

# Loss Control Tool

## Vehicle Telematics



### What are Telematics?

We may be able to best explain it by giving some examples. Some vehicles are equipped with a device that receives or transmits information wirelessly. For example, the vehicle may automatically dial 911 if sensors indicate that the vehicle has been in a crash. Another example: The telematics system in your vehicle may be able to send a report to your smart phone or email providing vehicle conditions and diagnostics. And, as we have heard on the news, some vehicles are equipped with automatic driving assistance systems such as a crash avoidance system that is capable of detecting potential crash situations and applying the brakes.

A telematics system is a device, a crash-resistant black box with modem or cellular connection, installed in the vehicle, and capable of receiving and transmitting information wirelessly. Many of these capabilities can be for convenience or entertainment purposes, but many of the possible functions have much more valuable applications.

### Telematics Capabilities

Vehicle telematics can generally include numerous functions such as:

- Communications.
- Remote door lock and unlock.
- Transfer of streaming navigation instructions.
- Automatic collision notification (ACN).
- A help button to access emergency services or roadside assistance.
- Sending vehicle diagnostics reports.
- Vehicle speed and location reports.
- Remote door unlock.
- Stolen vehicle locator.
- and more...

### Commercial Fleet Use

The entertainment uses may not be considered worth the investment for commercial vehicle fleets, but other telematics capabilities can serve to enhance the safety and efficiency of vehicle fleets. These include:

- Vehicle location tracking.
- Vehicle diagnostics and condition reports.
- Speed and tracking of hard braking events.
- Shipping container or trailer tracking, especially for high valued or sensitive products.
- Automatic Collision Notification (ACN).
- Tracking and reporting of driver hours.
- Providing information to the dispatcher for more efficient route and load assignments.
- GPS and routing efficiencies.
- and more...

### Other claimed benefits of telematics:

- Reduction in fuel costs as a result of better oversight related to speed, acceleration, etc.
- Reduction in delivery time and improved customer satisfaction due to improved vehicle location tracking and routing.
- Improvement and automation of driver hours and logbook issues.
- Improved routing and tracking of actual routes taken to reduce overall fleet miles driven.
- Improvement in fleet maintenance management.
- Improvement in mobile workforce management.

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- Automated maintenance reminders and alerts.
- Automated tracking of vehicle mileage and hours of use.

## Who offers telematics?

Many vehicle manufacturers offer automobile telematics systems. This includes General Motors with their OnStar system, as well as numerous other automakers such as Chrysler, Ford with their Sync system, Nissan, Toyota, Volvo, and others. For commercial vehicle fleets utilizing automobiles one of these systems may be the simplest choice.

There are also numerous independent providers for vehicle telematics systems. They will install the system and connect the vehicles to a central monitoring station or the company management dispatch office. The selling point will include reference to the benefits noted above. Numerous companies have websites describing their systems, highlighting the numerous benefits of telematics, listing the various "levels of service" that they offer, and possibly providing testimonials from satisfied customers.

## Perceived benefits:

From a safety and loss prevention standpoint (an insurance company's point of view) there are numerous potential benefits of a telematics system in a policyholder's vehicle fleet.

- Improved control of vehicle preventive maintenance.
- Improved tracking of driver hours and compliance issues.
- Improved reliability of logbook entries and compliance issues.
- Improved management response to vehicle accidents.
- Improved management oversight of driver accident procedures.
- Improved management awareness of unauthorized off-route vehicle use.
- Improved management awareness of driver speeding habits.
- Improved management awareness of driver hard-braking habits.
- Improved capability to locate stolen vehicles or trailers/cargo.
- and more...

All of these potential benefits can result in a reduction in the number of fleet-related insurance claims. If an insurance claim or loss does occur, the severity of that claim may be greatly reduced due to some of the benefits of the fleet telematics system. In the long run, reducing the frequency and severity of claims will help to keep insurance premiums down.

Central has partnered with Azuga to offer substantial discounts for vehicle telematics and cameras. Visit [www.azuga.com/premium-partner/central-insco](http://www.azuga.com/premium-partner/central-insco) to learn more and request pricing information.

[Contact us today to learn more.](#)



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