

7 WAYS TO MINIMISE YOUR MOTOR FLEET CLAIMS COSTS

A large, white-outlined shield graphic is centered on the page, set against a dark blue background with a faint, light blue city map pattern. Inside the shield, the text "FLEET SAFETY" is written in a large, white, bold, sans-serif font, and "Academy" is written below it in a white, cursive font.

**FLEET
SAFETY**
Academy

MY NAME'S

James Wooldridge

FOUNDER OF FLEET SAFETY ACADEMY

I'm a risk management consultant with over 20 years experience. I've held a range of roles over the years in insurance companies and in government enforcement authorities. I've visited hundreds of businesses and met many businesses owners who are worried about meeting their legal obligations as employers and frustrated about the number of motor fleet claims affecting their business fleet. I set up my consultancy a few years ago with the aim of helping businesses protect their employees and their business assets and reducing their insurance claims costs.



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Fleet Safety Academy, Director



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The Story so far...

I trained as a local government Environmental Health Officer so I got to visit restaurant kitchens and take legal action when I found dirty conditions and the odd dead cockroach behind a freezer. I also enforced health and safety standards in retail and distribution businesses and got involved in detailed accident investigations.

After some time I wanted more experience of high hazard industries and I managed to land a place as a trainee factory inspector for the Health and Safety Executive. I got world-class training, I went back to taking more exams and I had to prove my competence to time served HM Principal Inspectors of Health and Safety. As a qualified inspector I got deep experience of the manufacturing, agriculture and construction sectors and I got involved with investigating some pretty nasty accidents.

I was spending all my time running from one accident investigation to the next and I it was clear that more proactive advice was needed by businesses if these accidents were going to be prevented. So I joined the insurance sector and it was a breath of fresh air! Business owners opened up to me because they knew I was there to help them.

At this time I started to work with motor fleet underwriters. The common view back then was that driver training WAS motor fleet risk management. I started to engage a motor fleet risk management company to work with policyholders and I realised that much of what I knew about liability risk management could be

translated to managing motor fleets and drivers to prevent accidents.

Since then I have visited many businesses who have too many accidents affecting their fleet and who pay increasingly large motor fleet insurance premiums and lose increasing amounts of money in uninsured claims costs. Some businesses had employees or members of the public killed or seriously injured by their driving activities. The management teams of these businesses didn't have a motor fleet risk management strategy. Many businesses hadn't even told their drivers they had a problem with motor fleet claims costs.

So I decided to start a service for business owners and business management teams. A service for those businesses having too many fleet accidents or worrying about accidents, that gives businesses sound advice on risk management and motor fleet claims prevention issues.

I want to give businesses the tools to prevent driving at work accidents and develop a robust claims defence and I've put this FREE report together to help you achieve just that. Following the advice in the report will help greatly in preventing and defending liability insurance claims. It outlines seven things you can do now to improve your risk management approach. If you put this advice in place you will be moving towards best practice in risk management. The advice is based on what I've seen in practice over the many years I've been visiting a wide range of businesses. So I know this advice works!

Tip No. 01

DRIVER RISK

Assessment



UK legislation requires risk assessments to be carried out for work activities. Your drivers are at work when they're behind the wheel driving for your business so a risk assessment is needed.

The risk assessment process should help you decide if enough has been done to prevent your drivers being involved in road accidents. This process will help you clarify what steps are needed to assist in accident prevention and it will also help you comply with legal requirements. If your business has more than 5 employees the risk assessment process should be recorded and you should take steps to ensure that the findings are communicated to your drivers.

The process involves identifying hazards that could result in an accident. Be sure to get the opinion of your drivers when you're carrying out this assessment process. Consider aspects relating to the driver, the vehicle and the journey. Identify those drivers who are particularly at risk, including newly qualified drivers, those driving long distances or those with routes that take them past high-risk areas such as schools.

Decide how likely it is that harm will occur and identify steps which can be taken to reduce the risk further. It's unlikely that the risk can be reduced completely so you need to decide what risk is acceptable. Ways in which the risk can be controlled include:

- Ensure that delivery schedules are realistic.

- Ensure that vehicles are well maintained and fit for purpose.
- Ensure that distractions to drivers such as mobile phone use is minimised.
- Ensure that company policies encourage compliance with the Highway Code.
- Ensure that drivers are adequately trained.

Your risk assessment records need to show you've given adequate consideration to the risks, that drivers were consulted and that actions were taken to deal with the hazards. Don't forget to review the risk assessments on a regular basis or when the vehicle type changes or a route alters.

One process that helps the risk management process is driver profiling. There is a range of suppliers of web-based driver profiling systems. The profiling session asks a range of questions on driving related issues and gives a high, medium and low rating for your driver. This process doesn't cover the complete risk assessment process in that it doesn't cover specific aspects like your journeys, but it is valuable in helping you assess your drivers. A profiling tool can be used to assess drivers before you make an offer of employment. It can also be used to target training at those drivers who would most benefit from more instruction. One of the key benefits from this process is that it reminds your driver that motor fleet risk management is a priority for your business.



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Tip No. 02

DRIVER *Distraction*



We all know that in the UK, we are legally required to not use a mobile phone without hands free technology when we are driving. What we don't always realise is how much we are distracted by talking on a mobile phone hands free when we are driving. Our brains don't have the capacity to deal with a detailed conversation and to keep our focus on the road. The reaction times of your drivers will be reduced by talking hands free on a mobile phone so conversations need to be kept brief. Your office staff that normally call your drivers when they are behind the wheel should be requested to refrain from protracted conversations with your drivers. Ideally, drivers should be requested not to use a mobile phone at all when driving.

Your drivers need to be reminded that mobile phones create a dangerous driving distraction. A robust policy on mobile phone use for drivers should be developed and issued to your drivers on a regular basis. Again, this serves to remind your drivers that motor fleet risk management is a key issue.

Don't forget all the other forms of distraction for drivers in this day and age, tablets connected to the internet, MP3 players, satellite navigation systems, they all provide a distraction and a company policy on use of devices which form a driver distraction is required.



Tip No. 03

DRIVING *Licence Checks*

Checking on the number of points and other endorsements on a drivers licence is an important part of the driver risk assessment process. A business needs to ensure that drivers are managing their speed, as over speeding is a key cause of road accidents, Police estimate that 1 in 4 deaths on the road are attributable to speeding.

A regular check on driver licences is recommended and this process should be formalised so it reminds the drivers that speeding in a company vehicle is

not acceptable behaviour. These checks also play an important part of your organisations due diligence process.

An important addition to the management system is to develop interventions if a driver starts to accrue points on their licence. The intervention might involve additional training or assessment, whatever the approach, it needs to be formalised and communicated formally to the drivers.

Tip No. 04

MOTOR FLEET RISK

Management Committee



An important part of managing any aspect of business is to set strategy and objectives, decide what steps are needed to meet the objectives, monitor implementation and review any change in performance.

Managing motor fleet risk management is no different. A business needs to meet on a regular basis and have a range of stakeholders around a table to discuss motor fleet risk management.

Drivers' representatives from the business need to be involved in this process too. If the business is

large enough, at least two senior managers who are committed to improving motor fleet risk management should be included on the committee and other members should all have the autonomy to act and implement action points in their part of the business

The committee should ensure that it only discusses actions that will help reduce the risk of accidents arising from driving at work activities. Implementation of the agreed actions and their effect on claims results should be monitored by the committee and meeting minutes should be kept.



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Tip No. 05

ACCIDENT *Analysis*



Your business may have a lot of drivers and an extensive fleet and there is only so much focus you can give to any one driver. That's why accident analysis is important.

If you analyse your accidents you can focus on the key areas where accidents and claims are arising. Use the 80/20 rule and ensure that you focus your resources on the areas that are producing the accidents.

Most of the claims for a business often come from a small number of causes. This could be particular delivery routes, particular drivers or particular regions and depots. The analysis should also indicate what claims causations are most common.

Once you've identified your key areas of claim you can develop action plans and specific training programmes aimed at tackling the areas that are causing the problems. The effectiveness of the actions that you introduce can be measured in terms of improvement in claims numbers.



Tip No. 06

ROLES & *Responsibilities*

Many aspects of management require specific actions to be taken by specific people in the business. Motor fleet risk management should be no different.

Ensure detailed responsibilities on key motor fleet risk management issues such as vehicle condition

checks and accident reporting are described clearly and issued in writing on a signed receipt basis to drivers. The process of issuing formal motor fleet risk management responsibilities to drivers and managers in the business goes to help remind everyone in the business that fleet risk management is a key issue.

Tip No. 07

ACCIDENT REPORTING *and Investigation*



This is one of the most important steps to take in reducing your motor fleet claims costs. Accurate and speedy accident reporting is key if credit hire company costs on your claims history are to be minimised.

Your insurance company needs to be told as soon as possible when there is an accident involving one of your vehicles and a third party vehicle. Your driver will also need training on why accident reporting is important. The training should include a briefing on what information to gather at the time of an accident, including making a record of how many people are in the third party vehicle and taking useful photographs when possible.

The accident investigation process is important too. This should see a manager with training in investigation skills undertaking an adequate investigation of accidents that result in significant cost and or injury.

The results of accident investigations should be shared with the motor fleet risk management committee and the findings of the investigation can be used in a formal driver debrief.



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So there you go, seven action points that you can start to implement away in your business. There are loads of other steps you need to take, I'm sure we both know that, but the actions I've outlined here are big issues which will benefit all other aspects of your motor fleet risk management approach.

These steps will also help you comply with legal requirements, so you can sleep better at night too!

Go ahead and get started on these issues and over the following weeks, I'll be in touch to see how you're getting on. My aim is to help business owners keep their employees safe, keep members of the public unharmed by their business operations and reduce insurance claims.

If that sounds like something you want to apply to your business, I look forward to working with you.

Enjoy your journey to better risk management.

James

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