

# Insurance Cost Impact from Distracted Driving, Fatigue, Aggressive Driving etc. with Program and Vehicle Technology Solutions

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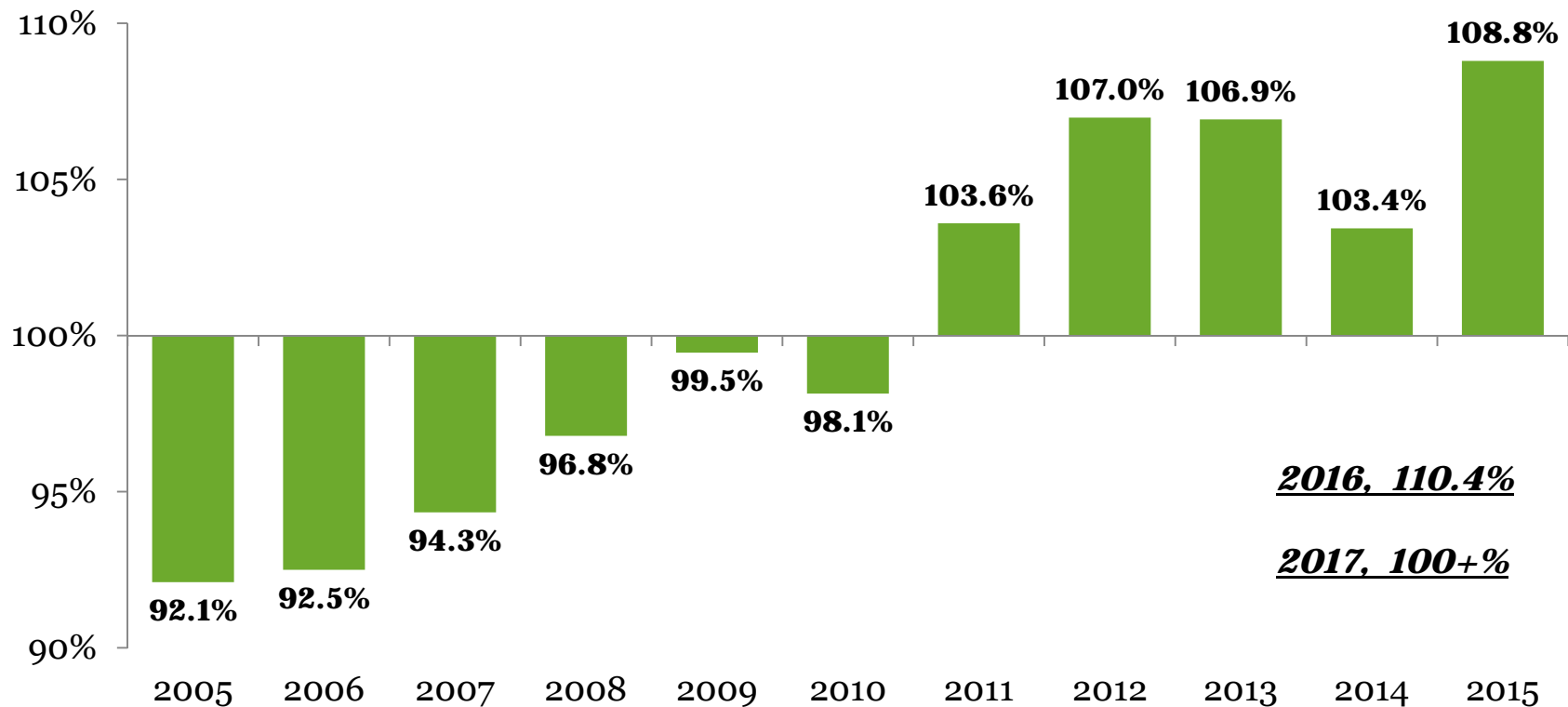


# Insurance Industry Stats

- Insurance Companies losing money on auto insurance
- 30 + quarters of auto rate increases – More than 7 years!!
- Combined loss ratios over 100% for a number of years



# Commercial Auto Net Combined Ratio, 2005-2017



Just like Private Passenger Auto, Net Combined Ratios Have Been Rising Virtually Every Year for a Decade.

Source: National Association of Insurance Commissioners data, sourced from S&P Global Market Intelligence; Insurance Information Institute.



# Risks Driving Commercial Auto Losses

- **Economic Recovery and Miles Driven** – The improvement in the unemployment rate puts more cars and a worse mix of drivers on the road.
- **Driver Shortages** – The trucking industry estimates a shortage of over 50,000 drivers by year-end, which leads to reliance on inexperienced drivers entering the industry.
- **Distracted Driving** – Cognitive distractions and smartphone addiction have contributed to higher accident severity, with statistics often being underreported.
- **Drugged Driving/Marijuana** – Studies from Washington, Colorado and Oregon find that accident frequency increased in the years after marijuana was legalized, and more states have since enacted similar legislation.
- **Escalating Repair Costs** – Advances in vehicle safety systems, including cameras and sensors, have grown repair costs significantly.
- **Litigation/Jurisdiction** – An active plaintiff's bar, restrictive medical records laws, cost shifting, and litigation funding can drive up settlement values substantially.

Resource - CIAB



# Insurance Company Assessments

- **Driver Qualification**

- MVR's
  - Carriers do not qualify drivers for business, with some exceptions
- Appropriate vehicle type experience

- **Written Policy**

- Personal use policy
- Non-Owned policy
- Distracted driving policy

- **Driver Training**

- At hire and beyond
- The latter is often not performed by employers
- Some insurance company resources
- DDC trainer opportunity

- **The Vehicle**

- Maintenance
- GPS
- Cell phone blocking



QUESTIONS ?



# Contact

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