Turn the Corner on Auto Claims
Jim Berriatua | November 2019
Double Dip Danger
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Your #1 Fleet Safety Goal for 2020?

- Protect Company
- Protect Employees
- Reduce Cost
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Forward Collision Warning - Ding-Ding-Ding?
CAV constantly monitors the distance, in seconds, to the vehicle ahead. Alert sounds off if distance becomes unsafe.

Following too close? Ding?
Multiple Dings Before An Imminent Collision With:
Pedestrian Or Cyclist
Lane Departure Warning: Ding – Ding – Ding!

Stops run-off-road crashes.
Stops veering into other lane without signaling crashes.
C.A.S. - Collision-Avoidance System

• Installation
• Warranty
• Length of use
• Leased Vehicles also?
R.O.I. - Collision-Avoidance System “reduce or eliminate”

• Major Losses
• Employee Injuries
• Injuries to Peds/Bicyclists
• Large Deductible payments
• Future Insurance Cost
R.O.I. - Collision-Avoidance System

- Employee Safety, Will Prevent Accidents
- Cost = $700 - $900/vehicle (installed)
- Cost/yr for 5 yrs = $140 - $180/veh.
How can we protect Employees?
What Is An Effective Way To Change Driver Behavior?

A combination of:

• Education
• Data monitoring
• Driver accountability

Is this the answer?

Fleet FAQ? Fleet Management & Leasing

June 14, 2018
Poor driving behavior. Can it be changed? YES!
Telematics Changing Drivers’ Behavior

Insurance Research

How has the way you drive changed since having a telematics device installed in your vehicle?

- I've made significant changes. 18%
- I've made small changes. 38%
- I haven't changed the way I drive. 38%
- Refused 6%

Base: Have a telematics device in primary vehicle.

Source: Insurance Research Council (IRC)

(Nov 2015 – 1,135 drivers – Insurance Research Council)
But What Will Change Drivers’ Behavior?
Ivan Pavlov – 1902
Testing Salivation of Dogs when he accidentally discovered:
Conditioned responses
- Dogs would ‘salivate’ when they saw the white lab coats coming.
- Dogs knew food was on the way.
Pavlov’s Dogs – next step

Next:

He used a Metronome.
The sound alerted the Dogs that found was on the way.
This **sound** caused instant salivation.
Can Humans Be Conditioned To Drive More Safely?
What Will Change Drivers’ Behavior?
What Will Change Drivers’ Behavior?
ANSWER: Constant reminders every time they drive. 

**Conditioning.**
Real-world benefits of crash avoidance technologies

HLDI and IIHS study the effects of crash avoidance features by comparing rates of police-reported crashes and insurance claims for vehicles with and without the technologies. (June 2019)

Forward collision warning
- 27% Front-to-rear crashes
- 20% Front-to-rear crashes with injuries
- 9% Claim rates for damage to other vehicles
- 16% Claim rates for injuries to people in other vehicles

Forward collision warning plus autobrake
- 50% Front-to-rear crashes
- 56% Front-to-rear crashes with injuries
- 13% Claim rates for damage to other vehicles
- 23% Claim rates for injuries to people in other vehicles
Fleet Safety Recommendations

When you give your employees the keys to your vehicles…
## Employer Options for Pick-ups & Autos

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<th>Paid to Employee:</th>
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“MVR Monitoring”

- License Suspensions
- Serious Driving Citations
- And more...

Companies:
- Samba
- Embarksafety
- Go Foley Services
Case Study: CAV System

Ambu-Trans experiments with CAV in NY
- 35-50 crashes/yr.
- $1M/yr. in losses

Pilot w/CAV in their personal vehicles, then entire fleet. The results were dramatic:
- 5-6 crashes/yr.
- Drastic reduction from $1M/yr. in losses
- Lower resulting insurance rates
Michigan Governor, Gretchen Whitmer, Adds Collision Avoidance Tech to State Vehicles. Nov, 2019
• Are car safety features too distracting to drivers?

• Do the safety features outweigh the annoyance?

• Will some drivers rely too much on safety features?
• Are car safety features too distracting to drivers? Only if they are driving poorly.
• Do the safety features outweigh the annoyance? Yes.
• Will some drivers rely too much on safety features?
  Poor driving will “remind” them not to rely on features.
Distractions
Attentional disengagement
The leading cause of car accidents in U.S.A?

- Distracted Driving
- Speeding
- Drunk Driving
- Poor Lighting
- Running Red Lights
The most “common” causes of car accidents in U.S.A?

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U.S.A. in 2020?
Double Dip Danger
Cell phone use “while driving a vehicle”

Hand-Held vs. Hands-Free
HANDS-FREE IS NOT RISK-FREE
June 2013: “Hands-Free is not risk Free.”

July 2016: “Brain fails to recognize all of the hazards on the road ahead.”
Using Hands-Free Devices While Driving Not So Risky

February 11, 2019: VTTI - Virginia Tech Transportation Institute
Handheld cell phone use banned in 20 states
Texting and driving fines by state
Maximum fines for first-time offenders

MAP KEY
- No state-wide ban
- $50 or less
- $51-$100
- $101-$500
- $101-$500
- More than $500

Info from: Krista Doyle – Aceable Co.
Car Insurance Premiums by Year

DID YOU KNOW?
Your insurance insurance rate will be affected by a distracted driving or DUI violation for 3 years.

*10 years for a DUI in California
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USA auto safety

Canada, Australia, UK, Europe auto safety
USA auto safety

DUI = .08

Canada, Australia, UK, Europe auto safety

DUI = .05   (.00 for Bus/Taxi Drivers)
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Canada uses speed cams
USA auto safety

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Canada, Australia, UK, Europe auto safety

DUI = .05 (.00 for Bus/Taxi Drivers)

“Required”

Canada uses speed cams

Black box used frequently by insurers (UK/Europe)
20 Automakers
(99% of U.S. light vehicle sales):

- CAS will be standard by 2022.
Telematics = Records Driver Behavior

Coll – Avoid = Changes Driver Behavior
CAS
Real-time Alerts Make the Difference

“I recommend this to increase drivers’ safety on the road. “

Scott Cramer, Pres. CFL 150 Tractor Fleet
"Being a transport company that travels into some of the heaviest traffic areas in the Northeastern United states, CAS has helped us to reduce incidents on the road and maintain a high safety rating with our insurance."

-Jimmy Pardo Vice-President & Founder, P&B Transport
High-Tech Collision Warnings
No Matter How Smart Your Car Is

- 22 vehicles: owned by Institute Employees
- Added “collision avoidance” system

Reactions (after 1 month):
- Helpful
- Eye-opener
- Safer
- Improved my driving

The Insurance Institute for Highway Safety
(funded by the Insurance Industry)

*New York Times: April 2019*
How Urgent Is All This?
USA has:
• The most dangerous roads in the industrialized world
• A vehicle fatality rate 40% higher than Canada and Australia
“Small increases in speed limits lead to large changes in HARM.”
1993 Max. speed limits

65 mph
2019 study by IIHS shows

- Rising speed limits cost at least 237,000 deaths since 1995.
Dash cams and Collision-Avoidance Systems, a perfect match.

Nov. 2019
Today: Distracted Driving
Tomorrow: Driving Behavior Changes = Few Accidents
Protecting Your Employees
We Can Make a Difference
Thank You
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