

2011



SURVEY RESULTS

Commercial Auto & Fleet Safety Survey

July 2011

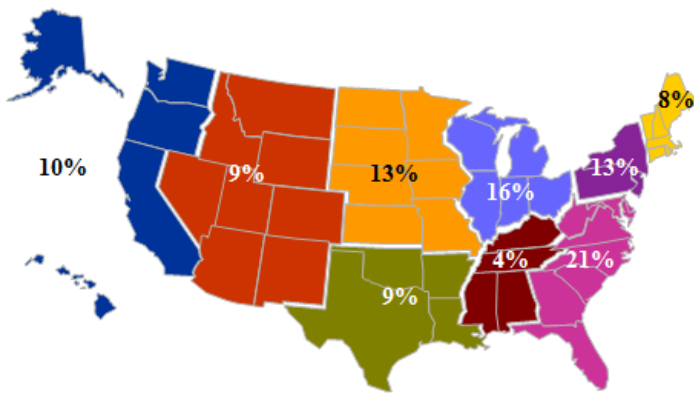
Commercial Auto & Fleet Safety 2011

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. EHL 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.

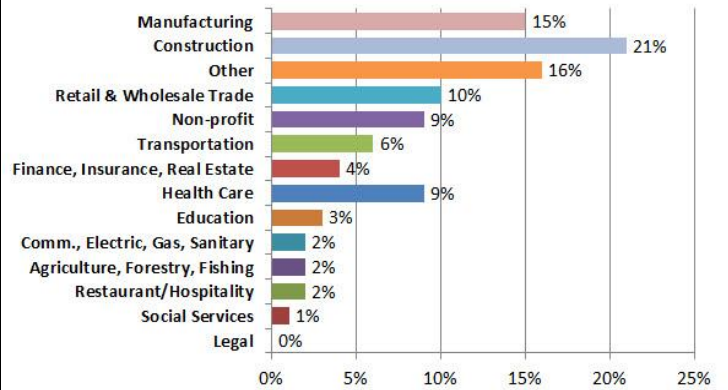
Demographic Information

In what state is your organization based (the most employees)?

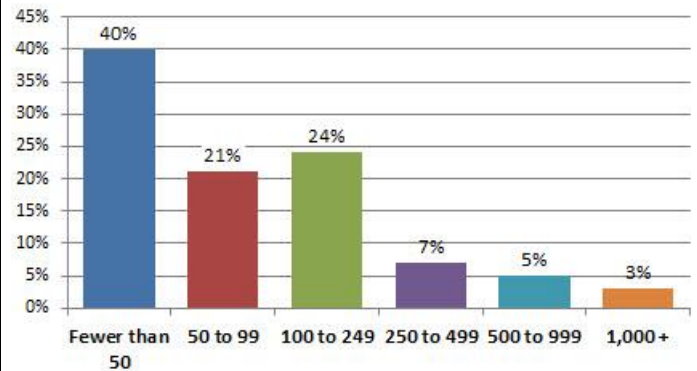


- Pacific** 10%
- Mountain** 9%
- West North Central**..... 13%
- West South Central**..... 9%
- East North Central** 16%
- East South Central**..... 4%
- South Atlantic**..... 21%
- Mid-Atlantic**..... 13%
- New England** 8%

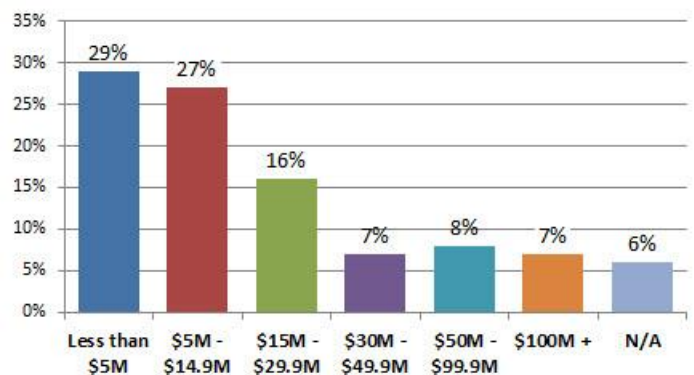
In which industry/sector does your organization operate?



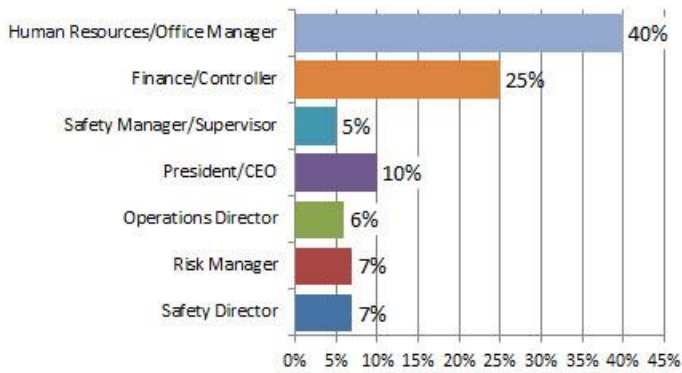
How many employees does your organization have?



What is your organization's annual revenue?



What best describes your position?

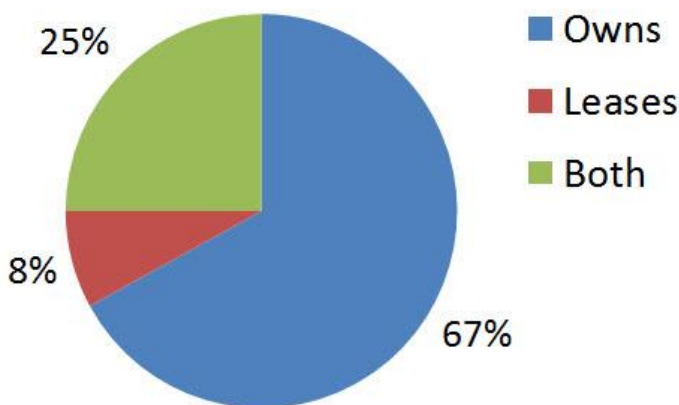


Commercial Auto Exposures

Sixty-seven percent of companies participating in the survey own their own vehicles, down from 69 percent last year. To protect their investment and personnel, 60 percent use a written fleet safety policy. Of those, 82 percent of respondents build employee awareness of this policy by requiring an employee signature upon review. And 90 percent proactively enforce this policy to manage their fleet exposures.

Of the 74 percent of employees that drive their personal vehicles on company business, 82 percent are reimbursed for miles driven versus a monthly car allowance; a majority of companies (63 percent) utilize the IRS-recommended per-mile rate as their reimbursement benchmark.

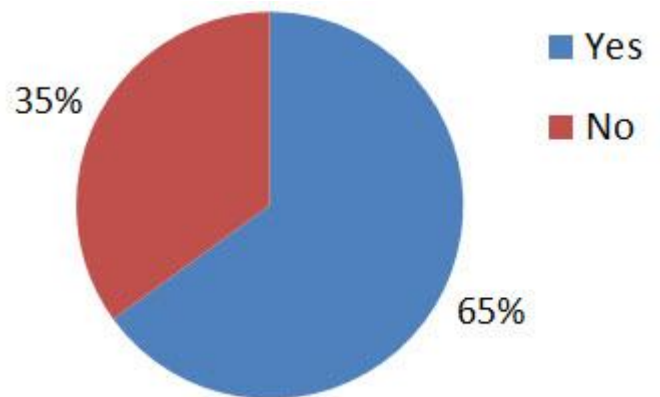
Does your company own or lease its vehicles, or a combination of both?



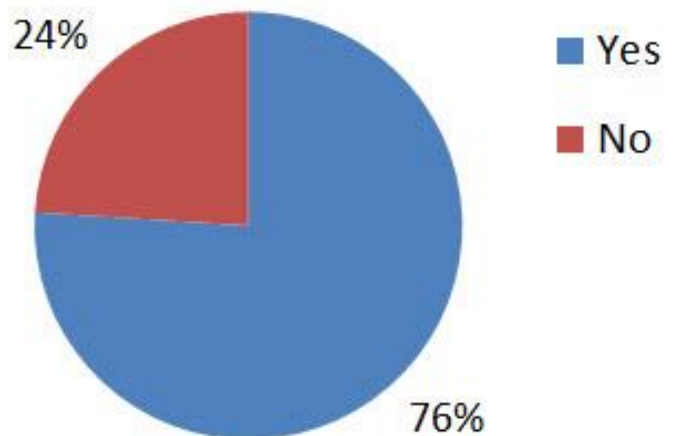
Fleet Safety Policy

	Yes	No
Does your company have a written Fleet Safety Policy?	60%	40%
Are employees driving on company time required to read and sign the policy?	82%	18%
Is the Fleet Safety Policy enforced?	90%	10%

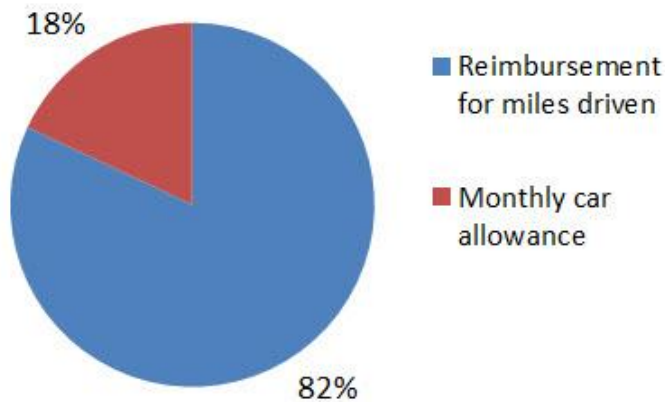
Does your company provide employees with company vehicles?



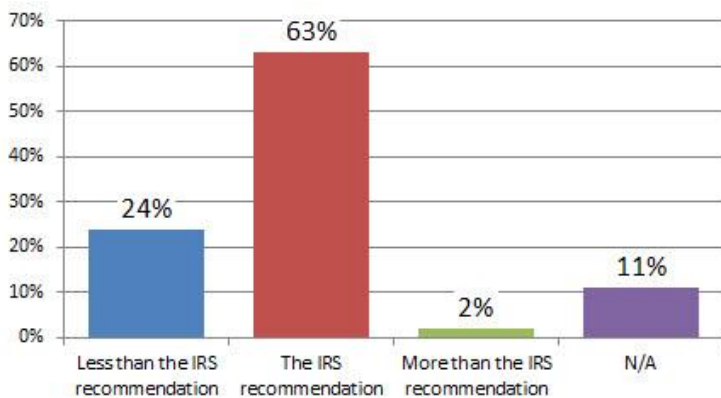
Do employees drive their personal vehicles on company business?



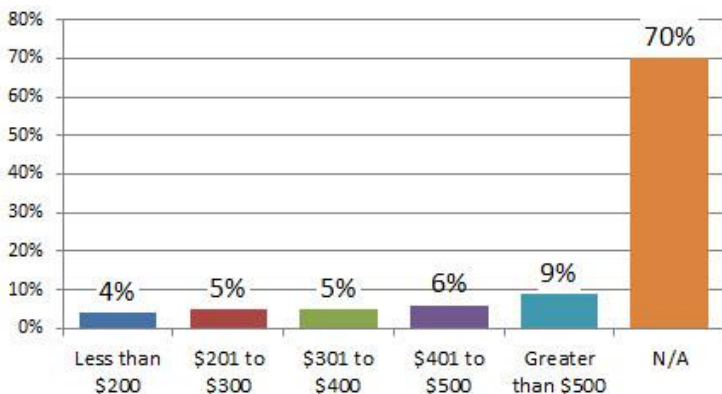
How are employees reimbursed for their auto expenses?



If reimbursement is for miles driven, what per-mile rate does your company use?



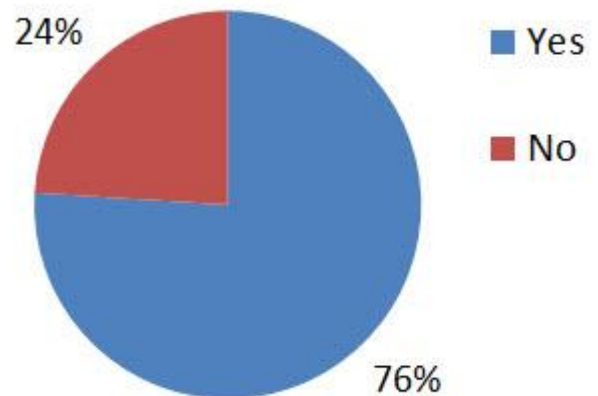
If you reimburse with a monthly car allowance, how much is it?



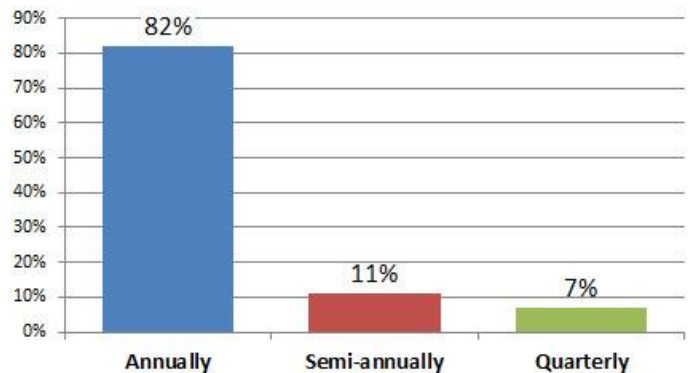
Fleet Exposure Controls

There are many aspects to exposure control: 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 per 91 percent of the respondents. This disciplinary action is engaged by 63 percent when 2-3 violations occur, and by 27 percent in circumstances of only 1 violation. Termination occurs with 44 percent of the respondents within 2-3 violations. Industry studies have shown one must proactively engage both policies and employees in order to be successful.

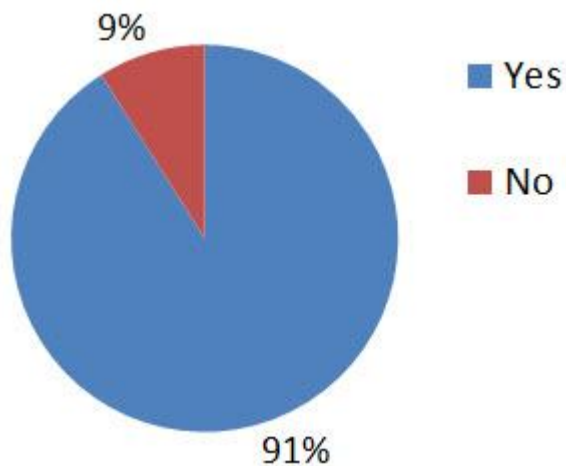
Do you request motor vehicle records (MVRs) on all drivers?



How often are MVRs checked?



Are there consequences for a poor MVR?



Disciplinary Action vs. Termination

	How many incidents constitute disciplinary action?	How many incidents constitute termination?
1 Violation	27%	5%
2-3 Violations	63%	44%
4-5 Violations	9%	31%
6 + Violations	1%	20%

Cell Phone/Handheld Devices and Driver Education

Cell phones 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.

Twenty-six percent of respondents do not have a provision that prohibits drivers from cell phone/handheld device use included in their fleet safety policy – a significant decrease from 50 percent three years ago. Individual state laws have been passed that ban use of cell phones/handheld devices while driving; some states require hands-free operation.

Twenty-four percent of respondents support driver safety through driver education. Training sessions are conducted annually by 63 percent, and the majority (53 percent) reported that they are held in-house. A strong presence (80 percent) noted that training is mandatory.

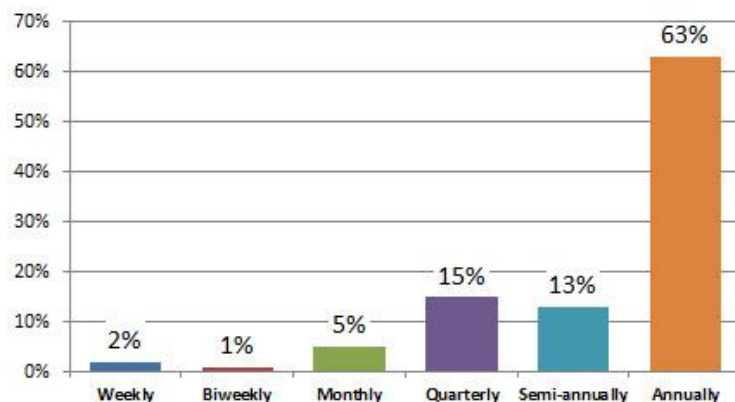
Cell Phone/Handheld Devices

	Yes	No
Does the Fleet Safety Policy prohibit drivers from cell phone/handheld device use?	74%	26%
Are there disciplinary actions for non-compliance?	93%	7%

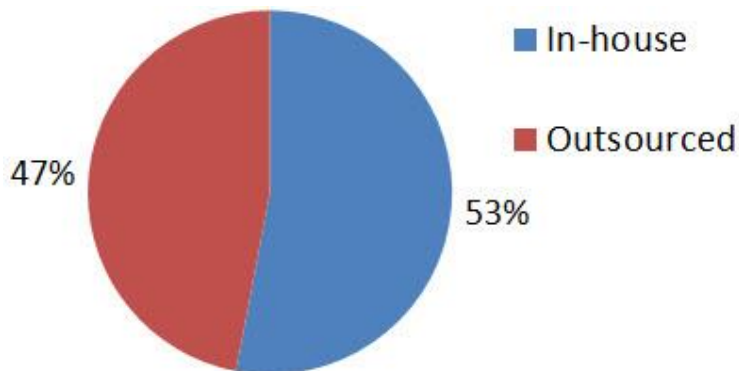
Defensive Driver Training

	Yes	No
Do you offer defensive driver training?	24%	76%
If so, is training mandatory?	80%	20%
Do you plan to offer training in the future?	21%	79%

How often is training offered?



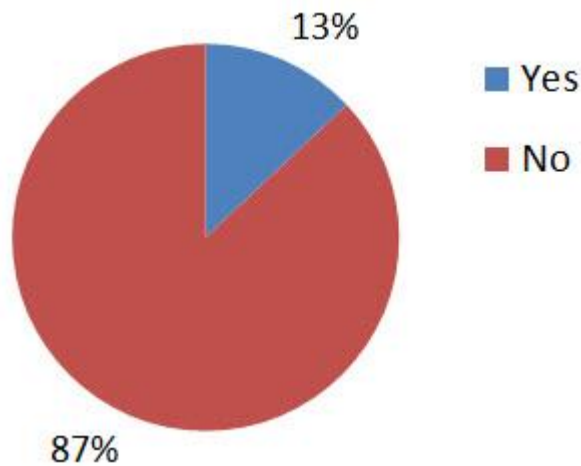
Is the training in-house or outsourced?



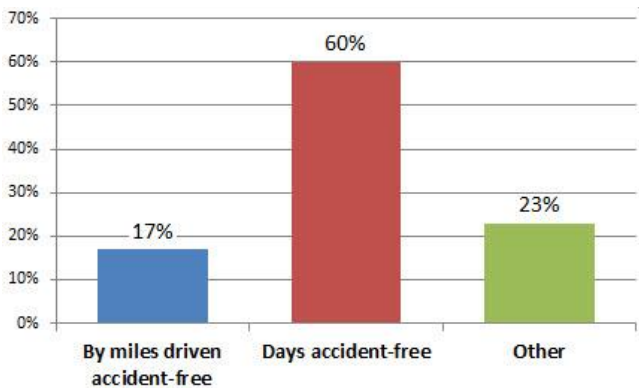
Safety Incentive Programs

For the 13 percent who reward their drivers for safe practices, 60 percent of programs are based on the amount of accident-free days. Other programs are based on hours worked, miles accident-free, and company-wide accident-free and injury-free records. While money is cited as the top incentive (52 percent), recognition and gift/travel certificates are also popular.

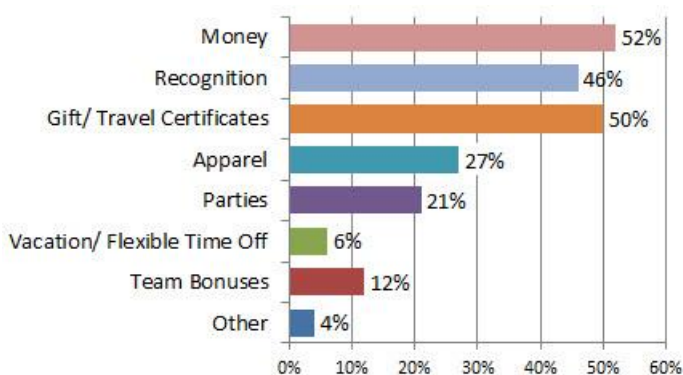
Do you offer safety incentives to drivers?



How is the program arranged?



How do you incentivize drivers?



Maintenance and Claims Handling

One direct impact on exposure control is proper and regular maintenance of all vehicles. Seventy-eight percent of respondents have a vehicle maintenance program, and 97 percent keeping written records for verification purposes.

Fifty-three 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?	53%	47%
Does your company have a maintenance program for its vehicles?	78%	22%
Are the repairs and maintenance documented?	97%	3%

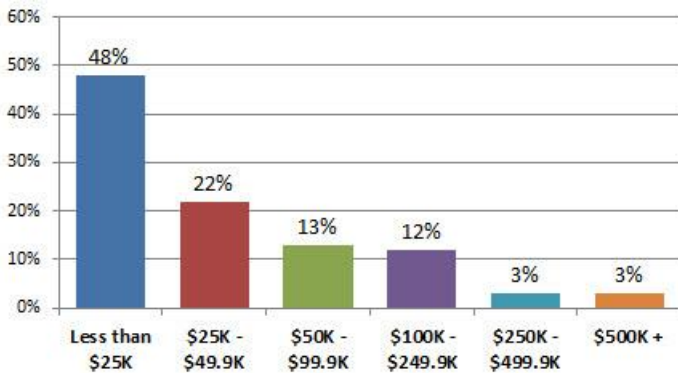
Select the loss control strategies you utilize and the effectiveness thereof.

	Highly Effective	Effective	Slightly Effective	Not Effective	N/A
Pre-hire background checks	35%	36%	10%	1%	18%
Pre-hire motor vehicle record review	35%	31%	7%	2%	25%
Pre-hire and random drug/alcohol testing	42%	23%	4%	1%	29%
Post-accident drug/alcohol screening	41%	22%	4%	1%	32%
Periodic MVR reviews	27%	34%	11%	2%	26%
Pre-trip vehicle inspections	21%	30%	14%	3%	32%
Defensive driving training	9%	16%	10%	4%	60%
Employee safety incentives	7%	10%	9%	3%	70%
In-house fleet maintenance	23%	26%	10%	4%	36%
Outsourced fleet maintenance	17%	28%	10%	3%	42%
Glove box accident kits/camera	17%	26%	11%	3%	43%

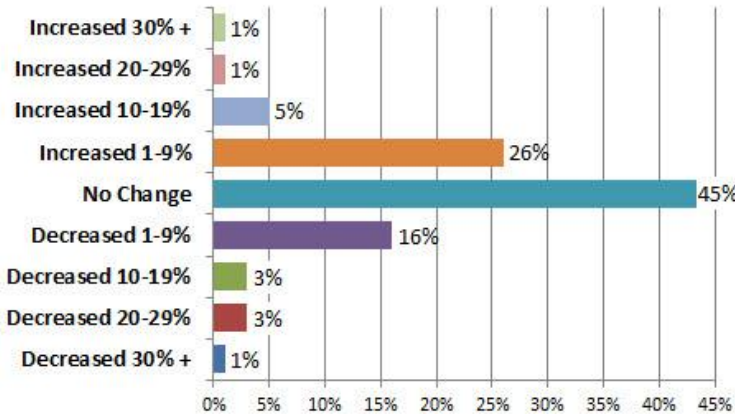
Commercial Auto Policies

Seventy percent of respondents have premiums of less than \$50,000, with 42 percent indicating nine or less power units. Of the 87 percent who indicate they carry a comprehensive deductible, 43 percent fall within the \$1,000 to \$2,499 range, with another 40 percent at less than \$1,000. Deductible numbers for collision follow the same trend, with 47 percent in the range of \$1,000 to \$2,499. Sixty-two percent of respondents indicated their commercial auto policy liability limit to be in the \$1 million to \$1.49 million range.

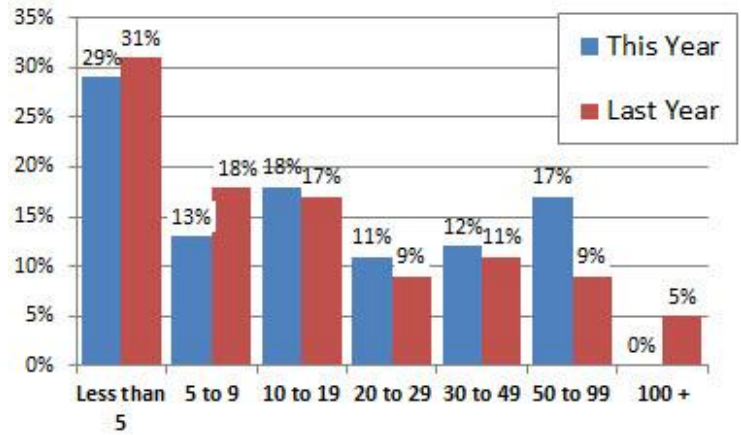
What is the current year's estimated commercial auto premium?



What is the change in commercial auto premium from last year?



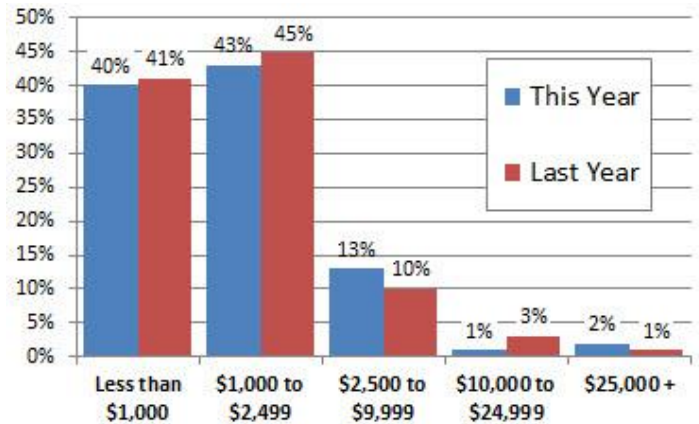
Vehicle Power Unit Comparison



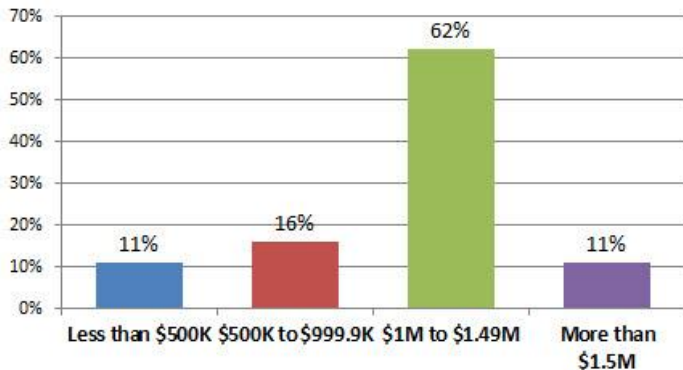
Commercial Auto Comprehensive Deductible

	Yes	No	Don't Know
Do you have a commercial auto deductible?	87%	13%	--
Does your current commercial auto policy attach to your excess liability/umbrella policy?	73%	5%	22%

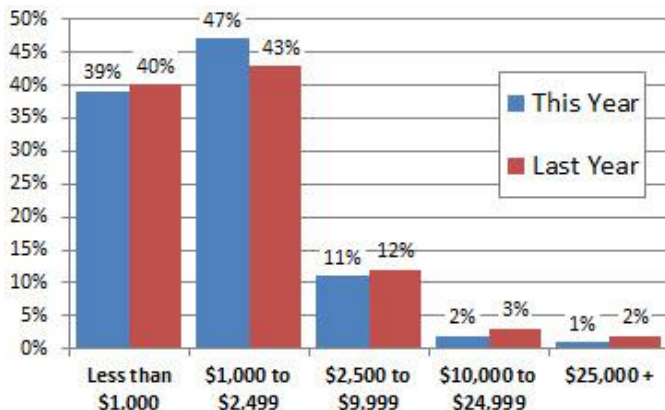
Commercial Auto Comprehensive Deductible Comparison



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



Commercial Auto Collision Deductible Comparison



Industry Concerns

When it comes to commercial fleet insurance, what's on the minds of survey respondents? Both cost containment (48 percent) and compliance with DOT regulations (34 percent) top the list of issues considered "very concerning."

	Very Concerned	Somewhat Concerned	Slightly Concerned	Not Concerned	N/A
Cost containment	48%	27%	13%	7%	5%
Fraudulent accidents	17%	20%	26%	30%	7%
Compliance with DOT regulations	34%	19%	21%	14%	12%
Increasing exposures	28%	28%	24%	12%	8%
Carrier stability	17%	21%	20%	31%	11%
Market availability	15%	24%	22%	28%	12%
Auto policy renewal	20%	23%	22%	29%	7%

Contact your EHL Insurance Commercial Risk Advisor at 800.929.1669 to discuss how this survey information can assist you in managing your total cost of risk to impact your price of commercial automobile coverage.



"Solutions you can understand"

This survey was open to client portal users from April 4 to June 15, 2011. Approximately 381 respondents completed the survey. This survey was anonymous, so responses have not been validated for statistical significance or margin of error. © 2011 Zywave, Inc. All rights reserved. The information contained herein, including its attachments, contains proprietary and confidential information. Any distribution of these materials to third parties is strictly prohibited.