



## Safety Bulletin

# XL Insurance's 2010 Auto Liability Claims Summary

XL Insurance handles a variety of auto liability claims for our program accounts in the Environmental group. Some of the most frequent and severe types of claims reported to XL Insurance in 2010 are reviewed in this article. This data and the lessons learned should help you focus your risk management and training programs on real exposures. Renewed attention to some of these fundamental risks can help your drivers prevent accidents and improve your company's bottom line.

### THE FIVE MOST FREQUENT AUTO CLAIMS

The five most **frequent** types of auto liability claims submitted to XL Insurance in 2010 were:

- Insured vehicle striking a fixed or stationary object, including a parked vehicle, while driving forward – 13.3%
- Insured rear-end collision – 12.7%
- Insured vehicle backing into an object or vehicle – 12.4%
- Insured vehicle being struck by another vehicle – 12.4%
- Insured vehicle involved in an accident while turning – 9.6%

### THE FIVE MOST SEVERE AUTO CLAIMS

Some of these claim types also made the list of the five most **severe** types of auto liability claims submitted to XL Insurance in 2010:

- Insured rear-end collision – 20.7%
- Insured vehicle involved in an accident while turning – 10.5%
- Insured vehicle roll-over – 10.4%

- Insured vehicle striking a fixed or stationary object, including a parked vehicle while driving forward – 9.0%
- Insured vehicle involved in an accident while yielding/merging – 8.1%

### REAR-END COLLISIONS CONTINUE AS LOSS LEADER

This claim type represents over 20% of the claim dollars spent and accounts for 12.7% of the claims submitted to XL. These claims are typically the fault of the driver of the rear-ending vehicle. Often these drivers are found at fault due to not having an adequate safety cushion, driving too fast, driving fatigued or becoming distracted. These accident types can result in substantial payments due to medical costs related to neck and back injuries and the fact that often the striking vehicle/driver is 100% at fault. Companies should be training their drivers on avoiding rear-end accidents. This training should be reinforced at a minimum of annually through driver safety meetings. A driver who argues they cannot maintain an adequate safety cushion may not have been properly trained on this key component of defensive driving. Best practices also include management observing drivers on the road to ensure they are maintaining a good safety cushion ahead of themselves.

### TURNING ACCIDENTS

An accident occurring while turning accounts for 10% of the claim types and dollars spent. These turning accidents include both right and left turn accidents. Turning is a normal part of driving which is often overlooked. Drivers are instructed on safe turning when they learn how to drive, but how often are safe turning techniques reviewed during driver safety meetings? Right turn accidents are often the result of swinging wide to

make the turn, only to have another vehicle attempt to pass along the right side in the gap created. Left turn accidents are the result of having to cross in front of on-coming traffic and drivers being impatient or not judging distances/speeds adequately. Again, these types of accidents can result in substantial claims due to involvement of other occupied vehicles. Dispatch and safety personnel should work together to ensure drivers are following the safest route to their destination. If there is a way to avoid difficult turns (such as mid-block without the assistance of a traffic control device) they should be utilized, even if it means a vehicle has to travel around the block to access a property from a different direction.

### **STRIKING A FIXED OBJECT**

A driver striking a fixed or stationary object is the most frequent claim type and ranked fourth from a severity stand-point. These accidents are the fault of the driver and typically involve inattention on the part of the driver. Often these happen in parking lots while loading/unloading and include striking buildings and structures which can result in expensive repairs. What impression on your customers do these types of accidents have? These accidents often occur after hours of driving when drivers exit the highway and lower their guard in parking lots and loading/unloading areas.

Fixed/stationary object accidents may also include striking stationary objects on the road-way such as barriers and guardrails, again often as the result of an inattentive driver or one who becomes distracted or careless. An emphasis on safe driving at all times is necessary.

### **ROLL-OVER ACCIDENTS**

Another claim type to note is roll-over accidents. Although these accidents only accounted for 1.7% of the claims submitted, they resulted in 10.4% of the claims severity. Roll-over accidents continue to be one of the most expensive types of claims handled. These accidents, often single vehicle, are the result of driver error and fatigue. They are preventable. Drivers operating too fast, making erratic maneuvers, or not paying attention are common causes of these accidents. These accidents often make the local media due to the impact of materials spilled from over-turned trailers, and as a result give the company negative publicity. There has been a push to reduce these accidents, especially in tanker fleets; however, the emphasis must be on-going. One moment of inattentiveness by a driver may place them at the point of no return in roll-over physics.

### **TIME FACTORS REVEAL USEFUL FACTS**

A review of time factors involved with XL Insurance claims over the past year also reveals some interesting and useful facts. The number of accidents by month is relatively consistent, with the claim range being a low of 7.2% in January and May (tie), and a high of 9.6% in September. The second highest month for claims is August with 9.2%. The higher frequency of claims occurring in August and September may be related to an increase in vehicles on the road with vacationers and people returning to school. It would be good to remind drivers of this and to advise them to use extra caution during these months. The third highest month for claims is December with 9.0%. Again, increased holiday traffic may be a contributor to the higher claims numbers as well as inattentive drivers operating on the road.

A review of accidents occurring by day of the week shows the highest accident days are Friday (18.8%) and Monday and Tuesday (18.3% each). A possible contributor for Friday accidents may be company drivers who are rushing to get home for the weekend or who have been on the road all week and are showing signs of fatigue. Dispatch should be aware of this and should allow adequate time for drivers to return home safely. Likewise, drivers need to communicate special scheduling needs when appropriate if they must be home by a specific time. Another reason for high accident frequencies on Mondays and Fridays is due to a lack of focus as the work day/week begins and ends.

### **THE IMPORTANCE OF TRAINING**

There are various defensive driver programs on the market and available through XL Risk Control which address high frequency accident types. Companies should provide defensive driver training to all new hires as part of orientation. Also, drivers involved in accidents or who receive multiple moving violations should be required to complete re-training in defensive driving. This will give management greater confidence in their drivers' abilities to drive safely, and at the same time provide an opportunity to emphasize company safety rules and policies to drivers. This training should be reinforced through regularly scheduled driver safety meetings which are focused on a single key defensive driving topic such as avoiding rear-end accidents, safe turning, or roll-over prevention.

XL Insurance's Risk Consulting staff is available to assist with training and/or driver safety meetings. Consultants are also available to lead safety

meetings. This will give drivers a different perspective/opinion on safe driving techniques. Support materials in the form of hand-outs, posters, and safety videos are also available through our web-site ([www.xlenvironmental.com](http://www.xlenvironmental.com)) or by contacting your XL Risk Control consultant.

The accident types discussed and focused on during safety meetings and training should be a combination of your company's experiences and trucking/insurance industry experiences. Keeping key subject matter in front of drivers via regular driver safety meetings will make them more aware and cautious when operating company vehicles.

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