

ARTICLES

Can Telematics Improve Courier Driver Safety?

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There's always one question squarely in the driver's seat for same-day delivery and courier company owners, "How can I develop a safer driving environment for my employees and independent contractors?"

Selecting safer vehicles is part of the solution coupled with driver training programs, or better vetting new drivers and their driving history. But beyond that, tech advancements continue to evolve fueled by **telematics**.



If you're unfamiliar with telematics or the implications this technology will have on your courier delivery business, below is an overview of how telematics can provide ample opportunities for improved driver safety, productivity, efficiency and ultimately, profitability.

What is Telematics technology and how does it affect couriers, delivery vehicles and drivers?

Telematics is a technology that integrates telecommunications and computerized information, enabling devices to send, receive, and store data related to a remote object (e.g. a vehicle). Utilizing a global positioning system (GPS), telematics offers drivers, couriers and insurers the ability track and assess the performance of a fleet, gaining valuable insights into the conditions, driving behaviors and reactions of a vehicle on the road.

Telematics devices (fixed in the delivery vehicle) can play a beneficial role in promoting safe driving, and reducing the frequency of auto accidents and their associated costs.

Do telematics devices make a difference?

Telematics devices offered by auto insurers appear to be working to change the behavior of drivers. More than half (or 56%) of the 1,135 drivers participating in an Insurance Research Council (IRC) public opinion survey said they have made changes in how they drive since installing a telematics device provided by their insurance company in their primary vehicle.

According to the insurance industry-supported IRC, 36% of respondents said they have made small changes in how they drive, and 18% said they have made significant changes. And, 38% said they have made no changes to their driving practices since having a device installed.

The survey also found that drivers 65 and older are significantly less likely than other drivers to report making changes in how they drive. A substantial majority, (82%) of those with telematics devices reported receiving information from their insurance company about their driving behavior after having a device



installed—81% of those who received information from their insurer said they found the information helpful.

Telematics devices plugged into policyholders' cars can measure:

- Miles driven
- Time of day
- Where the vehicle is driven
- Rapid acceleration
- Hard breaking
- Hard cornering
- Air bag deployment and other behaviors

Insurers offer the telematics devices as part to their usage-based insurance (UBI) policies that reward safe drivers with lower premiums. Commercial insurers also offer UBI programs to fleet managers.

Age matters when it comes to Telematics and UBI

Research released by Towers Watson suggests that Millennial drivers (ages 18-34) and NBSP, are more interested in UBI auto policies than are drivers in all other age groups. And, this group is more willing than others to change their driving behavior in response to UBI information - Millennial driving with UBI would most likely change behaviors such as obeying the speed limit and maintaining a safe following distance based on utilization of the technology.

The survey by Towers Watson, which consults on and sells UBI services to insurers, attracted 1,061 respondents. Overall usage of UBI appears to be growing although estimates of its penetration vary.

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