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# Fleet Insurance Guide





## Introduction

Since 1984, Westhill Insurance Services have been closely involved in all types of motor insurance, not least of which is Fleet Insurance.

This general guide has been prepared for Fleet Managers, Directors and Business Owners to assist in the safe management of your fleet and is aimed to help you to comply with the legal, practical and workable measures necessary to actively manage your vehicle fleet, whilst operating in a manner compliant to insurer's requirements, thus positively affecting your insurance premium.

Most of the readers of this guide will already be familiar with some of its content, some may already know most of it and, for the one who might know it all "well done" – you clearly are very, very good at your job!

However, this guide is produced to assist in the active and progressive management of your fleet and we hope you will find it both informative and useful.

If this guide raises any issues you would like to discuss in greater detail or if we can further assist you in any way specific to your own requirements, please feel free to contact us (see p14).

## Health & Safety

Health and Safety within the workplace is a major consideration for businesses of all sizes. Legislation dictates that all work is completed within conditions which are acceptable from a Health and Safety perspective. All employees, directors and business owners have a responsibility to ensure that Health and Safety considerations are a major priority and that suitable processes and checks are in place for their business. Ultimately all employers have a general duty to ensure that the health and safety of their employees and members of the public is not put at risk by the work that they do.

The importance of this from a transportation perspective is that any vehicle used for work and any place in which it operates other than the public highway is considered a place of work.

Risk assessment is crucial in this process, this generally means identifying a risk, managing and ultimately reducing that risk, it does not necessarily mean eliminating the risk altogether.

It must be remembered that all operational risks differ and so all businesses must review and consider their own potential risks. The following are examples of what might need to be considered and reviewed on a regular basis.

### **1. Vehicles**

- What are they being used for?
- Are they fit for purpose?
- Are they properly maintained?
- Do they need to be replaced with new safer vehicles?
- Is visibility adequate?
- Should vehicle speed be restricted?
- Are the vehicles loaded correctly (i.e. well balanced and not overloaded)?
- Can the vehicle be properly immobilized whilst static work is taking place?

### **2. Premises**

- Is it safe for the operation to be completed?
- Is there enough space?
- Is it properly maintained?
- Are signs and markings clear?
- Pedestrians and vehicles don't mix - Are pedestrians kept clear?
- Are members of the public kept clear of activities?

- Are there any steep slopes which could create a 'tipping' risk?
- Who has access to your site, are they made aware of safety requirements?
- Do you need to employ traffic calming methods?
- Is the site well lit?

### 3. Operations

- Arrival of vehicle
- Departure of vehicle
- Travel within the workplace
- Loading, unloading and securing loads
- Sheeting
- Trailer coupling and uncoupling
- Vehicle maintenance work
- When does work take place (i.e. at night)?
- Are suitable reversing procedures in place? And is everybody aware of them?

### 4. Drivers

- Are they adequately trained?
- Are they operating in unfamiliar surroundings?
- Are they under pressure which may make them work less safely?
- Are they working when too tired?
- Are they working safely?
- Are they taking short cuts which may endanger themselves or a Third Party?
- Are they in possession of a clean licence?

(In respect of this last point, following the abolishment of the paper part driving licences, it could be advised to ask all employees using company Fleet vehicles to either sign a declaration confirming their driving licence is endorsement and point free or the company could contact the DVLA direct to see if a driver is eligible to drive, if they should think otherwise.)

Please remember this is not an exclusive list, but is an example of the types of transportation risk which could be experienced within the workplace.

Your risk assessment should be undertaken by your Transport Manager in conjunction with your Health and Safety officer - If in doubt, or you do not have a suitably qualified member of staff, you should obtain advice from a fully trained Health and Safety expert.

## Driver Certificate of Professional Competence

One of the questions Westhill Insurance is often asked is “what may invalidate my fleet insurance?” One thing that could invalidate fleet insurance would be if fleet vehicles are driven by personnel that haven’t gained the necessary qualifications. While the company policy may be that all drivers are supposed to have been through the process of qualification, the moment an unqualified driver takes the wheel, there is the danger of fleet insurance being invalidated in the case of a claim. At Westhill we pride ourselves in advising existing and potential clients about such potential issues and the following information provides details about the relevant regulations.

In the past, recruitment of new drivers for Coach and Haulage companies was fraught with danger. It wasn’t too many years ago that a new recruit off the street could just produce a driving license and, in theory, then be set free in a valuable piece of equipment. Many companies had their own in-house testing, but by their very nature there was no consistency and were often conducted under the operational pressure of needing new drivers.



This was not only a problem in the UK, but was multiplied across the whole of the European Union. The view was generally held that something had to be done to improve the driving standards of professional drivers across the whole of the EU. The ultimate aim was to establish and then maintain high standards of driving throughout the EU and ultimately improve road safety for all road users. The EU has been working to resolve this situation for a number of years and the legislation is now in place to ensure that drivers who drive professionally are thoroughly qualified. This directive became a legal requirement in all member states for bus and coach drivers in September 2008 and for all lorry drivers in September 2009.

This eventually led to the requirement that professional drivers of Large Good Vehicles (LGV) and Passenger Carrying Vehicles (PCV) would require not only a valid driving license for such vehicles, but also a further qualification. The additional qualification is called the Driver Certificate of Professional Competence (CPC) and is designed to improve the knowledge and skills of professional drivers throughout their working life. It should be seen as continuous professional development. Every professional driver should therefore carry not only their driving license, but also their CPC in the form of a Driver Qualification Card (DQC).

## Training Course Availability

The Driving Standards Agency (DVSA) is responsible for the delivery of the CPC qualification and they deliver courses through approved training centres. They are also responsible for keeping records of drivers, the courses they attend and the hours of training undertaken.

Once a driver is CPC qualified and has their DQC, they must maintain their right to drive professionally by undertaking periodic training. This training must be at least 35 hours over a rolling five year period and must be undertaken at a DVSA approved training centre, usually in the driver's country of main residence as any correspondence will be sent to the address displayed on their driving licence.

A record of the driver's periodic training completed over a five year rolling period is maintained by DVSA and accessible to the driver online. To register the driver must provide their driving licence number and home postcode, an access password is then posted to the driver's address.

As their employer, the driver can create a temporary password for you to log in and view their record.

The basic qualification covers subjects such as;

- Fuel efficient driving
- Defensive driving techniques
- First aid
- Health and safety
- Drivers hours regulations
- Using tachographs

The more advanced additional training will take in additional subjects such as;

- Know the characteristics of the transmission system to make best possible use of it.
- Know the technical characteristics and operation of the vehicle's safety controls, minimise wear and tear and prevent malfunction.
- Ability to optimise fuel consumption.

- Ability to load the vehicle with due regard for safety rules and proper vehicle use.
- Know the social environment of road transport and the rules governing it.
- Be aware of the risks of the road and accidents at work.
- Prevent criminality and trafficking of illegal immigrants.
- Ability to prevent physical risks.
- Awareness of the importance of physical and mental ability.
- Ability to assess emergency situations.
- Ability to adopt behaviour to enhance your company's image.

In addition there are some subjects which are specific to particular industries;

#### **Bus and Coach Industry**

- Ability to ensure passenger comfort and safety.
- Know the regulations governing the carriage of passengers.
- Know the economic environment of the carriage of passengers by road, and the market's organisation.

#### **Road Haulage Industry**

- Know the regulations for the carriage of goods.
- Know the economic environment of road haulage and the organisation of the market.

Westhill Insurance doesn't just provide you with fleet insurance but we aim to highlight anything that may be an issue in the event of making a claim. If you have any questions about fleet insurance at all then please don't hesitate to contact us for advice without obligation.

## Safety Packs

The better fleet management and contract hire companies supply a safety pack with each vehicle they deliver. Some provide this free of charge, others ask for payment. Whichever, the idea is sound and a good safety pack will contain the following:

- Jump leads
- Fire extinguisher
- Hi-Vis jacket for use in breakdowns at night and on motorways
- Window hammer to break the window in the event of an accident
- Torch
- Flashing warning lamp
- De-icer
- Screen wash fluid
- First aid kit
- Warning triangle (required in EU countries)
- Spare bulbs (also compulsory in some EU countries)
- A disposable camera

Fleet managers should ensure that drivers know how to use all the items provided – such as jump leads and a first aid kit. Health & Safety legislation requires this. The disposable camera is very useful for photographing accident damage and you should not rely on drivers having a mobile phone with a camera function.

As well as the above, it is good practice to have a sealed pack in each company car containing accident report forms, a pen, film processing envelope and witness detail sheets. The chances are they may never be needed, but most useful if they are!

It is good fleet management practice to advise drivers to prepare their vehicles for the winter, whilst all years round care involves ensuring the vehicle servicing is up to date. Brakes, lights, indicators, steering and tyres should all be checked before each journey – it's not very likely that this will happen, but is important before long journeys are undertaken. Just getting the mindset of the driver to treat the vehicle as his own will result in more care being taken, leading to a more safety conscious driver.

One of the best aides to improving driving behaviour, mitigating your position in the event of an incident giving rise to an insurance claim (particularly 'staged crashes' – see below) is the installation of 'dash cams' across your fleet. The costs may seem prohibitive initially, but the potential gain could massively outweigh any set up costs in saved liability claims and insurance premium increases. You should certainly explore the available options.

## Staged Crashes

Staged crashes, in which gangs of criminals stage a deliberate crash, have become more and more common with fleets often being targeted as the gang knows that the vehicle is likely to be fully insured – and the driver less likely to ask questions as they do not own the vehicle.

The simplest staged crash normally involves getting a driver to crash into the rear of the criminal's vehicles, which they get him or her to do by braking very suddenly at an



unexpected time – and they often disconnect their brake lights so that it is more difficult for the driver to detect the sudden braking.

However, evidence shows more complex methods are taking place whereby a second vehicle is used as the 'culprit', thereby 'forcing' the accomplice vehicle to brake hard, before leaving the scene.

So just how can you defend yourself against this practice?

One of the best ways for drivers to avoid any rear end collision is to ensure that they leave a sufficient gap between their vehicle and the one in front, and they concentrate on their driving at all times.

Just look on any busy road, particularly motorways, and you will see that many drivers travel too close, failing to leave the minimum necessary gap of at least two seconds in good weather conditions. When the weather deteriorates, a gap of 4 seconds is the least that should be left – and in ice, allow at least 10.

Information which has been gathered indicates that often drivers involved in staged crashes have been distracted whilst driving – and so missed the sudden braking happening in front. Mobiles phones, adjusting in car entertainment and satellite systems, eating, drinking, or 'driving on autopilot' have all contributed to the gangs' success in staging crashes.

Everyone needs to be aware when behind the wheel, and just using our general powers of observation can prevent staged crashes: by reading the 'body language' of the car in front, you could identify a crash waiting to happen.

Drivers must be alert at all times and, to help avoid becoming embroiled in a stage crash, try looking for the following indicators:

- Have you noticed that the brake lights on the car in front are not working?
- Is the vehicle being driven erratically?
- Is the driver in the vehicle in front of you looking in their mirror unusually often and are any passengers in the car looking at you?
- Is the car in good condition?

All these points can give clues as to the likely behaviour of the driver in front, including the possibility that they are looking to stage a rear end collision.

Fleet vehicles are normally in good condition. For those who operate company cars, make sure that the drivers keep the vehicles up to spec. Tyres and suspension are especially important when avoiding accidents. Tyre performance deteriorates significantly below 3mm tread depth, especially in wet conditions so driver should ensure that their tyres are legal (1.6mm minimum for cars) and organisations who need their employees to make work-related journeys should consider best practice and change their tyres at 3mm. Make sure the tyre pressure is correct as under or over inflated tyres will significantly affect stopping distances.

A concentrating driver, observing prevailing traffic and road conditions, leaving the appropriate gap between their vehicle and the one in front, in a well maintained vehicle should be able to avoid a rear-end collision – whether this is due to normal traffic conditions or criminal gangs looking to stage a crash.

## Eye Tests

The Royal National Institute for the Blind (RNIB) has found that around 13 million motorists on Britain's roads are not wearing the glasses or contact lenses needed to correct their vision when behind the wheel – a shocking statistic. Whether this is due to vanity, forgetfulness, ignorance or pure stupidity, the challenges and risks that are presented through driving a potentially lethal weapon should surely dictate corrective eye measures should always be utilised, i.e. wear your glasses!

As a fleet manager, you really need to know if any of your personnel are included in this staggering statistic. When it comes to mitigating risk, fleet managers know that as well as vehicles being up to scratch, their drivers have to be fit for purpose. Increasingly, fleet operators are routinely checking licences and providing training for high risk employees.

You may think that the individual driver will be aware of any deterioration in their eyesight but this, according to the RNIB, would be a false assumption. Loss of vision creeps up on most people and we are rarely aware of it. Ranging from downtime in a vehicle to possible loss of life, the potential consequences of bad driver eyesight can be horrendous, making a strong argument for fleet managers to keep an eye on their drivers' vision, just as they would for any other risk factor.

Employers are legally required to ensure, if necessary, that staff wear glasses whilst working at a computer terminal but currently there is no such requirement to check driver eyesight! However, good working practice would be for professional drivers to have their vision tested every three to five, and private motorists checked at least every 10 years and more frequently for the more senior drivers.

To be legally fit to drive, motorists must be able to read an old style number plate (pre-2001) from a distance of 20.5 metres, or a new number plate from 20 metres away. However, did you know that it is an offence not to wear corrective lenses if they are needed – and if caught without them, motorists could land themselves with three penalty points and up to a £1,000 fine?

This may make a case to offer some form of incentive for drivers to have their eyesight checked: even looking at it very clinically, the money you could save in terms of downtime, stress and insurance claims would more than cover costs of incentives or of the sight tests themselves.

## Private car v Fleet vehicle, the rise of the 'Grey Fleet'

Most organisations will occasionally find it convenient to allow staff to use their private car for business travel. In terms of administration and cost, paying a fixed mileage allowance for the use of a private car can be the simplest solution as opposed to providing pool cars or arranging a daily rental vehicle.

Be careful because there are several issues relating to the 'grey fleet' which need careful consideration.

Employers are liable to reimburse up to 40p per mile for the first 10,000 miles per annum and then 25p per mile thereafter without any benefit in kind tax implications for the employee. There are no associated Class 1A National Insurance implications for the employer.

However, employers should consider that for journeys above 80 miles in a day it may prove cheaper to use a daily rental car than the employee's own vehicle. Bear in mind also that for many employees the opportunity to claim 40p a mile, compared with the marginal cost of driving an extra mile of probably less than 20p, is itself an incentive to travel further! Despite this, for many people who travel short distances or indeed travel infrequently, use of their private vehicle will remain a flexible and convenient option.

On average, grey fleet vehicles will be older and create higher emissions than company vehicles or daily rental vehicles. This combined with mileage rates (which may create the incentive for additional travel) means that companies need to look carefully at the impact their grey fleet may have on its total emissions.

If employees' cars are used for business travel, the employer still has a duty of care to ensure the car is fit for purpose. The car must have a valid MOT (if appropriate), is insured for business use and that the employee has a valid driving licence. It is vital that businesses have the appropriate checks in place to meet their legal responsibilities. If in doubt about the insurance, please take advice as this is crucial for the employer as well as the employee.

## An alternative source of power

Hydrogen London, through the London Hydrogen network Expansion (LHNE), is working in conjunction with London boroughs and private landowners to deliver a network of 700 refuelling centres, to service hydrogen powered vehicles.

The first station to be delivered through this initiative opened at an existing Sainsbury's forecourt in Hendon in March 2015 – the UK's first supermarket hydrogen refuelling station.

The Mayor of London commented on the plans saying “We are ploughing millions into plans to encourage the widespread uptake of electric vehicles, to boost cycling, to expand the use of hybrid bus technology to make London a more pleasant and less polluted city.”

Hydrogen vehicles emit no pollution during operation, only water vapour is emitted via their 'exhaust'. However, in order to make the transport completely carbon neutral, the hydrogen fuel needs to be sourced from renewal sources: once this can be achieved, LHNE believes that cities will see “huge benefits in improving air quality, cutting carbon emissions and reducing dependence of fossil fuels.”

Meanwhile, for fleet operators, fuel costs continue to cause severe headaches. We are years away from hydrogen vehicles becoming the norm and somehow the picture is a little bit 'Star Wars' in concept, but then petrol driven cars probably seemed just as farfetched when horses were still the regular mode of transport.

## Are you sitting comfortably?

Scientists at the University of Lough borough have claimed that fleet drivers could face serious back problems if they don't start seeing their car as a work tool rather than a perk! Fuelling the potential problem for millions of employees is the tendency to use the car as a mobile office, which they say is symptomatic of a modern sales representative's life.

In order to avoid an epidemic of back related health issues, the research team from the University has urged fleet operators to make sure vehicles are fit-for-purpose. Research has revealed that those who were most at risk of back problems work long hours drive in excess of 20 hours per week and cover an average of 22,000 business miles per year. They spend up to 40% of their time using their car as a mobile office – and that is a lot of sitting down!

Company cars are often viewed in terms of their looks and the status symbol they represent. Companies are being urged to view their cars as a basic sales tool which has the potential to make their employees feel good – or indeed bad. Employees need to be urged to make sure their seat is adjusted to a comfortable and safe driving position. They need to take regular breaks within their driving time and ensure they take short strolls to stretch cramped back muscles. A few moments spent unwinding tense muscles will ensure less time off sick through back related illness.

Life runs at a hectic pace these days and we all cram far more into the day than we were ever able to before. This is due to us being able to work virtually anywhere, but if there is an option, the car is not always the most sensible choice compared to a proper desk. Employers need to communicate the message that how the car will be used is basic to the choice of vehicle: getting it wrong will cost businesses dear in terms of lost hours due to ill health, and drivers may incur long-term health problems.

So there are many good reasons to go back to basics and remember that status is not everything.

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