

AIA MONTHLY NEWSLETTER.  
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# 5 QUESTIONS YOU SHOULD BE ASKING

TO LOWER COMMERCIAL AUTO  
PREMIUMS & CLAIM COSTS.



Skyrocketing vehicle repair costs, expensive lawsuits, and a continuing shortage of experienced drivers all add up to ever-more-costly commercial auto insurance claims. And just like in the personal auto insurance market, that translates to increased premiums. What can contractors do to keep costs in check? That's the big question. To answer it, though, requires asking a series of more targeted questions that can help contractors keep their drivers safe and operations profitable.

## QUESTION 1

### Who are you putting behind the wheel?

As companies struggle to find workers with a carrier-acceptable motor vehicle record (driver's license), sometimes hiring managers are willing to place unqualified workers behind the wheel. This practice is more than risky – it's dangerous. Drivers without proper training, or who have poor driving records, are basically accidents waiting to happen.

Make sure you are properly screening drivers upon hiring by checking driving records and health history (physical exams are required for a CDL), and evaluating these workers based on company/carrier eligibility criteria. Then, on an ongoing basis, monitor workers' driving records at least annually (more if you have concerns) to see whether their licenses are current or if they've received any exclusionary violations. Don't assume nothing is wrong just because your crew hasn't told you anything!



Establishing eligibility criteria and a monitoring schedule should be part of an overall fleet safety program. These foundational rules should define "authorized vehicles," address accident reporting, and clearly spell out the fleet safety rules (e.g., obeying traffic laws, and maintaining vehicle condition) that you expect drivers to follow.



## QUESTION 2

### How are you tracking driver behavior?

Typically, most contractors – and drivers – often overestimate their adherence to safe driving practices. That's why it's better to acquire objective data on driver behavior and vehicle use rather than simply taking someone's word.

How? Through the use of dashcams and telematics, which can track a vehicle's location, speed, hard braking, and even when the car is idling excessively, wasting fuel. When drivers know they are being observed with accountability, they will usually improve and change their driving behaviors – and these safety devices can provide valuable insights into the cause of accidents and operational inefficiencies.

Dashcams, for example, can help adjusters assign fault post-accident. Dashcams can also help to prevent accidents. They can also be used in defense of constant post-auto accident litigation.

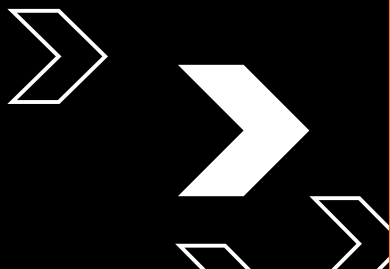


## QUESTION 3

### What training are you providing your drivers?

To help limit claim exposure, it's crucial for contractors to invest in proactive measures, including providing ongoing training to drivers.

It starts with communicating to drivers the importance of staying alert. Distracted driving is the number-one cause of accidents – even more so than driving under the influence. Whether checking a text or carrying on a phone conversation, distracted driving happens not just on the road, but on the job-site too – threatening equipment and the safety of crew members.



# 3 CONTINUED

Beyond identifying the dangers of distracted driving, outline these six simple steps to promote defensive driving:

1. See the hazard, understand the defense, and act in time.
2. Do not use a cell phone while driving.
3. Inspect your vehicle and check your tires daily.
4. Wear seatbelts – even in the back seat.
5. Cautiously approach intersections, with foot covering brake.
6. Follow at a distance, remember the 3 second rule.



# QUESTION 4

## Are you thinking about risk all the way through?

You've signed up for a commercial auto policy, covering your pick-up trucks, dump trucks, box trucks, and trailers for everything from business property to medical payments to uninsured motorists. You're completely covered, right?

That depends on the specifics of your policy and your understanding of the covered risks.

Consider this example: An owner didn't have a company vehicle available, so he asked an employee to run an errand in his personal car, which then got in an accident. In this situation, the personal vehicle became a business vehicle for coverage purposes.

Unfortunately, the owner's policy did not have coverage for these kinds of "hired non-owned" vehicles, so the claim was denied. Contractors need convenience and efficiency in running their business, but they must always balance them against the risk of liability exposure.

# QUESTION 5

## What impact does your driving safety record have on your company?

Placing your company logo on the side of your truck can be effective marketing. But it also “puts a target” on your vehicle because it signifies you likely have ample insurance coverage. That’s one big reason to practice safe driving – to avoid costly lawsuits from unscrupulous drivers.

More importantly, company vehicles also represent your business – reflecting through your drivers’ behavior how responsible and skilled you are. So, when your drivers operate safely, they are not only protecting their own well-being and helping to hold down your premiums, but they’re also safeguarding your business reputation.

When thinking about how best to protect your bottom line from high auto claims, Associates Insurance is here to help!

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