

Fleet Management: The Basics

The real costs of managing a vehicle fleet

If you manage your company's vehicle fleet, you know that it's a major expense. But you may not often think about the costs to your business if one of your employees was involved in a collision.

Having vehicles on the road is one of the biggest single safety issues facing many companies today. So it pays to be prepared and have a sound risk management plan in place to help make safety a top priority for your business.



Managing a fleet in today's legal environment

With a worldwide increase in litigation, today's organizations are doing business in a riskier legal environment than ever before. Businesses need to focus on risk management – with an emphasis on safety and prevention – when it comes to reducing legal exposure down the road. As an owner of commercial vehicles, it's important to think about the legal responsibilities you have for the drivers of those vehicles.

Owner's liability

As an employer, you're generally responsible for the negligence of your employees when they're on the road as part of their job. This is known as vicarious

liability. In many provinces, employers are even liable for clean-up costs and fines incurred as a result of products spilled in transit. So it just makes good business sense to develop fleet loss prevention strategies that work to reduce your risk.

Avoiding potential liability

There are ways to prepare your business and reduce risk before a problem ever occurs. If an employee does get into a motor vehicle collision, avoid potential liability by ensuring:

- vehicles are always properly maintained
- drivers are well trained
- drivers are well rested when driving
- all information relating to the collision is clearly recorded

Documentation is key. Your records will be used in court as evidence and will play an important role in influencing court decisions and avoiding liability.

Safety on the road – what every driver should know

Developing a fleet safety manual that drivers can reference is a great way to keep safe driving top of mind for your employees. As a driver, they are responsible for the safety and care of passengers, and all others on the road.

Be sure all drivers are familiar with the following safe driving tips:

Vehicle checks

Before driving, take a moment to examine:

- the area around the vehicle (looking for objects, other vehicles, etc.), and
- the vehicle itself to ensure it is mechanically safe.

Planning ahead

- If conditions (e.g. driver, weather, road, traffic, vehicle) will compromise safety, consider alternative arrangements
- Plan and utilize the safest possible routes to reduce the risk of collision

Be alert, calm and prepared

- Driving requires full attention, so always allow plenty of time and minimize distractions
- Control emotions and be courteous even if you see aggressive and careless behaviour in other drivers

Positioning the vehicle

- When driving under normal conditions, anticipate situations that may become potentially dangerous and act to prevent a collision from occurring
- When caught in hazardous road conditions, adjust driving accordingly

Communication

- Ensure your actions are predictable to all drivers and pedestrians

Obeying the law

- Obey all rules of the road when driving

Emergency preparedness

Being prepared for an emergency – whether a collision, illness or vehicle breakdown – ensures the safety of your drivers. A properly equipped emergency kit can greatly reduce the effects of being stranded or hurt on the road.

Consider keeping the following equipment in each of your vehicles:

- First aid kit including gauze, dressing, dressing tape, bandages, tweezers, scissors, safety pins, alcohol wipes, cold packs, reflective rescue blanket and first aid manual
- Flashlight with extra batteries
- Jumper cables
- Tow chain or rope
- Reflective tri-angles or battery-operated warning lights

- Properly inflated spare tire, jack and wheel wrench
- Bag of sand or kitty litter and traction mats
- Fire extinguisher
- Blankets or sleeping bags
- Ice scraper, snow brush and small shovel
- Commercial de-icer
- Tools: screw driver, wrench and pliers
- Cloth or roll of paper towels
- Non-perishable food items, such as snack bar
- Bottled water
- Maps
- Pocket knife
- Box of facial tissue
- For long distance trips, extra clothes, mittens, socks, hats and extra winter boots
- Cellular phone for emergency calls. (Use phone when car is not in motion)
- Any other equipment you feel it is necessary to carry in the event of an emergency

With commitment, forethought and planning, the risks and costs of managing your vehicle fleet can be minimized. It is not only your responsibility to ensure safe operation of your vehicles, it makes good business sense.

For further information on this topic, please contact your independent insurance broker.

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