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Survey Results



Introduction

Whether you have just a few company vehicles or a full fleet, your commercial auto insurance premium can be controlled through a variety of factors. Establishing a fleet program, good control measures and best safety practices all approach managing the price of commercial auto insurance.

This Commercial Auto and Fleet Safety Survey highlights respondents' premiums and deductibles, auto exposures and controls, and market concerns. Horst Insurance takes an aggressive approach to cost containment and managing fleet exposures. Review the results to see how you compare and contact us to discuss our fleet strategies and how they help you manage your total cost of risk.

The survey was conducted from mid-June to Aug. 31, 2013, and was available to individuals through client portal websites. Approximately 663 respondents completed the survey.

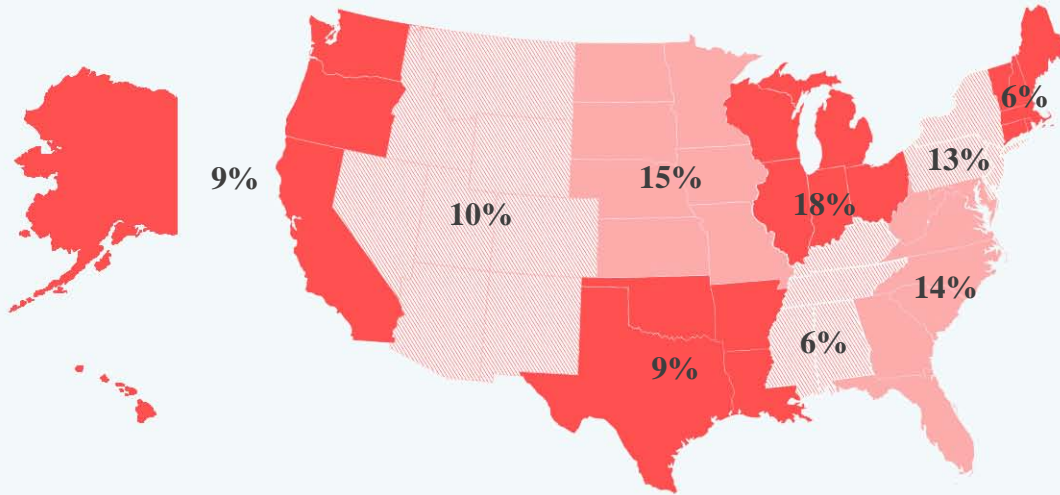
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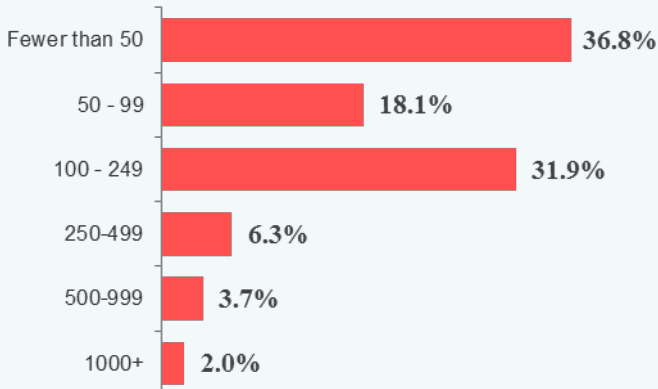
Demographics

This survey was completed by employers in all 50 states and the District of Columbia. Similar to last year, the overwhelming majority of survey respondents were from organizations employing fewer than 500 employees.

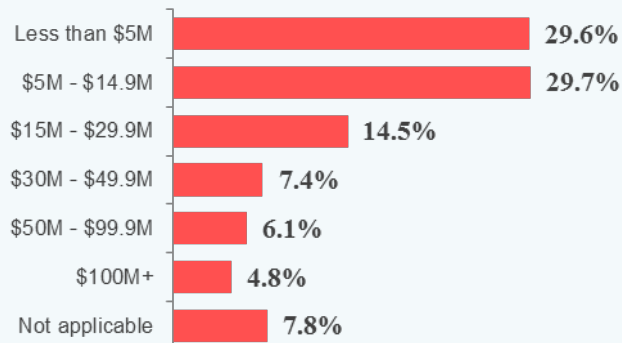
In which region is your organization based (the most employees)?



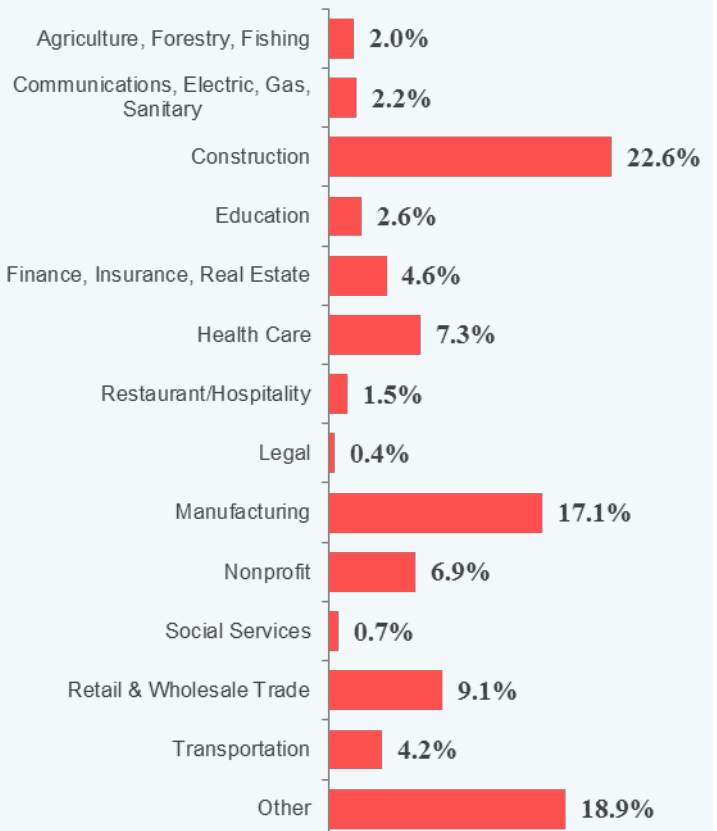
How many employees does your organization employ?



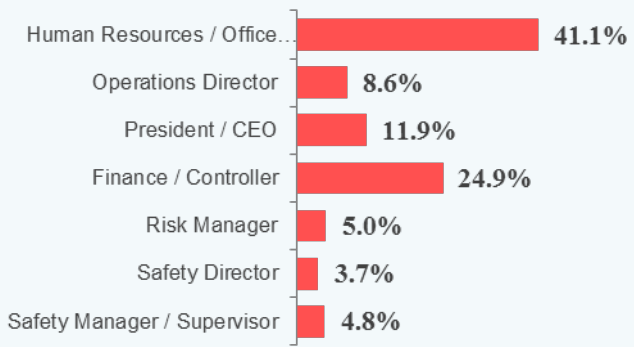
What is your organization's annual revenue?



In which industry/sector does your organization operate?



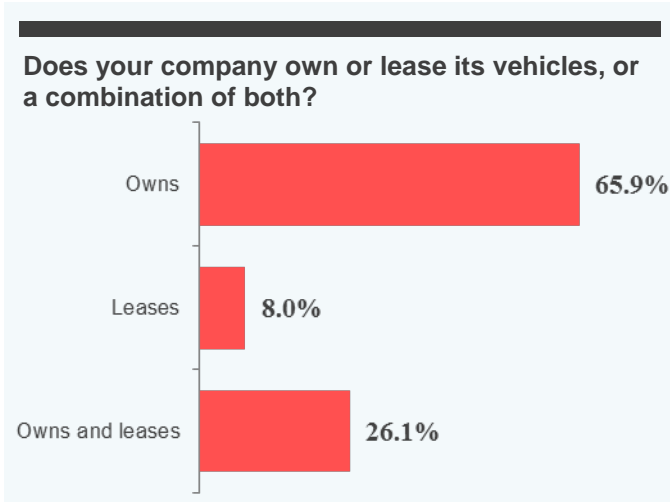
What best describes your position?



Commercial Auto Exposures

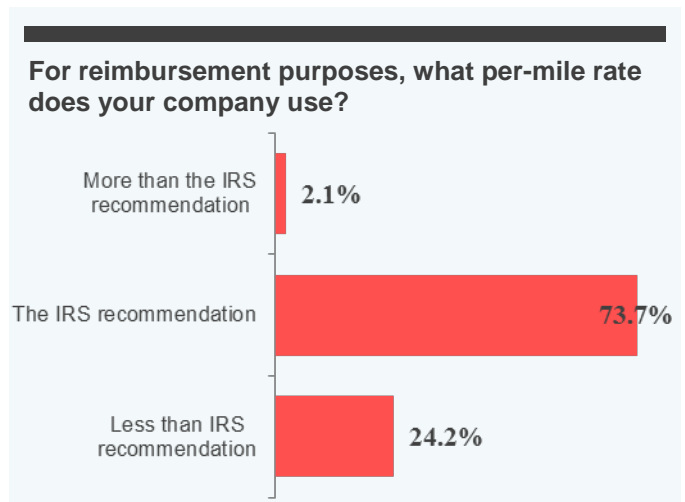
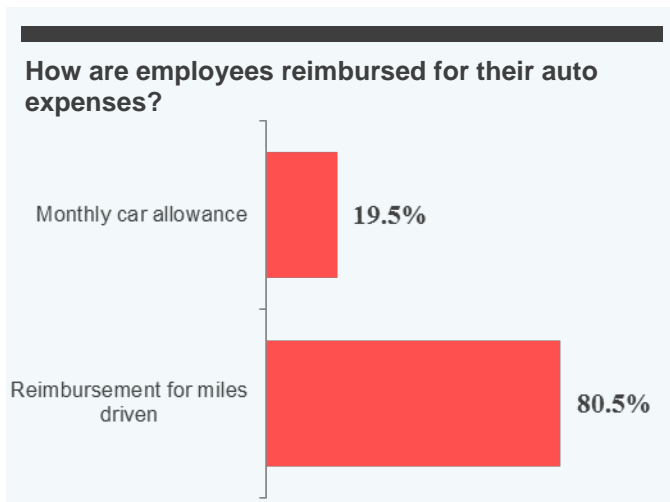
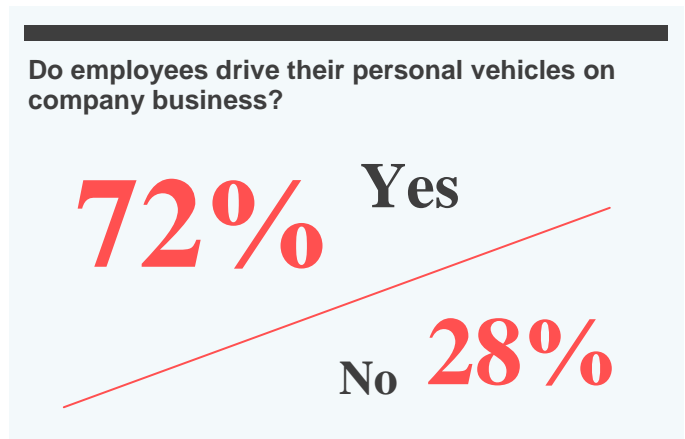
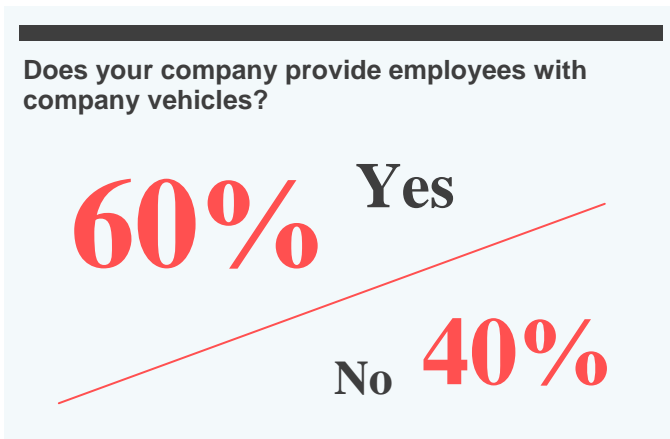
Sixty-six percent of companies participating in the survey own their own vehicles, down from 67 percent last year. To protect their investment and personnel, 58 percent use a written fleet safety policy. Of those, 84 percent of respondents build employee awareness of this policy by requiring an employee signature upon review. And 94 percent proactively enforce this policy to manage their fleet exposures.

Of the 72 percent of employees who drive their personal vehicles on company business, 80.5 percent are reimbursed for miles driven instead of a monthly car allowance; a majority of companies (74 percent) utilize the IRS-recommended per-mile rate as their reimbursement benchmark.

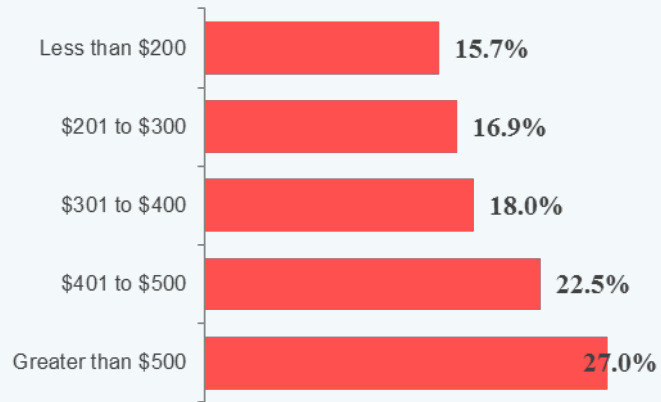


Fleet Safety Policy

	Yes	No
Does your company have a written Fleet Safety Policy?	58%	42%
Are employees driving on company time required to read and sign the policy?	84%	16%
Is the Fleet Safety Policy enforced?	94%	6%



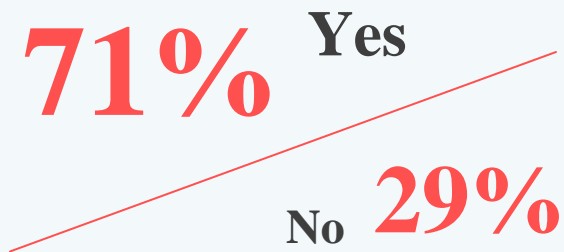
How much is the monthly allowance?



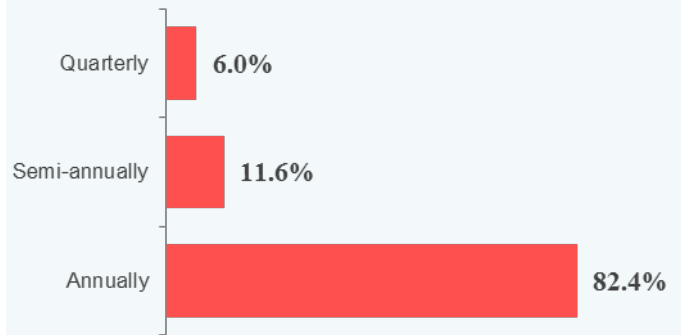
Fleet Exposure Controls

There are many aspects of exposure control, including pre-loss measures, post-loss procedures and vehicle maintenance. Eighty-two percent of respondents approach pre-loss with annual reviews of MVRs. Action upon a sub-standard MVR is required by 89 percent of the respondents. This disciplinary action is engaged by 63 percent when 2-3 violations occur, and by 31 percent when 2-3 violations occur, and by 31 percent in circumstances of only one violation. Termination occurs with 43 percent of the respondents within 2-3 violations. Industry studies have shown that one must proactively engage both policies and employees in order to be successful.

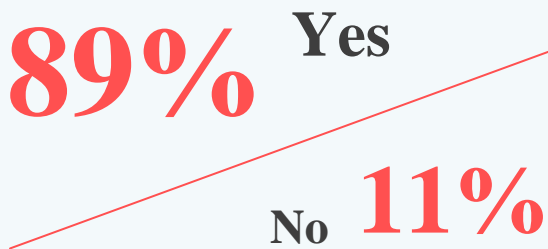
Do you request Motor Vehicle Records (MVRs) on all drivers?



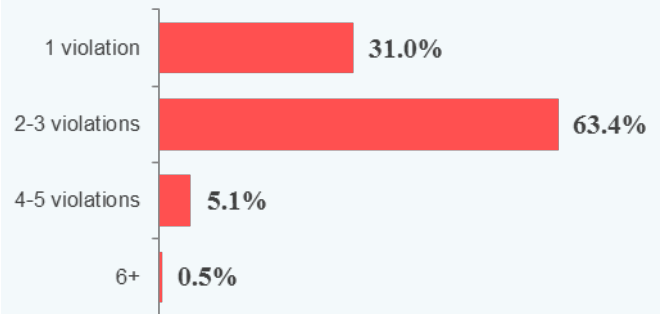
How often are MVRs checked?



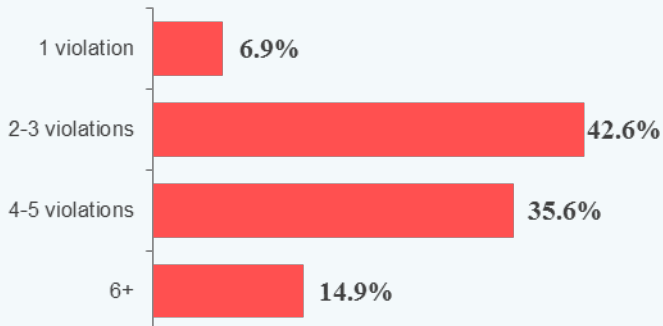
Are there consequences for a poor MVR?



How many incidents constitute disciplinary action?



How many incidents constitute termination?



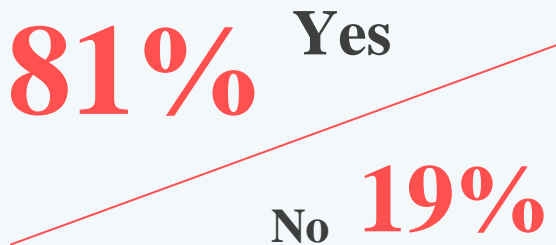
Cellphone/Handheld Devices and Driver Education

Cellphones and other personal handheld devices are commonplace in today's driving environment. This convenience comes at a cost. Financial exposures are tremendous when looking at accidents caused by inattentive driving behaviors.

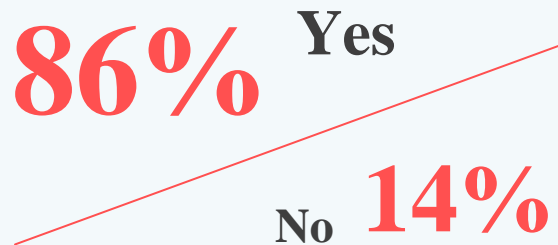
Just 19 percent of respondents do not have a provision in their fleet safety policies that prohibits drivers from cellphone/handheld device use included—a significant decrease from 50 percent three years ago. Individual state laws have been passed that ban use of cellphones/handheld devices while driving; some states require hands-free operation.

Twenty-one percent of respondents support driver safety through driver education. Training sessions are conducted annually by 73 percent, and the majority (63 percent) reported that they are held in-house. A large percentage (83 percent) noted that training is mandatory.

Does the written Fleet Safety Policy prohibit drivers from cellphone/handheld device use?



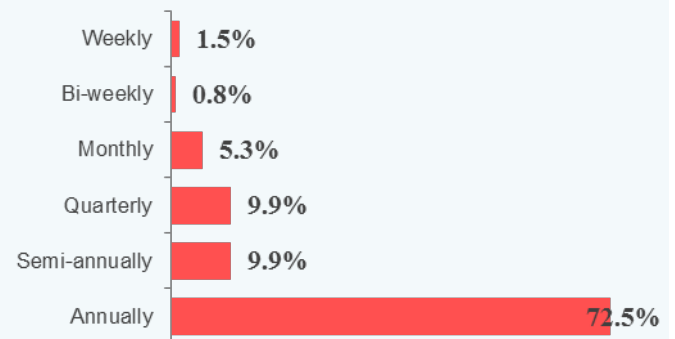
Are there disciplinary actions for non-compliance with the cell phone/handheld device policy?



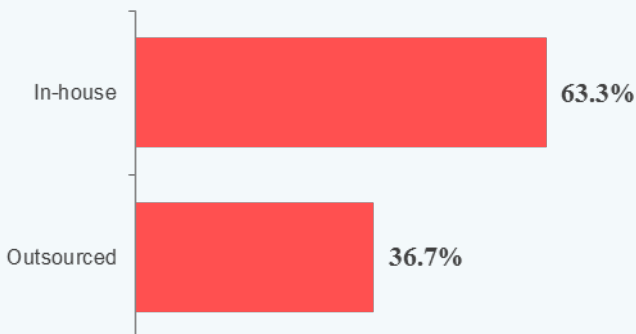
Defensive Driver Training

	Yes	No
Do you offer defensive driver training?	21%	79%
If so, is the training mandatory?	83%	17%
If no, do you plan to offer training in the future?	18%	82%

How often is training offered?



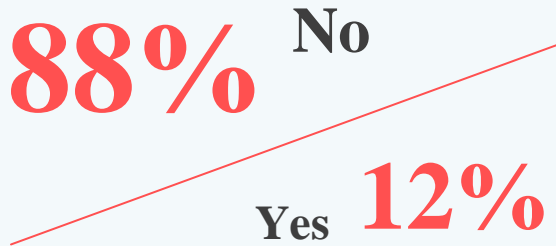
Is training in-house or outsourced?



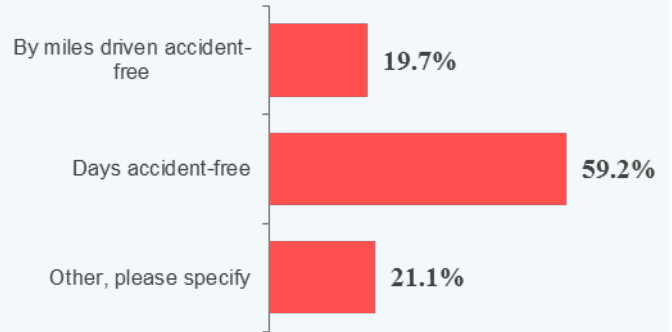
Safety Incentive Programs

For the 12 percent of employers that reward their drivers for safe practices, nearly 60 percent of their programs are based on the number of accident-free days. Other programs are based on hours worked, miles accident-free, and company-wide accident-free and injury-free records. While recognition is cited as the top incentive (46 percent), money and gift/travel certificates are also popular.

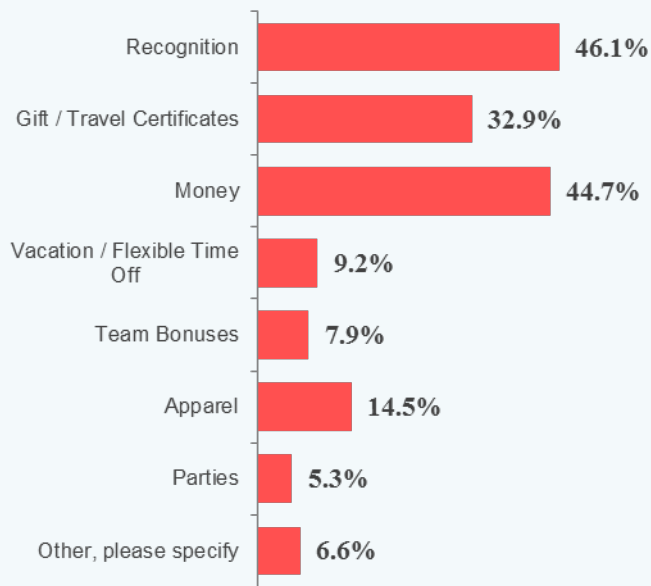
Do you offer safety incentives to drivers?



How is the program arranged?



What type of incentives do you offer?



Maintenance and Claims Handling

One direct impact on exposure control is proper and regular maintenance of all vehicles. Seventy-five percent of respondents have a vehicle maintenance program, and 96 percent keep written records for verification purposes.

Fifty-one percent of companies include accident kits in their vehicles' glove boxes. Many loss control strategies can be employed to mitigate the financial exposures tied to your fleet. The most effective approaches include pre-hire and random drug/alcohol testing, pre-hire motor vehicle record review and pre-hire background checks.

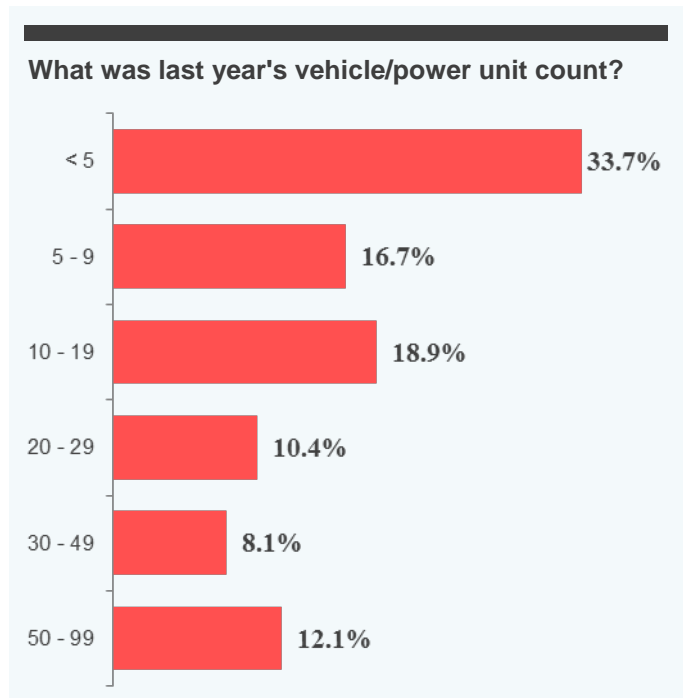
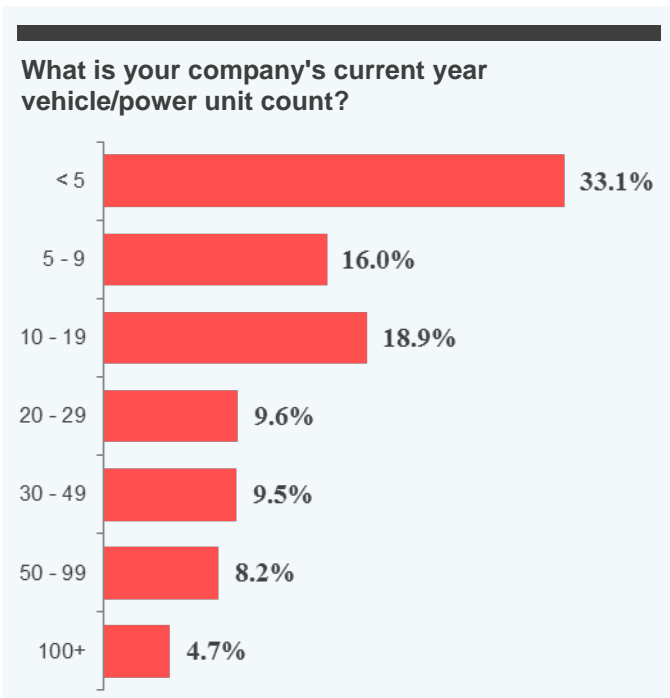
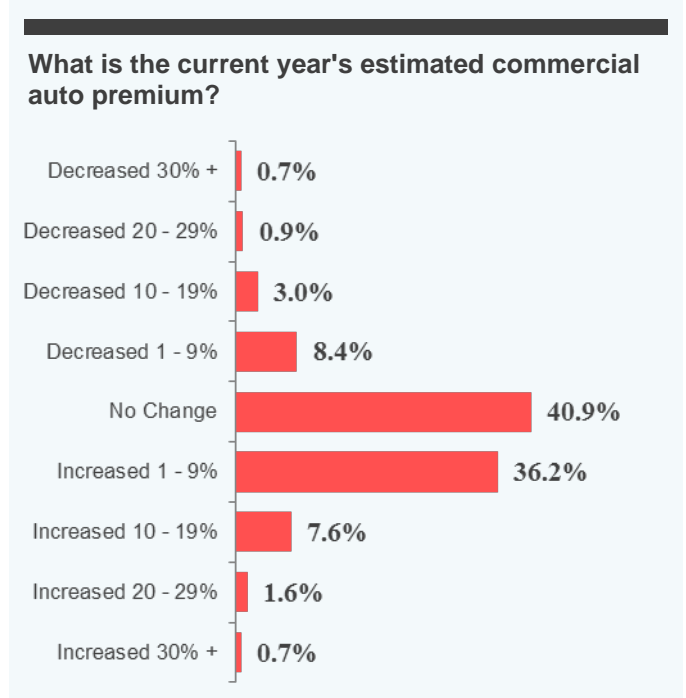
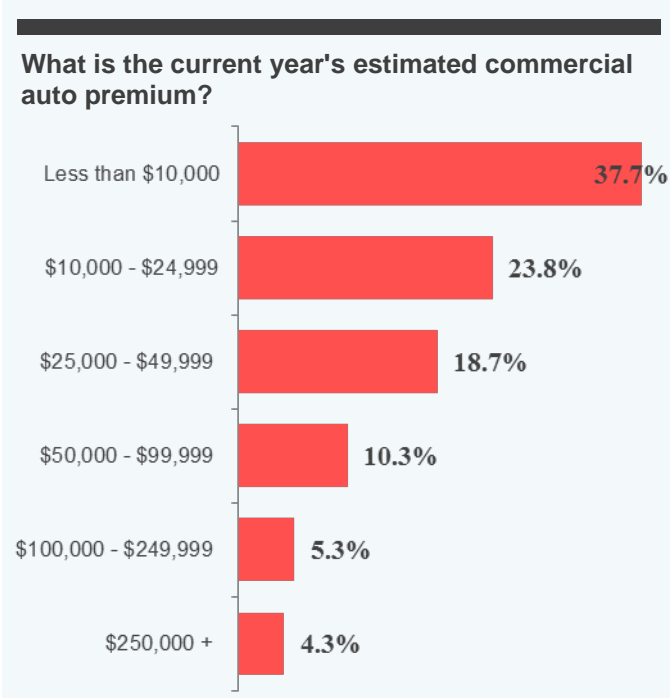
Repairs and Maintenance		
	Yes	No
Are all vehicles equipped with a claims handling kit?	51%	49%
Does your company have a maintenance program for its vehicles?	75%	25%
Are maintenance and repairs documented?	96%	4%

Please select the loss control strategies you utilize and rate their effectiveness.

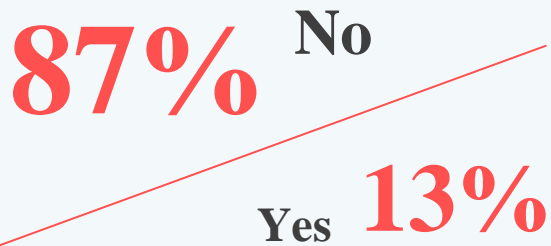
	Highly effective	Effective	Slightly effective	Not effective	N/A
Pre-hire background checks	33%	35%	8%	1%	23%
Pre-hire motor vehicle record review	34%	31%	7%	1%	27%
Pre-hire and random drug/alcohol testing	36%	24%	6%	1%	33%
Post-accident drug/alcohol screening	35%	27%	4%	1%	33%
Periodic MVR reviews	24%	33%	11%	3%	29%
Pre-trip vehicle inspections	20%	31%	14%	3%	32%
Defensive driving training	9%	16%	10%	2%	63%
Employee safety incentives	8%	11%	8%	3%	70%
In-house fleet maintenance	24%	28%	7%	2%	39%
Outsourced fleet maintenance	15%	28%	12%	2%	43%
Glove box accident kits/camera	16%	24%	13%	3%	44%

Commercial Auto Policies

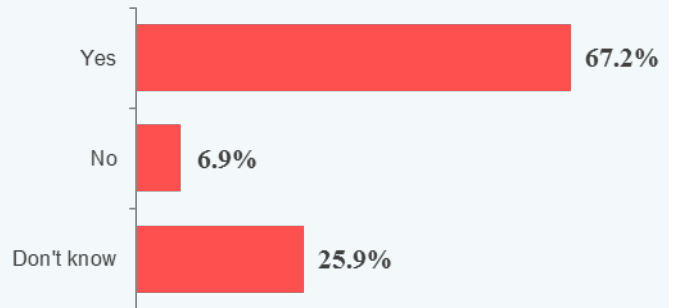
Eighty percent of respondents have premiums of less than \$50,000, with 49 percent indicating nine or fewer power units. Of the 87 percent who indicate they carry a comprehensive deductible, 46 percent pay less than \$1,000 while 42 percent fall within the \$1,000 to \$2,499 range. For collision deductible numbers, 54 percent pay in the range of \$1,000 to \$2,499 while 29 percent pay less than \$1,000. Fifty-four percent of respondents indicated their commercial auto policy liability limit to be in the \$1 million to \$1.49 million range.



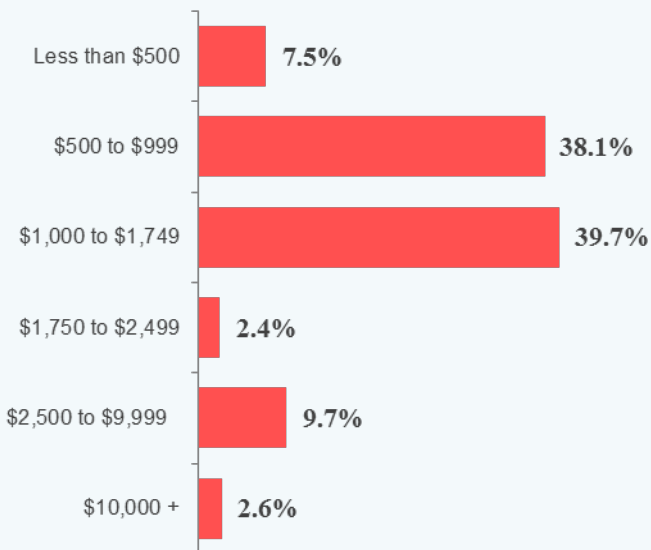
Do you have a commercial auto deductible?



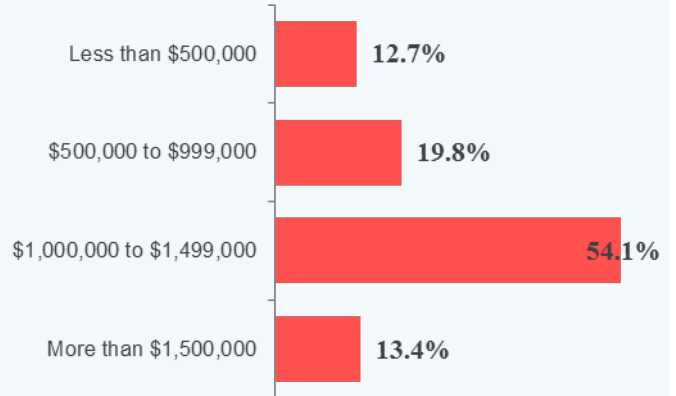
Does your current commercial auto policy attach to an excess liability/umbrella policy?



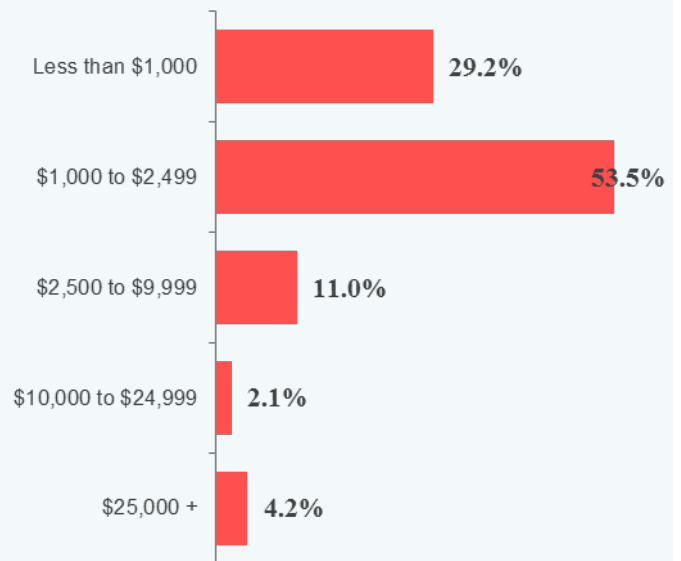
What is the current year's commercial auto comprehensive deductible?



What is your current year's commercial auto policy liability limit?



What is the current year's commercial auto collision deductible?



Industry Concerns

When it comes to commercial fleet insurance, what's on the minds of survey respondents? Both cost containment (40 percent) and compliance with DOT regulations (30 percent) top the list of issues considered "very concerning."

Rank the following concerns relating to your fleet exposure.

	Very concerned	Somewhat concerned	Slightly concerned	Not concerned	N/A
Cost containment	40%	30%	11%	8%	11%
Fraudulent accidents	20%	17%	21%	31%	11%
Compliance with DOT regulations	30%	23%	13%	17%	17%
Increasing exposures	27%	28%	19%	13%	13%
Carrier stability	18%	21%	17%	30%	14%
Market availability	15%	23%	18%	29%	15%
Auto policy renewal	18%	23%	20%	27%	12%

Contact your Horst Insurance representative at 717-560-1919 to discuss how this survey information can assist you in managing your total cost of risk to impact your price of commercial automobile coverage.

This survey was open to client portal users from June 17 to Aug. 31, 2013. Approximately 663 respondents completed the survey. This survey was anonymous, so responses have not been validated for statistical significance or margin of error.

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