

## Why fleet accident costs are soaring

Inflation in every link of the claims process is pushing fleets towards a new focus on safety

unning a safe fleet is not only the right thing to do, but the most cost-effective thing to do, and can future-proof a business. Even the most cursory glance at headlines reveals the importance of fleets putting safety front and centre of their strategies for 2024 and beyond. Put bluntly, businesses face sharply mounting costs and risks associated with running fleets of vehicles.

In its most recent set of figures, the Association of British Insurers (ABI) announced that the cost of motor insurance claims leapt by 21% in the third quarter of 2023, compared with the same period in 2022, pushed skywards by a host of factors.

The ABI reported that between July and September of 2022 alone the cost of materials jumped by 16% and labour by 15%, while expenditure on replacement vehicles soared by an eye-watering 47%, due to longer repair times.

As sure as night follows day, increases of this scale will be swiftly followed by rises in insurance premiums. EY, the professional services firm, estimates that consumer motor premiums spiked by 25% in 2023 and will increase by a further 10% this year.

"Safety, security, and workers compensation claims increase pressure on corporate bottom lines," said Philip van der Wilt, Senior Vice-President and General Manager, EMEA, Samsara.

These inflationary pressures are even more acute for electric vehicles, leaving fleets particularly exposed as they rapidly decarbonise their company cars and vans. The Association of Fleet Professionals noted that private insurance premiums for EVs rocketed by 79% in 2023.

Allied to these mounting costs are the greater pressures on fleets to ensure their operations are as safe as possible. Earlier this year a business in Cornwall was fined £900,000 in a case brought by the Health and Safety Executive, after a light goods vehicle driver was killed trying to move a scissor lift.

M Group Services Plant & Fleet Solutions took a proactive approach to safety to reduce incidents. "At M Group Services, our job is to keep the number of road traffic incidents to an absolute minimum because lives and jobs are at stake if we don't. That's why we turned to Samsara."

 $\label{thm:couppling} \mbox{M Group Plant \& Fleet Solutions achieved three standout benefits with Samsara:}$ 

- 2022 Fleet Safety Innovation Award shortlist
- 8,500+ vehicles equipped with pioneering safety tech
- 360-degree visibility to prevent accidents before they happen

A safe, supportive work environment is key to driver recruitment and retention, which has become a key priority for businesses in the logistics sector. The shortage of HGV drivers triggered a national crisis in 2022, and their numbers continue to fall. Data from Logistics UK shows that 55% of HGV drivers in the UK are aged between 50 and 64, so many truckers will be retiring over the next decade.

"Employees increasingly demand safer workplaces, and more than 50% of operations managers now say that improving safety with intuitive technology is key to attracting and retaining talent," said van der Wilt.

Some 63% of Connected Operations Leaders reported greater employee safety was a benefit of their investment in reskilling or upskilling employees and 61% of all leaders are planning to invest in safety knowledge and skills.





**-33**%

The decline in speeding events achieved by M Group Services Plant & Fleet Solutions (MGSPFS), part of the infrastructure services provider M Group, after installing Samsara telematics. The 8,500-vehicle fleet wanted better visibility of road incidents to pre-empt and prevent them, installing video-based safety technology to track its vehicles, as part of a long-term safety programme.

A MGSPFS spokesperson said:
"With so many vehicles out at any
one time, incidents can happen.
Our job is to keep the number
of road traffic incidents to an
absolute minimum because
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## How to get on the front foot with fleet safety

New technology is enabling businesses to be proactive about driver and vehicle safety

he driver's seat of company vehicles is a cauldron of risk into which new dangers appear to be added on an almost daily basis.

With huge gaps in the UK labour market since Covid-19, employers are battling to recruit staff and having to accept that younger and less experienced employees will have driving responsibilities.

This influx is fraught with risk. RoSPA data shows that drivers with less than one year's experience behind the wheel have the highest rate of crashes.

What's more, the step-up from driving a small car to picking up the keys to a van has never been more difficult. City streets are not only highly congested – London recently secured the unwanted accolade of having the slowest average speed of 387 global cities – but also plagued by ever changing distractions and complications, from bus lanes to access restrictions to hordes of e-scooter and bike riders.

Adding to this challenging driving environment is the ever-present danger of drivers being distracted by a mobile phone.

"Drivers using mobile phones are approximately four times more likely to be involved in a crash," said Philip van der Wilt, Senior Vice-President and General Manager, EMEA, Samsara.

Across the Atlantic, claims costs involving commercial vehicles have risen to astronomic levels, up by 867% between 2010-2018, with the median payment reaching \$400,000 and an explosion in 'nuclear' verdicts of more than \$10 million, according to the US Chamber of Commerce Institute for Legal Reform. Awards have yet to reach this level in the UK, but, in an increasingly litigious society, they are heading in the same direction.

Even simple policies, such as using connected vehicle technologies, can have a major impact in reducing injuries to drivers. While it has been known for many years that seat belts can reduce death and serious injury, (the CDC states by as much as 45%) professional drivers that are frequently in and out of vehicles can often be the worst offenders. Artificial intelligence (AI) dual-facing cameras now have the technology to prompt drivers to buckle up thus playing a priceless role in improving fleet safety, added van der Wilt.

Seat belt discipline exposes one of the principal weaknesses of many current risk management policies, said van der Wilt.

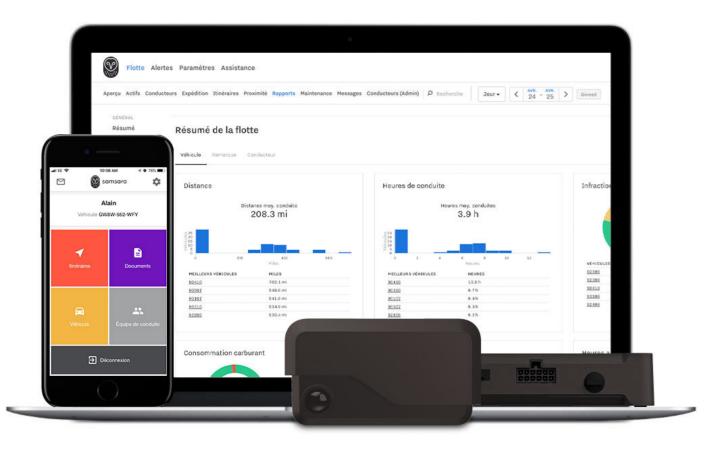
"It's the difference between treatment and cure, between post-incident analysis and accident prevention," he added. "A comprehensive, coherent risk management strategy harnesses technology to allow fleet managers to get on the front foot and adopt a proactive, rather than reactive approach to improving the safety of their drivers, vehicles and operations."





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## How data can unlock fleet safety

Connected vehicle technology holds the key to identifying risks and maximising the return on investment from safety programmes

onnected vehicle technology is harnessing billions of priceless data points that could lead to quantum improvements in fleet safety and efficiency. Too often, however, it is siloed in different systems and departments, or arrives in such volumes that it's a tsunami which proves impossible for fleet decision-makers to investigate and analyse.

But Samsara's data platform completely transforms this data deluge into actionable insights, delivering complete fleet visibility on one integrated platform.

The enterprise-grade platform, powered by AI, connects all relevant data sources easily and seamlessly via open APIs and webhooks. This allows fleet operators to focus on the right data and to take swift, even immediate action.

"Samsara's Connected Operations Cloud streamlines workflows for fleet operators and lays the foundations for data-driven decisions," said Philip van der Wilt, Senior Vice-President and General Manager, EMEA, Samsara.

This could, for example, see in-cab Al cameras identify if a driver is distracted by their phone and trigger an instant driver alert. Other sensors can track if a driver has not buckled their seatbelt or is exceeding the speed limit.

"Similarly, forward-facing AI cameras can detect if a vehicle is too close to the one in front and send an alert to the driver," said van der Wilt. "With real-time incident detection and preventative in-cab coaching, Samsara AI Dash Cams protect drivers and lower costs."

Identifying risky behaviours both in the moment and through retrospective analysis, means drivers can be coached on a personalised basis to improve their performance behind the wheel.

And this forensic approach means fleet operators can target their risk management resources to areas where they will deliver the greatest return on investment.

Such an approach forms the bedrock of creating a safety culture where every aspect of a fleet and how it operates is monitored, measured and analysed to create a virtuous circle of improvement.

"Using our smart systems, fleet operators can measure and grow their safety programmes, using driver scorecards and consolidated risk reporting," said van der Wilt.

"These analyses also enable fleets to benchmark their performance against industry peers, and could also lead to insurance savings by sharing safety performance and progress with insurers."

**-40**%

The decrease in road accidents within just three months after food distribution giant Sysco GB adopted Samsara's advanced AI platform that alerts drivers and managers to events in real time.

Operating more than 2,000 vehicles from 32 depots, Sysco installed an HD camera connector to seamlessly integrate data from third party cameras and provide a 360-degree view of its vans at all times. The cameras automatically capture high-definition live footage both in and outside the vehicle.

Mark Taylor, regional operations director, Sysco South, said: "We had a particular challenge around understanding safety events like harsh braking. When our traditional telematics flagged an event, we had to manually match it up with the right CCTV footage."

The answer lay in designing an integrated solution that includes a range of cameras and an in-cab monitor to generate bespoke alerts.

"This way, flagged incidents provide the relevant footage automatically to make investigation a lot easier – especially when identifying false positives," said Taylor.



he ability to act in the seconds and minutes after a road traffic incident can make a vital impact on lowering the cost of insurance claims. Giving insurers and claims managers a detailed insight into the event, including video footage and telematics data about the location and speed of the vehicle, can instantly help prove driver innocence.

In cases where the driver is at fault, fleets and their accident management partners can take control of the case and immediately start to mitigate the costs, directing the third party's vehicle into their own repair network and providing a replacement vehicle from their own hire firm.

The opportunity to instantly review collisions provides operators with the context of an event. The Samsara dashboard also allows fleet decision-makers to retrieve hundreds of hours of video on-demand, pinpointing incidents based on GPS location.

This information can be used to exonerate drivers from contested claims, rather than be forced to accept cases of 50:50 blame.

The videos and data can also be used as real examples to coach drivers, using



personalised examples of near misses and higher risk incidents to demonstrate how safer driving behaviours could protect the driver in future.

**-49%** 

The reduction in accident-related costs at DHL Supply Chain and DHL Express sites after the logistics specialist consolidated seven separate solutions on Samsara's integrated platform. By streamlining their workflows on the Samsara Connected Operations Cloud, the two DHL companies unlocked new insights and improved their safety, and, in a double win, halved staff turnover.



-£1,000

The average saving per claim recorded by Lanes Group, the infrastructure provider, which operates a fleet of more than 3,000 assets. The company has reaped the rewards of implementing Samsara's integrated platform with vehicle telematics technology, combining real-time GPS tracking, video data capture and driver coaching.

The system is saving Lanes more than £300,000 per year, and has had a dramatic impact on staff retention once drivers realised it was designed to support rather than scrutinise their driving.

Naz Khanom, head of people, Lanes Group, said: "When it comes to staff retention, we've seen significant improvements – all stemming from the peace of mind that Samsara's technology offers. In the midst of a mass talent shortage, it's made a huge difference to our workforce."

For more information please visit: www.samsara.com/uk/solutions/safety