The Office of Inspector General conducted a follow-up to its October 2012 report, "Evaluation of City Motor Vehicle Self-Insurance Program and Vehicle Use Policy." Evaluators focused on two major areas of the City's motor vehicle self-insurance program: contract management and fleet risk management (driver selection, training, and supervision). The original report included the following findings.

- The City's contract for claims administration cost at least $100,000 per year more than it would cost to do the same work in house.
- The City did not effectively manage the contracting process for third-party claims administration services.
- The City paid a claims administrator $90,960 over 29 months for services already covered in an existing contract.
- The City did not adequately monitor employees' official driving records or on-the-job driving safety records, nor did it set standards for denial of driving privileges.
- The City did not require safety training for all drivers.
- The City did not adequately ensure that employees complied with insurance requirements for take-home vehicles.

The OIG made 11 recommendations to address these and other deficiencies identified during the course of the original evaluation.

The objective of this follow-up report was to determine the extent to which the City implemented OIG recommendations. Overall, evaluators found the City made a number of improvements to its motor vehicle self-insurance program, including changes to its vehicle and equipment use policy. However, as some of these policy changes occurred during the course of this follow-up, evaluators were unable to determine in all instances if the City's changes would result in the elimination of deficiencies identified in the original report. Evaluators identified the following findings during the course of this follow-up:

- The City began the process of hiring an in-house adjuster for automobile claims, and planned to fill the position.
- The City resolved several of the issues related to contract management when it signed a contract with a new-third party claims administrator in 2012.

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- The contracts signed in 2012 contained complete terms and eliminated redundancies related to first-party appraisals.
- The City revised the vehicle use policy, CAO Memo 5(R), three times throughout 2016 and incorporated components of the State of Louisiana's Driver Safety Program.
- The Risk Manager implemented a defensive driving training course, and used drivers' on-the-job crash data to identify high-risk drivers.
- The City required departments to report whether or not employees had obtained an endorsement on their personal insurance for take-home vehicles ("non-owned vehicle endorsement"), but did not implement any enforcement mechanisms to ensure that the drivers of take-home vehicles complied with this policy.[1]
- The City did not perform annual reviews of employees' official driving records maintained by the Louisiana Office of Motor Vehicles.[2]

The long-term success of these efforts will depend on the City's ability to establish clear lines of authority, develop a database of electronic records, share information across departments, and enforce policy requirements.

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[1] Successful implementation of this recommendation may have been difficult because some insurance providers in Louisiana were not willing to write non-owned vehicle insurance endorsements for city take-home vehicles. The City needs to determine the potential cost of providing employees in public safety agencies with a waiver for this requirement and craft a policy for all employees that limits the personal use of city vehicles.

[2] The City revised the vehicle use policy to restrict the driving privileges of employees with a suspended license or multiple driving infractions. However, the City required employees to self-report any license suspension, major crashes, or severe driving violations. Relying on self-reporting increased the likelihood that employees would neglect to report accurate information to their supervisor or departmental vehicle coordinator.

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