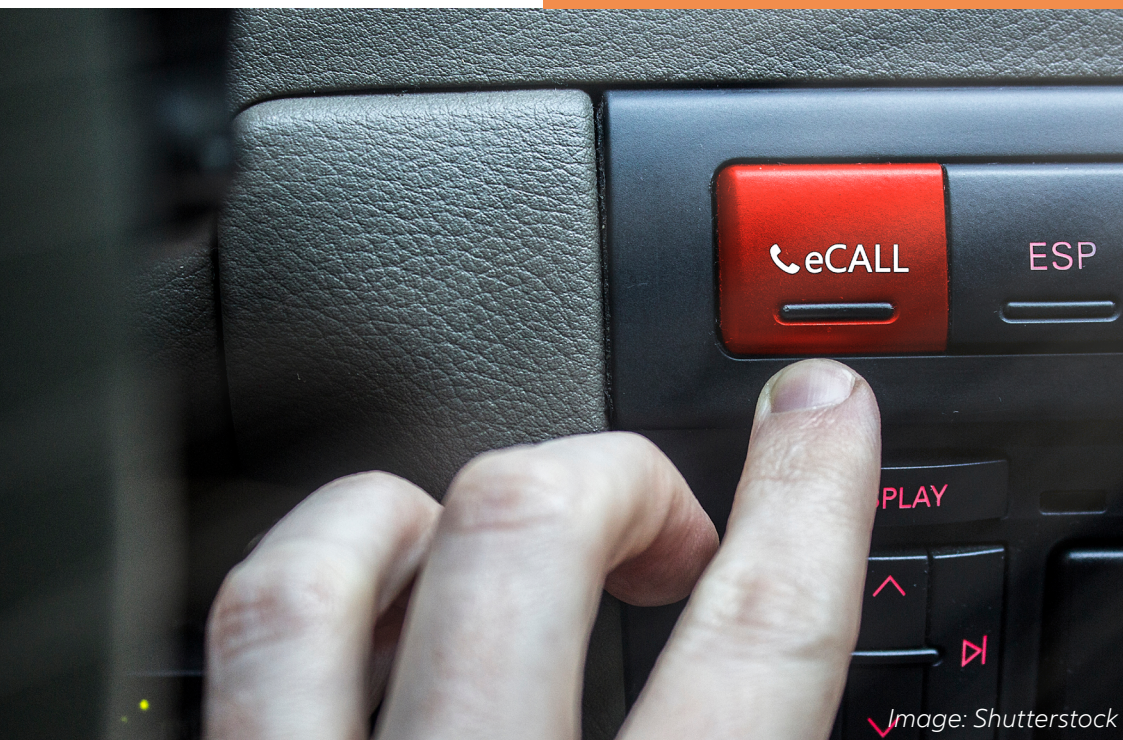


FLEET SAFETY/ TELEMATICS

ALLIANZ RISK CONSULTING



A February 2019 report from the National Safety Council (NSC) reported that in 2018, vehicle fatalities were over 40,000 for the third year in a row. Seven states, Florida, Hawaii, Minnesota, Nevada, New Hampshire, Oregon and Pennsylvania plus Washington, DC, saw at least a 5.8% increase in fatalities. Further, more than 6,000 people are injured every year as a result of vehicles backing up. Roughly 2,400 of those injured are children, according to the National Highway Traffic Safety Administration (NHTSA). Even with all the new advances in vehicle automation, drivers are the ones in direct control over the vehicle. They are at the forefront of keeping roads, vehicles and people safe.

Poor driving habits such as tailgating, fast lane changes, speeding, all can result in an accident. Distracted driving has become a leading cause of accidents as well. Texting,

talking on the phone, eating, adjusting the radio and inputting route or street addresses into a GPS all are examples of distracted driving. NSC estimates that 26% of all vehicle crashes involve cell phones. However, this statistic is probably under-estimated as tracking cell phone usage is difficult.

Commercial fleet crashes are among the most expensive injury claims for business. The average cost of a vehicle injury is around \$70,000. That is nearly twice the average cost of a workplace injury claim. In addition to the property damage and injury to fleet drivers, third party liability claims from a single vehicle accident have resulted in claims in the millions of dollars.

Today, telematics is helping to hold drivers accountable for their actions on the road. As part of an overall fleet safety program, this technology can provide both the means to help drivers improve as well as to supply a disciplinary tool for poor driving. These systems provide feedback to the drivers and alert fleet managers or dispatchers of poor driving behavior. Most systems have the ability to produce a driver scorecard or bar graph of overall driver performance during a specified period of time. This way drivers that consistently perform well can be rewarded and help to coach those who don't do as well.

ABILITIES OF TELEMATICS SYSTEMS

- Real Time Vehicle Location: Vehicles can be viewed on a video screen in real time on a map or satellite view.
- Idle Time: Informs dispatcher of excessive idle times such as drivers not shutting off the engine in order to keep air conditioning going in the summer.
- Engine Faults: Engine temperature, coolant, oil and voltage levels.
- Geo-Fencing: This feature supplies a specific area surrounding a vehicle that can be set by management that will send notice if the vehicle leaves that area. This can be used to assure vehicles are not being driven outside of designated routes or can notify if a vehicle is stolen. Tracking information can be supplied to law enforcement in real time.
- Live Traffic Data: Notification of accidents, road work or other traffic slowdowns can help drivers avoid excessive delays.
- Route analytics: Tracking information is compiled to find the most economical routes for the vehicle type and driver ability.
- Regulatory Compliance/ELDs: All Interstate Commercial vehicles are now required to have electronic logging devices. These track HOS (hours of service) RODS (record of duty status).
- Harsh Acceleration: Quick starts can damage vehicles and cost fuel efficiency.
- Hard Braking: Consistent hard braking can indicate a driver that either follows too closely or drives too fast.
- Fuel Consumption: Fuel use can be tracked to measure route efficiency as well as driver conservation.
- Weather Alerts: Severe weather such as tornados, snow or ice storms can have devastating effects on driving.
- Camera Recording: Cameras facing forward from the cab can be used to record harsh driving incidents such as animal strikes, other vehicles crossing into the driver's lane, intersection collisions, etc. Cameras facing the driver can record driver reaction and newer units supplied with AI can actually record and notify the driver if indications of distracted driving are noted. Rear facing cameras can greatly assist with backing safety.

In conclusion, telematics technology can deliver increased efficiency, improved safety, increased job satisfaction, reduce operation cost, monitor safety habits, optimize vehicle performance, schedule alerts for repair centers and streamline compliance. The use of telematics as part of an overall fleet safety program can not only prevent losses but actually make your operation more profitable.

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