



SAFE DRIVING AND COMMERCIAL FLEETS

Using Real Data
to Minimize Risk

CONSTRUCTION CASE STUDY

ACCORDING TO ISO AND THE INSURANCE INFORMATION INSTITUTE (III), VEHICLE COLLISION FREQUENCY AND SEVERITY HAVE BEEN TRENDING UP SINCE 2010.

If you're a construction contractor, **you're well aware of the financial consequences you face from accidents involving your fleet vehicles** – repairs/replacement, settlements and insurance rate hikes (liability, vehicle, and workers' comp to name a few).



THE POWER OF REAL DATA

In short, you want to reduce your financial risk and exposure from vehicle accidents. The key is to set policies and procedures based on real data. **Real data allows you to zero in on policy trade-offs, hard choices, decision consequences, and ultimately best solutions.** So, based on real data, what actions can you take and what policies can you implement to get real results in the form of fewer accidents on roads that are more and more congested?

When you isolate the variables, real data shows that the reason we're seeing more accidents is increased congestion on the roads. This in turn is driven by the strong economy (low unemployment) and urban sprawl (longer commutes).

REAL DATA » LESS SIMPLISTIC SOLUTIONS

What about distracted driving? Yes, distracted driving can exacerbate the impact of congestion, but in and of itself, reducing distracted driving can't address the fundamental trend driving the increase in accidents: congestion. Distracted driving on a country road at 9:00 p.m. is wrong for sure, but it's probably not going to trigger a multi-vehicle accident.



20% ADMIT
WEB SURFING

As we've discussed in another paper, "Five Ways to Not Buy Insurance", there are proven strategies to reduce financial risk apart from insurance. And when it comes to reducing financial risks related to vehicle accidents, two of those strategies – frequency mitigation and to a lesser extent financial impact mitigation – can have the biggest impact.

MINIMIZING CONGESTION-RELATED ACCIDENTS

THERE ARE MANY COMMON-SENSE, DATA-DRIVEN STRATEGIES THAT CAN REDUCE THE NUMBER OF YOUR VEHICLES INVOLVED IN CONGESTION-TRIGGERED ACCIDENTS.

Don't put your vehicles in that position! Use other routes. Adjust your work hours. Be flexible about on-time arrivals. Don't take on jobs that require long commutes for your people or extensive travel in high-density areas.

REAL DATA » REAL CONSEQUENCES

You can also try to modify your employees' driving behavior. **Many companies are investing in vehicle fleet telematics – essentially the installation of a computer chip with GPS feedback that records the driving habits of the person at the wheel.** If one of your drivers registers frequent hard braking, for example, you can be reasonable sure he or she is driving distracted or is just a very poor driver. Armed with that data you can address the distraction and driving skills issues with them. If this investment is going to add value, though, you need to be prepared to apply consequences (loss of company car privileges, for example).



REAL DATA » REAL TRADE-OFFS

Additionally, you can invest in accident avoidance features on your vehicles – options like backup cameras and lane sensors, for example. **Just be aware of the trade-off there because these features can drive up repair/replacement costs if the vehicle is an accident.** You're not just replacing a bumper, you're replacing a video camera. And has that camera prevented any accidents? Probably some minor ones. Is it driving up vehicle repair costs when it gets damaged? **Definitely. Trade-offs.**

So, can you minimize your fleet accident rates? **Yes, just follow the data.**

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