



2023 Fleet Risk Environment

Managing fleet safety is now more important than ever.

Trends impacting commercial auto insurance



Sharp increase in roadway fatalities

Fatality rate has increased 22% since 2019. Increased speeding and distracted driving are factors, along with decrease in safety belt usage.¹



Rising auto body repair costs and time

Average repairs take 6 to 8 weeks from scheduling to completion and minor fender benders average \$4,000.²

24%

Employee Fatalities

Motor vehicle crashes are the leading cause of work-related deaths in the U.S., making up 24% of all worker deaths.³



Driver shortage

Hiring unqualified drivers increases accident frequency and severity.



Social Inflation

Increasing trend to get an attorney immediately and belief that filing a lawsuit is appropriate. Higher compensation for damages expected.



Nuclear Verdicts

In 2019 alone there was a 300% increase in verdicts of more than \$20 million when compared to the average from 2001 to 2010. Auto accidents make up a large number of these verdicts.⁴

Key accident factors



94% of collisions due to driver error

Driver inattention, distractions, driving too fast for conditions, etc.⁵



Distracted driving

27% of crashes due to texting or talking on cellphones.⁶



Speeding

28% of all fatal crashes are speed related. In 2022, the number of major speeding violations issued was up 20% over 2019.⁷



Rear-end collisions

Often severe and almost always at fault. On average, make up one-third of an organization's claim costs.



Intersection collisions

Another high severity accident type. Left turn collisions trending up.



Pedestrian collisions

Pedestrian fatalities grew 18% from 2019 to 2021 and is the highest since 1981.⁸



Catalytic converter theft

388% increase from 2020 to 2022. Replacement costs between \$1,000 and \$3,500 and often delays in ordering replacement.⁹

Is your organization placing as much emphasis on managing fleet safety as it should?

Review the next page for ideas and visit our [Loss Control Services vehicle safety web page](#) for resources to assist.



¹ Early estimate of motor vehicle traffic fatalities for the first quarter of 2023 (Crash•Stats Brief Statistical Summary, Report No. DOT HS 813 482). NHTSA; ² Driving Behaviors Survey Findings: 2023, Nationwide claims data, March 2023; ³ U.S. Bureau of Labor Statistics, Census of Fatal Occupational Injuries, 2021 (bls.gov); ⁴ Understanding the Impact of Nuclear Verdicts on the Trucking Industry, American Transportation Research Institute, June 2020; ⁵ Critical Reasons for Crashes Investigated in the National Motor Vehicle Crash Causation Survey, Traffic Safety Facts, NHTSA, DOT HS 812 115, February 2015; ⁶ Cellphones Are Involved in an Estimated 27% of All Car Crashes," press release, National Safety Council (May 18, 2015); ⁷ National Center for Statistics and Analysis. (2022, June). Speeding: 2020 data (Traffic Safety Facts, Report No. DOT HS 813 320). NHTSA; ⁸ Pedestrians, Traffic Safety Facts DOT HS 813 458, 2021 data, NHTSA, June 2023; ⁹ Catalytic Converter Thefts Surge Nationwide, According To New Report, National Insurance Crime Bureau May 10, 2023

Core fleet safety management best practices



Establish fleet safety policies and procedures

- A written [fleet safety program and driver handbook](#)
- For small fleets, <5 vehicles, at least the driver rules and core policies should be documented
- Apply the same safety requirements to employees driving their own vehicles and validate they have their vehicle adequately insured
- Designated person or group responsible for [overseeing fleet safety](#)



Purchase vehicles with safety in mind

- High crash ratings ([IIHS Ratings](#), [NHTSA Ratings](#))
- Advanced Driver Assistance Systems (ADAS): automatic emergency braking, lane change warnings, etc.
- Establish sound vehicle inspection and maintenance procedures
- Protect against [catalytic converter theft](#)



Hire qualified drivers

- At least five years of driving experience, two of which are operating a vehicle similar to the one they will be driving for your organization
- Road test drivers to ensure they practice safe driving techniques and have not developed unsafe habits
- Establish guidelines for what constitutes an [acceptable motor vehicle record](#) (MVR). At a minimum, MVRs should be run at hire and annually thereafter
- Ensure drivers are [alcohol and drug free](#) behind the wheel



Provide safety training and awareness to reinforce safe-driving behaviors

- Even experienced drivers can develop poor driving habits. Provide core safe driving training and awareness to all drivers [at least monthly](#)
- Core topics: [preventing rear-end collisions](#), [intersections](#), [distracted driving](#), [speed management](#)



Supervise drivers to reinforce safe-driving expectations

- Use [telematics](#) systems to identify unsafe driving behavior: speeding, hard brakes, etc.
- Conduct periodic driver ride-alongs to review safe driving techniques
- Coach drivers to improve behavior and reward safe drivers



Prevent distracted driving

- [Educate](#) drivers on the dangers of inattentive driving
- Develop clear [policies](#) against distracted driving, including limitations on cell phone use of any kind

Industry Insight:

Technology to prevent accidents

Advanced Driver Assistance Systems (ADAS)

ADAS such as adaptive cruise control, automatic emergency braking and lane keeping assist have been shown to reduce accidents significantly. For example, a 50% reduction in rear-end crashes with forward collision warning, plus automatic emergency braking.⁸ For more [info](#).



Vehicle Telematics

Telematics systems can be effective in identifying aggressive driving and used to improve driver behavior. Speeding, hard braking, harsh acceleration and distracted driving are a few of the behaviors identified. Telematics cost about \$20 per mo. per vehicle for basic features. Contact your agent for information on Nationwide-sponsored telematics programs. For more [info](#).

Dashcams

Dashcams can be extremely valuable in managing driver behavior and are essential tools in determining the cause of auto accidents.

Stand-alone cameras cost less than \$150, with no monthly subscription. Telematics-based systems cost \$45 to \$60 per mo. per vehicle. For more [info](#).

Nationwide can show fleet administrators how to benefit from these technologies.