

# How to manage fleets insurance costs with safety fundamentals





# Introduction

In 2017 the government radically changed the Ogden discount tables meaning that personal injury pay-outs became many times more costly for insurers.

As on-road collisions and passenger personal injury claims are the biggest cause of pay-outs, this means passenger transport fleet operators of all kinds must demonstrably lower their risk profile – or see their insurance premiums increase.

Fleets which don't address their safety protocols and drive their risks down may find themselves uninsurable.

This is our quick guide to taking control of your fleet risk management. And why – if you want to cut to the chase – investing time and a little money in this now can save you a stack of cash down the line.





# How to manage your fleet risk to keep insurance premiums manageable

If operators want manageable premiums going forwards, they'll have to invest in a proactive fleet risk management strategy. This means proving to their insurer that on-road risk is identified, minimised and managed. Insurers are going to want clients which can demonstrate that their policies and safety interventions actually work to reduce collisions.

- 1** Conduct a complete risk analysis of your fleet. This should move from the macro to the micro. The macro is the number of vehicles, your claims history, a breakdown of the kinds of collisions the fleet has, claimed for or otherwise, and the causes. The micro level is a detailed analysis of specific blackspots where such collisions occur; dangers at access points; dangers with specific types of road user and the places these occur; and possibly risks which spike at certain times of day or night.
- 2** First make sure that everything in your fleet is legally compliant – vehicle maintenance, driver licencing, CPC training, tachograph compliance and so on.
- 3** Create a full list of driver policies covering such things as vehicle and work induction, fatigue, drink and drug rules, in-cab distraction and the use of mobile technologies. Make sure drivers are informed and sign to say that they understand these policies. It's also important to ensure that managers also respect them – the policies must be embedded in how the fleet actually operates.
- 4** Go back to your risk analysis and identify which risks you will concentrate on first. It may be the biggest or it may be the easiest wins. That's a management decision. Many fleets focus first on speeding incidents, then mobile phone use and so on. A structured and targeted approach is more effective at changing the culture among drivers than trying to tackle everything at once.







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Make sure tasks and journeys are organised in the safest possible way. Is the driver fully trained on any additional equipment on the bus or coach, such as disability ramps? Do the drivers know their routes and potential risks on those routes clearly? For long distance journeys, do they know the safest places to park and take rest breaks?

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Once you have decided which risks you are focusing on, ensure that you can monitor breaches and enforce safe practices, whether that is through driver training, debriefings or disciplinary measures. Mostly, you will need technology to support you in monitoring and managing risk.

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Telematics has been introduced to great effect in reducing fuel burn. However, its one dimensional nature and the sheer volume of data means it has not had the same correlation in the reduction of damage and collisions. While it can capture exceptional vehicle events, such as hard braking, speed violations or fast cornering, along with other vehicle performance data, the results depend on where you set the parameters.

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A telematics system relies upon you to tell it what 'good' driving looks like. If you target the 10% worst offenders for specific events, you can improve your on-road performance quickly although it needs constant management and takes a lot of time.

But telematics only shows the what, not the why. Studying driving breaches is useful up to a point but most poor driving is not caused by a lack of skill and so operators can see limited results when trying to 'retrain' drivers about specific habits. Many of those habits are caused by underlying behaviours, the most comprehensive and egregious of which is drivers not paying attention. Distracted drivers – whether eating, drinking, looking at their phones or fiddling with their running board, etc - are more likely to speed, to brake hard, to drive inconsiderately and – you've got it – to have collisions.



# The truth is in the data

SmartDrive Systems offers a video-based driver risk management programme and we've analysed over 330 million pieces of risky driving fleet footage.

One analysis we produced showed that collision drivers are consistently more distracted,



**94%**

more likely to use  
a mobile phone



**64%**

more likely to  
be eating



**70%**

more likely to be  
yawning while driving

These are all drivers who will show up on telematics feeds as speeding, braking hard, cornering too fast and so on. So rather than wade through each type of driving event individually with training, fleet managers can cut to the chase and address the underlying behaviour which makes those drivers perform poorly.

In a separate analysis of all the events we've studied, we found that, on average, for every 300 risky driving behaviours captured, fleets will have 29 minor collisions and one major collision. This means that identifying and eliminating those driving behaviours will directly lower your risk of collision.

In-cab cameras with exception footage analysed by our risk assessment experts will give you a clear portrait of which behaviours you need to stamp out. It has lots of other benefits too, but, frankly, getting a signposted shortcut to the specific driver behaviour which is driving up your fleet risk is the prize.





# Speed claims. Exonerate quickly when not at fault. Reduce costs.

As captured video events are off-loaded as they occur, via the cellular network, you get fast visibility of what's happened in the incident. With our forward facing and interior facing cameras, plus the ability to link to other cameras and sensors on the vehicle, evidential proof can be quickly supplied to your insurer as part of the FNOL (First Notification of Loss) process, as well as law enforcement or compliance organisations as appropriate.

Our video and accompanying data enables your insurer to be much more efficient and effective in its FNOL claim handling and routing, which has the potential to reduce loss adjustment expense significantly, with a knock-on positive effect on your risk profile and subsequent premiums.

## Capture your data. Track your improvements.

Insurers know that 95% of all collisions are caused by people, not weather, vehicles or road surfaces. Demonstrate that you know what your drivers are doing on the road, that you monitor it, manage it, proactively work to improve it and can prove it with a programmatic video-based driver risk management solution.





- ✓ We put our customers first
- ✓ We deliver video in minutes, not days
- ✓ We safeguard your drivers and business in every collision
- ✓ We protect your investment with a solution you won't outgrow
- ✓ We will save you the most money in the shortest time

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