MARSH & McLENNAN AGENCY

Identifying Fleet Risks for your Company

Regulated & Non Regulated Fleets

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WORLD CLASS. LOCAL TOUCH.

Topics:

- What Are Insurance Carriers Looking For?
  - Regulated Fleets
  - Non Regulated Fleets
- How to Identify a Companies Fleet Exposure
- Policy Development & Risk Controls
  - Should or shouldn’t the company create fleet specific safety policies?
  - What controls can you put in place for onsite and remote employee drivers

What are Insurance Carriers Looking For:

Regulated Fleets:

What loss control measures are in place:

1. ELD's & Hours of Service Audit Controls
2. Fleet Safety Manual
3. MVR Review Process
4. CSA/SMS Management Review & Corrective Action/Training
5. Defensive Driving Program

Non Regulated Fleets:

What loss control measures are in place:

1. How many employees operate company vehicles remotely
2. What types of vehicles are driven? Owned or Leased?
3. MVR Review process
4. Fleet Safety Manual
5. Updated Fleet & Driver Lists

How to Identify a Companies Fleet Exposure

How do Companies identify their Risk Thresholds:

1. Ask your insurance carrier for a breakdown of your losses over the past 5 years
2. Break down the losses into different types of accidents
    1. Rear end collisions
    2. Distracted Driving
    3. Merging/Changing lanes
    4. Backing
    5. Striking Fixed or Parked objects
    6. Etc.

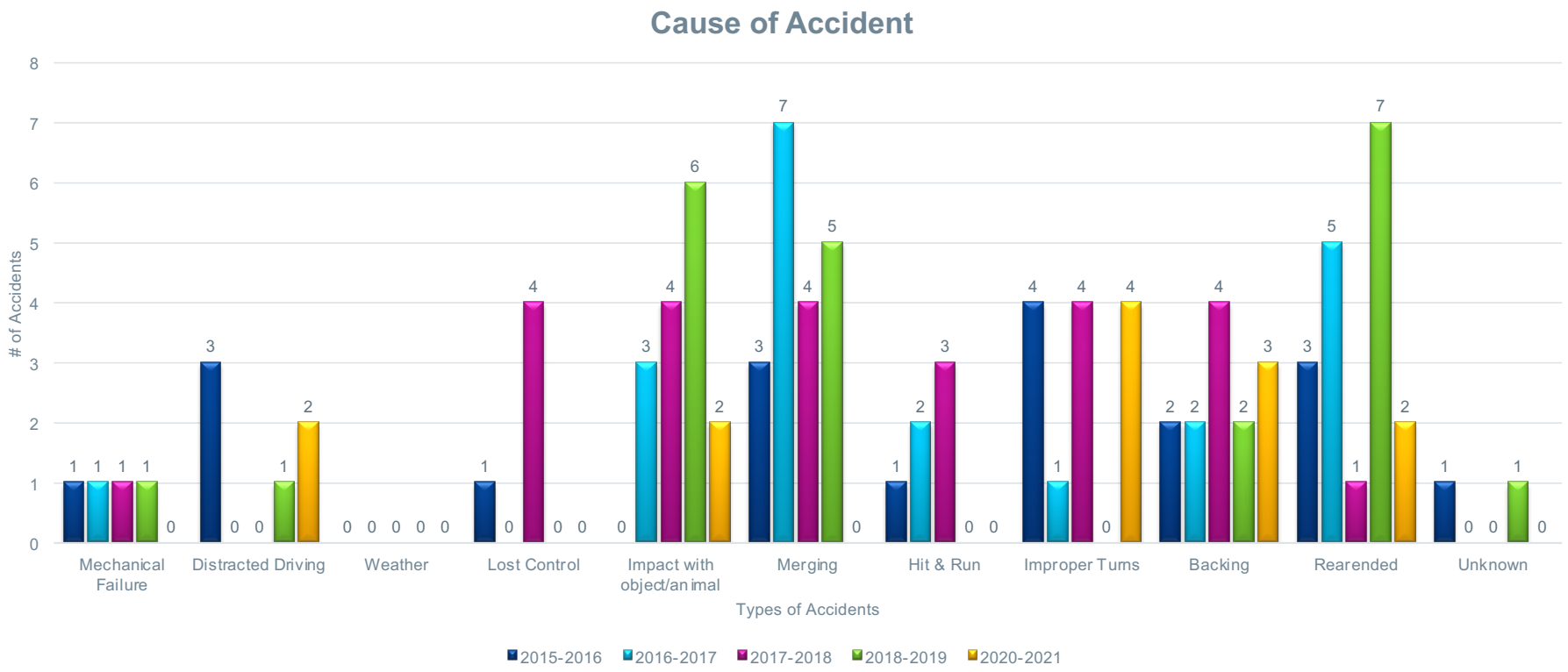
3. Calculate your loss history trends

- Identify if you have positive or negative claims trending for each year
- 2nd identify what areas these accidents occur in
- 3rd identify how those losses affect your insurance claims dollars

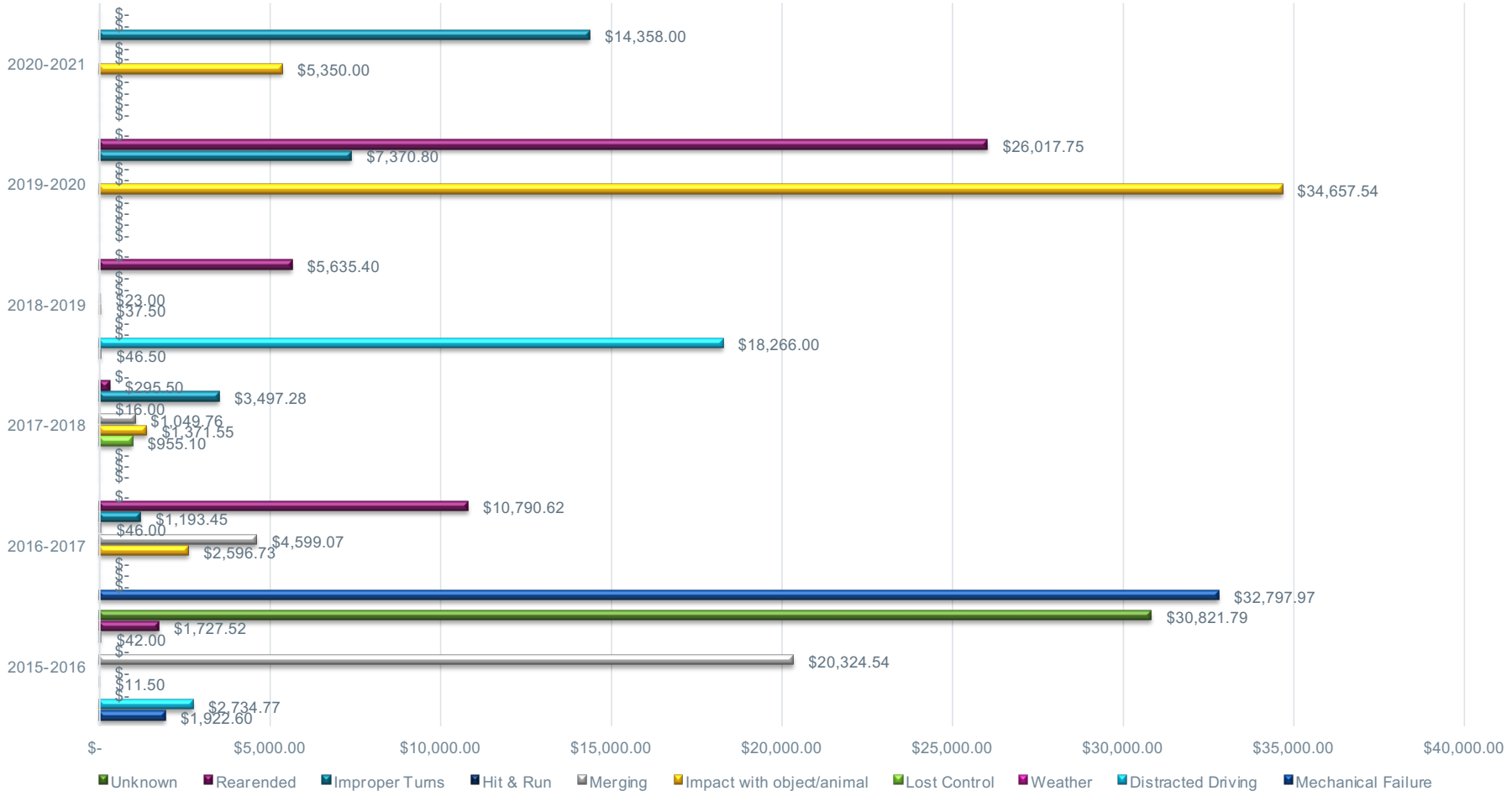
Policy Year	Total # of Claims	Total Incurred	Average Cost per Claim
2015-2016	19	$57,585	$3,030.77
2016-2017	21	$53,719	$2,558.04
2017-2018	25	$7,185	$287.41
2018-2019	23	$24,047	$1,045.51
2019-2020	18	$75,148	$4,174.87
2020-2021	13	$22,300	1715.384615
	119	$239,983	$2,016.67

Cause of Accident	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Total	% of Claims
Mechanical Failure	1	1	1	1	0	0	4	3%
Distracted Driving	3	0	0	1	0	2	6	5%
Weather	0	0	0	0	0	0	0	0%
Lost Control	1	0	4	0	1	0	6	5%
Impact with object/animal	0	3	4	6	4	2	19	16%
Merging	3	7	4	5	1	0	20	17%
Hit & Run	1	2	3	0	0	0	6	5%
Improper Turns	4	1	4	0	2	4	15	13%
Backing	2	2	4	2	2	3	15	13%
Rearended	3	5	1	7	8	2	26	22%
Unknown	1	0	0	1	0	0	2	2%
Total	19	21	25	23	18	13	119	100%

Cost of Accident by Cause	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	Total	% of Claims
Mechanical Failure	$ 1,922.60	$ 32,797.97	$ -	$ 46.50	$ -	$ -	$34,767	14%
Distracted Driving	$ 2,734.77	$ -	$ -	$ 18,266.00	$ -	$ -	$21,001	9%
Weather	$ -	$ -	$ -	$ -	$ -	$ -	$0	0%
Lost Control	$ 11.50	$ -	$ 955.10	$ -	$ -	$ -	$967	0%
Impact with object/animal	$ -	$ 2,596.73	$ 1,371.55	$ 37.50	$ 34,657.54	$ 5,350.00	$44,013	18%
Merging	$ 20,324.54	$ 4,599.07	$ 1,049.76	$ 23.00	$ -	$ -	$25,996	11%
Hit & Run	$ -	$ 46.00	$ 16.00	$ -	$ -	$ -	$62	0%
Improper Turns	$ 42.00	$ 1,193.45	$ 3,497.28	$ -	$ 7,370.80	$ 14,358.00	$26,462	11%
Backing	$ -	$ 1,695.08	$ -	$ 38.30	$ 7,101.65	$ 2,592.00	$11,427	5%
Rearended	$ 1,727.52	$ 10,790.62	$ 295.50	$ 5,635.40	$ 26,017.75	$ -	$44,467	19%
Unknown	$ 30,821.79	$ -	$ -	$ -	$ -	$ -	$30,822	13%
Total	$57,584.72	$53,718.92	$7,185.19	$24,046.70	$75,147.74	$22,300.00	$239,983.27	100%


Cause of Accident
# of Accidents
0
1
2
3
4
5
6
7
8
1 1 1 1 0
3 0 0 1 2
0 0 0 0 0
1 0 4 0 0
0 3 4 6 2
3 7 4 5 0
1 2 3 0 0
4 1 4 0 4
2 2 4 2 3
3 5 1 7 2
1 0 0 1 0
Mechanical Failure
Distracted Driving
Weather
Lost Control
Impact with object/animal
Merging
Hit & Run
Improper Turns
Backing
Rearended
Unknown
Types of Accidents
2015-2016
2016-2017
2017-2018
2018-2019
2020-2021

Cost of Accident By Cause



Risk Assessment:

Driver Rating Table I					
Total Number of Ratable Events in 3 years	At-Fault DOT Preventable Accidents (per MVR and/or Loss Runs)				
		0	1	2	3+
Minor Moving Violations	0	Acceptable	Acceptable	Acceptable	Not Qualified
	1	Acceptable	Acceptable	Probationary	Not Qualified
	2	Acceptable	Acceptable	Not Qualified	Not Qualified
	3	Acceptable	Probationary	Not Qualified	Not Qualified
	4+	Not Qualified	Not Qualified	Not Qualified	Not Qualified

Driver Rating Table I							
Total Number of Ratable Events in 3 years	Roadside Violations (per PSP & MVR reports)						
		0	1	2	3	4	5+
Minor Moving Violations	0	Acceptable	Acceptable	Acceptable	Acceptable	Acceptable	Not Qualified
	1	Acceptable	Acceptable	Acceptable	Acceptable	Probationary	Not Qualified
	2	Acceptable	Acceptable	Acceptable	Probationary	Not Qualified	Not Qualified
	3	Acceptable	Acceptable	Probationary	Not Qualified	Not Qualified	Not Qualified
	4+	Not Qualified	Not Qualified	Not Qualified	Not Qualified	Not Qualified	Not Qualified

Policy Development & Risk Controls

Should or shouldn't the company create fleet specific safety policies?

1. How many vehicles operate in your fleet?
2. What % of your employees operate a vehicle at any point in the insurance year?
3. How many miles a year does your company drive?
4. Do your employees take vehicles home?
5. What percentage of your total insurance premium is allocated to Auto coverages?

What controls can you put in place for onsite and remote employee drivers

1. Fleet Safety Manual
2. Accident Reporting Guidelines & Reporting
3. Telemetric Systems
4. Distracted Driving Training & Guidelines
5. Driver & Passenger Restrictions
6. Personal Use Restrictions

Questions?

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