

INDUSTRY INSIGHT:

Telematics and **Motor Fleet Cover**

Does it make a difference to your motor fleet insurance?

Reason Global

Runway East Brighton, York and Elder Works, 50 New England Street, Brighton BN1 4AW
T: +44 (0) 1273 739961 | E: info@reason-global.com | www.reason-global.com
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Broker at LLOYD'S

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Telematics & Motor Fleet Insurance: **Does it make a difference?**

A vehicle standing still is the most expensive vehicle in your fleet. It still costs you in finance, insurance and driver time, but it earns nothing, and the move it was booked for has to be absorbed somewhere else in the week.

Repair costs have been climbing, parts and courtesy arrangements take longer to resolve, and a knock that once meant two days off road can now mean considerably more. For anyone responsible for moving goods, vehicles and drivers, that is the real cost of a claim.

So when telematics comes up, it is usually framed as a question about price. Will fitting it reduce my motor fleet premium? It is a fair question, and the honest answer is more useful than a yes. Telematics does not reduce premiums. Fewer claims reduce premiums. What telematics does is give you the information, and the evidence, to influence how many claims you have in the first place.



That distinction matters, because the assumption many transport managers start from is that motor fleet costs are something that happen to them. The market hardens, repair inflation does what it does, a third party makes an exaggerated claim, and the renewal reflects all of it. There is truth in that. But it leaves out the part of the equation you can genuinely influence: what your drivers do on the road, how quickly you know about it, and what you can demonstrate when your fleet is presented to underwriters.

How does telematics help you at renewal?

Here is the thing that often gets missed. Underwriters price the story they can see. Two fleets of the same size, running similar vehicles over similar distances, with similar claims histories, can be presented very differently. One arrives as a schedule of vehicles and a loss run. The other arrives with a clear account of how drivers are monitored, which behaviours have improved over the past year, how incidents are investigated, and what happens when someone's driving falls below the standard the business expects. The second fleet is not simply better insured. It is better understood, and that understanding is what allows cover to be tailored rather than estimated.

It helps to be clear about what the technology actually is, because "telematics" is used loosely. MICHELIN Connected Fleet describes it as the integration of telecommunications and information technology to transmit, receive and process vehicle data remotely, combining GPS positioning, onboard diagnostics and wireless networks to send real-time information such as a vehicle's location, speed and driving behaviour to a central platform where it can be monitored and analysed. In plain terms: the vehicle tells you what it is doing, as it does it, and the pattern is recorded.

That is a long way from the tracking unit many businesses fitted years ago to answer the question "where is the lorry?" And it is no longer unusual. The Hartford reports that nearly 70% of fleets already use GPS tracking technology, and that in a survey of 300 fleet professionals, almost one-third had gone a step further and implemented a full telematics suite. Among those in trucking, logistics and shipping, that figure rose to 42%.

Fleetmaxx Solutions, in its guide to the benefits of telematics for fleets, points to the same cluster of gains that transport managers tend to care about most: lower running costs, better use of driver hours, less administrative paperwork, and improved vehicle safety and security.

Tom Rogers, Head of Underwriting at Flock Insurance notes that "when customers engage with the safety insights which telematics provide and use them to upskill drivers, they have fewer claims - 72% of customers on our connected fleet insurance have actually reduced their claims frequency on average by 10%, year on year.

That brings insurance costs down over the long term, but the benefit goes beyond the premium. Every claim avoided means less time with a vehicle off the road, fewer repair bills and less of the admin that comes with handling an incident, so the business saves twice, once on its cover and again on the cost of running the fleet."

Data only helps if someone acts on it

Those benefits are real, but they are not automatic. The data only becomes valuable at the moment somebody acts on it. A harsh braking alert that nobody reviews is just a log file. A pattern of speeding on the same stretch of road, discussed with the driver that week, is a collision that may never happen, and a customer's goods that arrive as promised.

Commercially, this is where the argument stops being about technology and starts being about reputation. Every avoided incident is a vehicle that stays on the road, a crew that keeps its schedule, and a move that is completed the way the customer was told it would be. In the moving and storage industries, your reputation is built on exactly that reliability. Clients are trusting you with the contents of their homes, their offices, their businesses. A damaged consignment or a missed arrival is remembered long after the repair bill is settled. Reducing claims protects more than your motor fleet premium; it protects the thing that wins you the next contract.



What you should consider

If you are weighing telematics up, the useful questions are rarely about the hardware. They are about what happens next. What will you measure, and why those measures? Who looks at the reports, and how often? What does a driver conversation look like, and is it framed as support rather than surveillance? How will you record the improvements you make, so that in twelve months you can show a trend rather than describe an intention? Agreeing that before installation is also what keeps the administration proportionate, you are choosing a handful of things to act on, not adding another system to feed.

It is also worth speaking to your broker before you commit, not after. The way your fleet data is gathered and presented affects how underwriters read it, and specialist underwriters in this sector will ask different questions of a removals fleet than they would of a general haulier. Getting that right is the difference between data you collect and data that works for you at renewal.

There is a wider point here too. Your fleet is one stage in a longer journey. Goods are loaded, carried, sometimes handed to a third-party carrier, often placed into warehousing or temporary storage, and on international moves they may travel by sea or air before anyone unloads them. Motor fleet cover protects the vehicles and the liabilities that attach to them. It is not designed to follow your customers' goods through every one of those stages. The gaps and overlaps between stages are where disputes tend to live, and they are the hardest thing to resolve once several parties are involved. Telematics gives you confidence over the part of the journey you

control directly. The rest of the journey needs the same clarity applied to it — understanding exactly where responsibility sits at each handover, and making sure your cover reflects how your goods actually move rather than how a standard policy assumes they do.

That is the honest way to think about telematics and your motor fleet insurance. It is not a lever you pull for a discount. It is a way of turning everyday driving into information you can use, and information into fewer incidents, less time off road and a stronger case to put in front of underwriters. The premium follows the claims, and the claims follow the decisions you make with what you know.

If you would like to discuss how telematics could benefit your fleet, or review where your cover begins and ends across the whole journey your goods take, our team would be glad to talk it through with you.

Interested to know more?

If you would like to discuss your current Motor Fleet cover, or discuss telematics for your vehicles, please call us today on 01273 739 961. Our team will be happy to help.