



Rising Fleet Insurance Costs: Battling Back!

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SPEAKERS



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Insurance Renewals

**What to Know &
How to Prepare**



Insurance Renewals

- **Why are insurance rates on the rise?**
 - The **frequency of accidents** is going down in the trucking industry, but the **severity** has drastically increased.
 - Interest and concern surrounding trucking accidents has changed since the financial crisis of '08-'09
 - **Social inflation** due to 24-hour news stations, viral social media, online broadcasts, increased advertising, etc
 - **Litigation funding by private equity** now exists because there's money in funding large transportation accidents
 - Large rise in **anti-corporate sentiment**
 - There's no end in sight to Nuclear Verdicts
 - Claims are based on excess pricing from 2-5 years ago
- **As we start to push forward, where do we see trends going on premiums/renewals?**
 - Attitudes are changing due to COVID-19, political climate, etc.
 - Negative: Inflation
 - There is a perception of money being parabolic, resulting in Nuclear Verdicts
 - Positive: Big shift towards understanding risk
 - The best fleets understand risk, know how to price it, and focus on successful safety programs
 - Those who neglect risk will pay the price
 - Focus on what we can control - **claim resolution** and **crash prevention**

Insurance Renewals

- **As fleets prepare for renewals, how can they have a lower rate?**
 - **Prepare a strategy**
 - Have command of short-term and long-term goals
 - Evaluate the cause and effect of creating those goals
 - The renewal process isn't singular, it's a year-over-year process
 - What is your **long-term strategy** to position your fleet in the best light?
 - **Tell your story**
 - Utilize telematics, data management, and a plan to purchase insurance
 - Fleets must have:
 - Systematic control of data to make timely decisions
 - Communication with the marketplace
 - **Transparency**
 - Create a partnership with the insurance carrier
 - Present historical data, show what you've learned from your mistakes, and present an action plan going forward
 - "I know I am not perfect, but I know where my deficits are"
 - Take feedback, implement change, fix problem areas, and continue to build a relationship of trust.
 - Grow confidence in your fleet - your insurance carrier isn't expecting any surprises down the line
- **QUESTION: Who are prominent groups who advocate for transportation liability?**
 - American Trucking Association (ATA)
 - Truckload Carriers Association (TCA)
 - American Tort Reform Association (ATRF)
 - State and local trucking associations



Sustainable Solutions



**That Result in
Improved Performance**

Sustainable Solutions

- **How can fleets create a holistic approach to safety?**
 - **Culture**
 - Not just safety-first, but safety **always**.
 - Make sure you're consistently safe, profitable, and compliant
 - Top-down approach
 - From executives to front-line managers, people need to know what is expected of them and held accountable
 - Keep consistent messaging and constant alignment between members of your fleet
 - **Visibility**
 - Make your data useful
 - Produce and distribute data across your fleet
 - You're liable for your data - use it or the plaintiff's attorneys will
 - Never turn off alerts - even if you don't have the people/process in place yet to manage it
 - Always consider what your fleet is doing to impact outcomes
 - Set expectations and drive results
 - **Preventative engagement**
 - Analyze leading indicators of crashes
 - Allocate resources to identify at-risk drivers

Managing and Mitigating the Cost of Claims

Managing and Mitigating the Cost of Claim

- **How do insurance carriers assess your safety as a fleet?**
 - Most interested in fleets with ample resources and data
 - Use of technology
 - Demonstrate how your fleet is using technology, and how that is benefiting the insurance carrier by reducing your liability
 - Size of fleet is rarely a consideration
- **How should fleets structure their response to an event?**
 - Timeliness is most crucial
 - Rapid response - what happens in the first 4 minutes, 4 hours, 4 days
 - The more you know right away, the better the insurance providers can advise you
 - Have a plan in place to anticipate every step of the event
 - Driver must communicate to supervisor / motor carrier
 - Get investigator / defense team involved right away
 - Document and preserve information

The Retention Amount That's Right for You

The Retention Amount That's Right for You

- **When looking at retention, what is the right amount for your fleet?**
 - There are many variables that go into retention rate
 - A relationship with a good broker can aid in assessing risk, safety, and financials
 - Put together a strategy for a 2 year plan, 5 year plan, 10 year plan
 - What will the return look like based on those retention amounts?
 - Questions to consider:
 - What is the market doing?
 - What are my peers doing?
 - What is my team doing and how sustainable are my processes/performance?
- **What does the “insurance risk tower” look like, and how are you consulting with your customers on pricing that?**
 - Spend time working with your broker
 - Determine:
 - What you're insuring against
 - What your fleet can afford



Marketing Your Fleet's Safety



Marketing Your Fleet's Safety

- **QUESTION: Is there a benefit to insurance carriers that provide loss control?**
 - It's important that there's an uninterested third-party
 - Be able to ensure plans for clients set forth are being executed and monitored by insurance carriers to make sure they driving home a program best for their clients



Steps You Can Take Today



STEPS YOU CAN TAKE TODAY

- **Develop a strategy**
 - Data visibility
 - Identify risks
 - Preemptive engagement with aligned, specific, and documented actions
 - Use in-cab technology such as cameras
 - Consolidate data, pull out what is important, and hold people accountable
 - Prepare a short and long-term plan
- **Rapid claims response**
 - "Problems of today will be worse tomorrow"
 - Protect your interests and keep claims cost down
 - Have a plan in place to access professionals such as transportation specialty attorneys
 - Having advocates that understand safety, trucking, and technology is critical
 - Have access to independent adjuster with an accident involving a third-party
 - Carrier / broker can likely connect you