

CoPilotSM Telematics: The Next Frontier

It's no secret that one of the riskiest parts of your employees' jobs is when they are on the road driving. In fact, in the last decade, we saw a boom in the use of technology devices to help improve driver safety and keep claims under control. Many insurance carriers, including National Interstate & Vanliner, have identified the use of telematics data as the next frontier in significantly improving the customer experience, maintaining healthy underwriting results and equipping ourselves and our customers with the information necessary to improve performance. That is why we launched CoPilot Telematics in 2020. We intend to help our insureds be among the safest and most efficient operators by providing tools to help aid continuous improvement. Before we get into the details of our CoPilot Telematics product, let's explore the question: "What is telematics?"

The term 'telematics' comes from a blend of telecommunication and informatics sciences. In the 1960s, these two sciences merged when the U.S. Department of Defense developed GPS systems to track U.S. asset movements and improve communication on the battlefield.¹ Fast forward to 2021, and telematics are everywhere and have significantly improved from where they started sixty years ago.

DATA. DATA. DATA!

The next question you may have is, "Why is everyone talking about telematics these days?" The answer is simple - data! Having information available that may not have been readily accessible in the past can (and will) shape your ability to make decisions rapidly. Telematics is a method of collecting data from vehicles via communication devices, such as satellites and wireless technologies. The data collected may include driving speed, acceleration, braking, miles traveled and time/ location data on routes driven.

Types of telematics devices include, but are not limited to:

GPS Tracking: Primarily tracks vehicle location and speed.

Engine Control Module (ECM): Captures data such as fuel usage, vehicle mileage, odometer readings and engine diagnostics.

Electronic Logging Devices (ELDs): Integrated with the vehicle engine to record driving time for accurate hours of service (HOS) by communicating directly with the vehicle's engine. Automatically records driving activity and other information such as engine hours, ignition status, location and miles driven.³

Automated Event Recorders (AERs)/Video Telematics:

A small video camera that captures events, both in front of and inside of the vehicle, records G-Force events and stores the videos on your platform, allowing you to review the event with your driver and address unsafe behavior. In a 2018 survey conducted for National Interstate, 97% of customers believe that AERs provide a positive return on investment (ROI).

Advanced Driver Assistance Systems (ADAS): Includes applications, such as pedestrian detection/avoidance, lane departure warning/correction, traffic sign recognition, automatic emergency braking and blind-spot detection.

A FEW OF THE BENEFITS

Telematics allows operators to utilize measurable, data-driven insights to optimize many aspects of their fleet. Remember, data is power! At its core, telematics data can provide immediate driver feedback for infractions like harsh cornering, hard braking and speeding, which, when coached, can result in safer drivers. It can provide accurate first notice of loss claim information that can improve claim reporting and speed to resolution. Combine that with some contextual data such as traffic density by time of day, weather patterns, claims information and benchmarking data, and you can provide prescriptive risk management programs, route planning and optimization. All things that can make an operator safer and more efficient.

There are countless benefits to embracing telematics technology, with most fitting into these three categories:

Operational Benefits: This includes things like route optimization, fleet utilization, fuel efficiency, vehicle maintenance and idle time, to name a few.

Safety Benefits: Real-time data is available to understand how your drivers are behaving on the road. This can help you identify risky behaviors and provide an opportunity to coach your drivers. Aggressive driving, distracted driving and fatigued driving are high-risk behaviors tracked by a telematics device.⁵ Aggressive driving includes speeding, harsh braking and hard acceleration. According to National Highway Traffic Safety Administration (NHTSA), in 2018, 9,378 deaths were speed-related accidents.⁶

Compliance Benefits: Telematics can help you comply with federal or state mandates as well as your company policies.

WEIGHING ALL OF THE OPTIONS

Two factors remain important when assessing a telematics program – the right fit and your management plan. Take the time to evaluate how these products can fit into your operation and meet your unique needs – there is no one best choice that applies across the board. Make sure to understand the information you gather and how you plan to manage it. The data is only as valuable as the action you take on it. The same solution can provide varying levels of ROI to companies based on how effectively they manage the information. When managed correctly, these systems can be your best asset in analyzing and improving the overall safety performance of your operation.

Do your research: It seems like there is a new telematics provider daily, and this field is constantly evolving. Talk with industry peers to see what solutions have worked for their operation. Discuss with your trusted advisors and see what their recommendations are

specific to your operation. Emerging technology platforms and new terminology can cause information overload and confusion. Taking the time to evaluate these options and truly understand what will be delivered can have a valuable impact on the day-to-day management of the right solution for your operation.

Check-in with your insurance carrier: Many carriers have relationships with telematics vendors and may be able to provide you with recommendations. You should see if they have any programs in place to help offset the expense of implementation. National Interstate has a subsidy program with selected vendors for eligible insureds.

Request a demo: Once you narrow your choices, request demos from your top picks. Come prepared with questions so you can walk away understanding the features that are important for your operation.

Develop a roll-out plan: Work with your selected vendor and your advisors on a roll-out plan. Adoption is important among drivers, so find a core group of drivers who will embrace the technology and start with them.

WHAT'S NEXT?

Telematics represents a disruptive, transformational technology that has the power to reshape the industry. Many insurance carriers are rolling out telematics programs. National Interstate and Vanliner understand the importance of this technology and have for many years. We were at the forefront of telematics innovation when we began offering subsidy programs to eligible insureds.

Expect the buzz to continue around artificial intelligence and machine learning as new ways to leverage this technology will be developed. We will also see more opportunities around empowering drivers to improve performance through self-review, coupled with coaching from their supervisor. You can be sure that telematics technology is constantly advancing, and your company must continue to evolve along with it.

SO, WHAT IS COPILOT TELEMATICS?

The vision of CoPilot Telematics is to help you be among the safest and most efficient operators by providing tools to continually improve. This is accomplished by integrating with your current Telematics Service Providers (TSP) on the back end. We strive to provide a value-added loss control tool to improve the claims process and provide industry benchmarking that cannot be found elsewhere. By understanding and leveraging this technology, we aim to create a whole new level of customer engagement and value, including added service to meet your evolving needs. The intent of CoPilot Telematics is to enhance what you are currently getting from your TSP.

A few benefits of participation include:

Enhanced Loss Control: One thing that has been a consistent request from our insureds is providing customized loss control guidance based on what is happening at their operation. You will have access to a user interface dashboard to access information on demand. Tools and guidance will be based on what is happening at your operation. Our aim will be to provide insights prescribed around the needs of your operation, helping you drive down loss frequency and total cost of risk.

Claims Handling Efficiency: The goal is to improve and streamline the claims process with direct access to data revolving around a claim, saving time and improving your experience.

Performance Benchmarking: Benchmark your data anonymously and see where you stack up against other operators in your industry that are insured through National Interstate and Vanliner. As this relies on others sharing data, this will become more meaningful as the number of companies participating increases.

Data Integration: Top telematics companies can now share data with us, with new integrations happening quarterly. CoPilot Telematics is integrated with several TSPs, including Samsara, Geotab, Netradyne and PeopleNet. We are currently piloting Lytx, Cambridge Mobile Technology, Omnitracs and KeepTruckin. If you are utilizing multiple technologies across your fleet, we anticipate providing important telematics data from various TSPs on the same user interface.