

Driving Distractions

It costs more to buy, fix and insure vehicles than it once did. Media liability expert MAXIME LEFEBVRE explains the best ways to help apply the brakes on costs.

Dear Expert,

My TV station group has a fleet of vehicles, and the cost to repair them – whether because of a breakdown or crash – is accelerating. Why is this the case and how can we contain expenses?

–Nervous in New York

Dear New York,

We hear you. Today's newer vehicles are packed with technology like backup cameras, GPS, voice recognition, automatic emergency braking and lane departure warnings.

The price of these technologies is contributing to the rising cost of vehicles and their component parts. When multiple high-tech parts are damaged in a crash, the cost can pile up. Vehicle repairs are often taking longer due to the current supply chain crisis, sometimes compelling companies to rent vehicles in the meantime.

Then there are labor concerns for anyone who seeks to hire drivers from the trucking industry. There's a huge shortage of truckers in the U.S., with the shortage potentially surpassing 160,000 drivers by 2030, according to American Trucking Associations. Some organizations may need to hire less experienced drivers, and with that comes a greater risk of safety issues.

ACTIONS TO TAKE

The good news is that by managing underlying fleet safety risks, there are ways to help manage costs. First and foremost, a comprehensive fleet safety program should be established and updated regularly, and all drivers and supervisors should understand their roles.

Examine the motor vehicle driving histories of drivers before hiring them and review records annually. Also, coach drivers to improve their performance when needed. And put in writing how many

hours per day drivers are permitted to operate specific vehicles and the needed recreational breaks in between.

While at the wheel, drivers should focus on driving. This means no eating or other activities that entail multitasking. Cell phone use should not be allowed, with incoming texts and calls blocked. To put teeth into the rules, consider the use of

Nationwide, more than 14,400 catalytic converters were reported stolen in 2020, a 325% increase from the prior year.

visual sensors to detect safety issues like a driver's drowsiness.

You also need to protect vehicles from sticky-fingered thieves. Parts that make vehicles costly to repair or replace also make them more valuable. Car-part theft is soaring, with the city of Los Angeles tallying a 42.8% increase in stolen auto parts in 2021, according to a story in [xtown.la](#), which quoted Los Angeles Police Department figures. Thieves particularly prize catalytic converters. They contain high-value precious metals like rhodium, platinum and palladium, which are sold for scrap. Nationwide, more than 14,400 catalytic converters were reported stolen in 2020, a 325% increase from the prior year, according to the National Insurance Crime Bureau.

To thwart these criminals, etch the license plate number of the vehicle into the catalytic converter so that it's identifiable to law enforcement and will make thieves think twice before pilfering it. Along the

same lines, secure a steel brace or cable over the catalytic converter, and/or install a motion-sensor-operated dashboard cam that can capture an image of the thief's face, vehicle and/or license plate.

INSURANCE SPEND

It is not uncommon for a media or broadcast enterprise to insure a large fleet of vehicles. Taking a \$500 or \$1,000 deductible for a covered comprehensive or collision loss on hundreds of vehicles was common practice 15 years ago, but in an era of pricier vehicles, low deductibles may not make good financial sense. Yet many companies stick with them, thinking they may save money in the long run.

By taking a higher deductible, companies have a vested interest in keeping vehicles safe and secure. The added benefit is that insurance rates are typically lower with higher deductibles, though other factors may play a role in pricing policies – including the identification and implementation of risk-mitigation strategies.

Sit down with your insurance broker or agent to review your current commercial vehicle insurance policies – including coverages and limits. They're skilled at helping identify ways to mitigate risks, reviewing insurance policies and limits holistically. Together, you can identify ways to potentially reduce costs while helping keep your company, your property and your people protected.

Maxime Lefebvre is senior vice president, entertainment, at the global insurer Chubb. She can be reached at mlefebvre@chubb.com.



This document is advisory in nature and is intended to be a resource to be used together with your professional insurance advisors in maintaining a loss-prevention program. It is an overview only and is not intended as a substitute for consultation with your insurance broker, or for legal, engineering or other professional advice.

Do you have a professional puzzle that MFM and BCCA experts might be able to answer? We'll mine the contact base and find the right person to answer your question. Just contact TFM editor Janet Stilson at janet@mediavillage.com