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# EFFECTIVE CLAIMS MANAGEMENT: DRIVER INCENTIVES II



Tis the season to be wary!

The winter months, with the longer nights, are a bad time for claims concerning the opportunistic theft of vehicles. The following example demonstrates that risk-reducing measures cannot operate in isolation – they need driver incentives (in this case directive) to be appropriately managed at the same time.

The lessons here can be applied all year round, but have particular urgency in the higher-risk theft months.

## Let's set the scene.

Company A had a sizeable fleet where, following a spate of vehicle thefts, drivers were required to fit a 'pedal box' each night before locking their vehicle. The pedal box prevented use of the pedals and was extremely difficult to remove without the requisite keys, certainly not without making significant noise/disturbance, so Company A assumed that this would stop their vehicles being stolen. The cost of a pedal box can range from £80 at the lower end to above £200 for more heavy-duty pieces of kit. For the purpose of preventing vehicle theft and lowering premiums, this seemed a modest investment.

*“Sitting drivers in a room and undertaking ‘driver training’ is rarely enough”*

Nevertheless, the thefts continued, and each driver swore that they had followed protocol and implemented the pedal box before leaving their vehicle. With the boxes missing along with the vans, there was no way for Company A or their insurer to verify or dispute the drivers' claims, so Company A's premiums increased substantially.

### What could be done?

The fact of the matter was that each pedal box was a hassle to put on and drivers felt no need to take the time (less than a minute) out to do it before clocking off. Sitting drivers in a room and undertaking 'driver training' is rarely enough, since educating drivers does not necessarily mean that they will follow it through.

*“that which is inspected is respected”*

Consort believed that it was this, rather than the security measures themselves, which needed addressing. Following the principle of 'that which is inspected is respected', Consort suggested that the following directive was implemented by Company A:

*The drivers, who had all been issued with company smart phones, were required to take a photo of their properly-fitted pedal box each night. This photo would have the time and date recorded by the smart phone.*

*Every week, at an unspecified time, two drivers would be selected at random. They were required to provide their photos for a given night, also chosen at random, to prove that they had secured their vehicle.*

*There was then a system of procedures for drivers who failed to comply. First time offenders were given a warning, with subsequent transgressions incurring ever more severe penalties. The number of drivers selected and the penalties in question should, of course, be tailored to your firm's particular situation.*

*“the scheme did not just reduce vehicle thefts, it eliminated them completely”*

### Did it work?

'Miraculously', the scheme did not just reduce vehicle thefts, it eliminated them completely. One year on and this remains true. This meant that premiums could fall at no additional cost to Company A.

It goes to show that you must think beyond the physical aspects of a security system and consider the personnel and procedures that make it work effectively, since failure to do so can undermine money well-spent.

**Consort are always happy to provide advice on your risk management procedures and how to align employee incentives with those of the company. Please don't hesitate to get in touch.**