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AUTO SAFETY: CONTROL YOUR INSURANCE COSTS WITH SAFE DRIVING PRACTICES FOR YOUR EMPLOYEES



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You've probably noticed that your auto insurance premiums – both business and personal – have gone up more than usual recently. There are a number of reasons for that:

More drivers equals more accidents: In 2016, there were about 222 million licensed drivers and more than 260 million vehicles in the United States. More drivers and more vehicles leads to more accidents that insurance carriers must pay for.

Unsafe driving practices: In a recent survey, the AAA Foundation for Traffic Safety found that about 87 percent of U.S. drivers admitted to risky behavior while driving, including not wearing seat belts. And in a recent study, Zendrive found that while behind the wheel, drivers used their cell phones during 88 percent of their trips.

Many states have taken notice. In California, for example, it is illegal to simply hold a cellphone while driving. In 14 states it is unlawful to use hand-held cellphones while driving. And, 46 states today ban texting while driving.

Other reasons: There are several other reasons for increased auto insurance premiums, such as:

- **Technology:** The average auto insurance claim has risen due to higher costs to repair expensive technology in newer vehicles.
- **Uninsured drivers:** About 13 percent of the 222 million U.S. drivers are uninsured. That's nearly 29 million uninsured motorists on the roads.
- **Fraud:** One estimate reveals that insurance fraud has hit \$32 billion each year in the U.S.

Due to these reasons – and more – many carriers have pushed the increased cost to their policyholders via increased premiums.

WHAT YOU CAN DO

Chances are good your employees use company vehicles for personal use, or they use their personal vehicles performing company business. In either case, you may have little, if any, control over circumstances associated with most of these reasons for increased auto insurance rates.

However, you do have some degree of influence over unsafe driving behavior of your employees while they're on the clock. By developing – and enforcing – a company-wide driving safety program that includes safe driving education for employees, you can lower your risk for accidents and, therefore, lower your insurance costs.

According to estimates by the National Safety Council,

more than one million car crashes annually are attributable to cellphone use while driving. Because distracted driving accidents can have serious implications for companies, your safe driving program should emphasize the importance of driving attentively to prevent employee accidents in all vehicles, both personal and company-owned.

Employee safety education has proven to cut down at-fault accidents and reduce the leading cause of workplace deaths: traffic incidents, which, according to the Bureau of Labor Statistics accounted for 40 percent of workplace fatalities in 2017.

WHEN TO EDUCATE

An employee's participation in your safe driving program should start BEFORE their first day on the job. This means pulling the person's motor vehicle reports (MVRs) as part of your new hire process. You'll want to know an employee's driving record even before you hire them. Once they're onboard, make sure they understand your company-specific driving policies.

Before handing over any keys, have your new employee complete a designated driving preparation program. These types of company programs typically consist of both classroom and on-the-road modules, focusing on defensive driving and other behavior modifications. It's important to note that their training should not stop there. It's beneficial for all of your drivers to have continual driving education. We recommend having each driver complete a continual training segment at regular intervals throughout the year.

Finally, additional education may be warranted under specific circumstances. For example, an employee who has a near-miss incident or an actual accident, you'll want to schedule additional education for the employee that is related to the specific situation.

ENFORCE THE POLICY

Once your safe driving program is implemented, it should be actively communicated and enforced. Managers of employees using personal vehicles should be directed to monitor the safety and maintenance of those vehicles. Employees found out of compliance with the company policy should be subject to reassignment or termination. It is every employer's responsibility to ensure its employees' safety on the job, and those who use personal vehicles on business are no exception.

For more information about safe driving practices and employee education, or to receive a competitive Business Auto quote, contact the VGM Insurance team today!