate expirations.

### **MVR Automatic Scoring**

Get your employees' MVRs scored and easily spot those who violate your company's risk tolerance.

### **DQF Management**

Organize and manage drive files and identify DQFs that need to be reviewed and updated.

### **Fleet Training**

Tailor training programs based on specific driver behaviors and trends identified through MVR data.

**Ready to learn more?**

[Book a demo](#) or [contact us at sales@embarksafety.com](#)

[embarksafety.com](https://embarksafety.com)