

# WHAT IS FLEET INSURANCE AND WHY DO YOU NEED IT?



ROMERO  
INSURANCE BROKERS





**START**  
**STOP**  
**ENGINE**

## INTRODUCTION

Fleet insurance is essential for businesses who are responsible for multiple vehicles. This insurance type is the easiest and most cost-effective way of managing your vehicles, and arranging your fleet insurance is best done through a broker. Romero Insurance Brokers want to ensure that clients have the best possible foundation in place for a secure future.

Businesses have a duty to protect both their drivers and their vehicles, which can be achieved by being aware of the risks.

In this whitepaper, we layout the necessity of fleet insurance as well as the issues this insurance is designed to tackle.

Matt Jaques, Romero Group Broker, illustrates the importance of a dedicated fleet manager, why you should always communicate with your broker, and what businesses need to know for the future.



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# WHAT IS FLEET INSURANCE?

Fleet insurance is a policy that covers multiple vehicles.

Fleet insurance is ideal for business owners as it saves juggling motor policies. Vehicles often included by fleet insurance include vans, trucks, minibuses, HGVs and cars.

Insuring as a fleet allows your drivers to share cars and vans, however some businesses choose to designate named drivers for specific vehicles. Fleet insurance offers more flexibility than multiple individual covers and is generally a much more manageable form of cover. Fleet insurance allows businesses to add or subtract vehicles and named drivers with ease, which in turn, could save business a lot of money in the long run.

## **What is the difference between fleet insurance and car insurance?**

Car insurance covers your vehicle in case of accidental loss or damage or if the vehicle is stolen or vandalised. Fleet insurance duplicates your car insurance across multiple vehicles and applies to a variety of types and models. This often means the insurance is more manageable and affordable.

## **What is the difference between fleet insurance and multi-vehicle insurance?**

A multi-vehicle insurance policy is similar to car insurance however the same policy covers more than one vehicle. The reason this can be an advantage is the discount that applies to insuring multiple cars. The no claims bonus can then apply to individual cars.

However, fleet insurance becomes considerably more cost effective than multi-vehicle insurance when more than five vehicles are insured. It allows businesses to add and remove vehicles as they wish, making it much easier to swap out older models for newer ones. For large fleets of vehicles where change is frequent, fleet insurance cannot be beaten.



# WHY IS FLEET INSURANCE NECESSARY?

Arranging one vehicle's insurance is simple enough, but arranging ten, twenty, or even a thousand individual policies is a mammoth task. There are renewal dates to keep track of, claims to be made, and hundreds of insurers to review.

Fleet insurance avoids this administrative nightmare. This policy acts as a pit stop for your all your vehicles' needs. Fleet insurance can also provide exceptional discounts because the policies are arranged in bulk. Having 5 or more cars on a policy will allow for a fleet rating and possibly a commercial fleet deal. But to be certain to get the best deal, businesses should use an insurance broker.

A broker will act as the crucial conduit between the business and the insurer. If a vehicle is changed, modified, taken off-road or there's been an accident, the insurance broker will do most of the hard miles. A good broker understands the procedure and will quickly resolve any issues without hassle and with minimum business interruption.

Fleet insurance doesn't just apply to large haulage companies or car sales businesses; all businesses that have more than a couple vehicles on their books should use a broker to arrange a fleet insurance portfolio.

Insurance brokers are also ideal for private clients who may own several cars. Whether a collector or an enthusiast, fleet insurance will save time and money compared to individual policies.

## WHAT'S INCLUDED IN FLEET INSURANCE?

- Cover for all vehicles under the same policy
- Bodily injury and property damage
- Third party insurance to protect other people in the event of an accident
- Fire and theft policies will cover the financial cost of damage and vandalism
- Legal expenses covered in the event of a claim
- Full flexibility and control over vehicles and named drivers

## WHAT'S INCLUDED WHEN USING A BROKER?

- Expert financial advice
- Relationships with insurers offering the best deals
- Administrative work taken care of
- Management of professional details and renewal dates
- Representation throughout the claims process



# WHAT DO BUSINESSES NEED TO KNOW BEFORE USING A BROKER?

You will need to record and update your information before arranging your fleet insurance. Brokers will ask for a list of information in order to start arranging your policy. This list includes:

- Past vehicle insurance details
- Vehicle numbers
- Vehicle model and make details
- Driving licenses
- Personal details of drivers, including claim history and accumulated points

Businesses should allocate a fleet manager who can provide these details and liaise with the insurance broker. But once this information has been relayed, we take over and shoulder the hard work of arranging your policy and handling claims.



# HOW TO BE A RESPONSIBLE FLEET MANAGER

Having a responsible fleet manager will help cut costs by ensuring the business does not go outside the parameters of the fleet cover. They should also be able to communicate effectively with their broker in order to update details on the cover.

A responsible fleet manager needs to:

- Create and maintain a driving handbook which outlines the expectations of the company on all drivers.
- Communicate effectively and regularly with your insurance broker.
- Be aware of careless drivers – named drivers who keep claiming may be best suited to their own policy as to not affect your fleet premium.
- Carry out regular driving licence checks – this should form a key part of any health and safety policy at a company where employees drive business vehicles.
- Ensure employees have the right training.
- Ensure dashcams are set up correctly, front and back.
- Keep a record of miles and speeds through black boxes and GPS tracking – this will also help with the recovery of stolen vehicles. From July 2022 all vehicles will now be made with speed limiters as standard.
- Carry out vehicles checks – tyres and brakes are first to wear. A service record for each car will need to be kept.
- Ensure vehicles are regularly kept in a secure area. Install CCTV surveillance and lock those cars kept overnight.

Carry out regular checks on licenses and named drivers details every 12 months, if not more often. Your insurance should be regularly updated at least annually, it is the fleet manager's responsibility to have details to hand when required.

# WHAT IS THE MID?

MID stands for Motor Insurance Database. It is a record of all insured vehicles in the UK, and is used to combat uninsured drivers.

All fleet vehicles should be registered on the MID. These records need to be accurate and up to date. An insurance broker will help you navigate the MID and provide information on the details you will require.

# WHAT ARE THE MOST COMMON FLEET INSURANCE ISSUES?

## **Failing to comply with policy terms**

The demands and needs document we will provide with your policy should be adhered to in order to ensure you are fully covered. In particular we find that the young drivers restrictions and restrictions on named drivers are most commonly overstepped. The consequences of not complying with your policy terms are dramatic and we advise against any attempt to exceed these limits.

Knowing what you are and what you are not covered for is important. Ensure you stay within your cover limits in order to stay fully financially protected.

## **Vehicle not registered MID or policy when the claim is reported**

Such a small update could save a lot of time, money and headaches. All insured vehicles should be on the MID, failure to comply will invalidate an insurance claim.

Some insurers require quarterly or half-yearly declarations, and your insurance broker will advise on how often the policy schedule needs to be updated. A common issue is where vehicles have not been added or correctly added to a policy, thus voiding the claim. Ensure all changes to your fleet are relayed to your broker as soon as possible.

## **Third party bumps**

The most common fleet insurance claims issue are the small bumps and scrapes. They happen at low speed and usually result in no injuries. These can be a major headache for businesses to sort out if they don't understand the claims process. Brokers, however, can quickly resolve the issue without hassle, minimising the business disruption involved.



**ENSURE YOU HAVE A BROKER ON HAND TO DEAL WITH CLAIMS ISSUES.**

**AT ROMERO INSURANCE BROKERS WE HAVE AN IN-HOUSE CLAIMS TEAM WITH OVER 20 YEARS OF EXPERIENCE, AS WELL AS A DEDICATED MOTOR CLAIMS APP, AND KEY RESOURCES FOR YOU TO TAKE ADVANTAGE OF.**

**THERE'S NO CLAIM BIG OR SMALL WE HAVEN'T SEEN. LET OUR EXPERTS DO THE WORK WHILE YOU GET BACK TO RUNNING YOUR BUSINESS.**



# WHAT CHANGES ARE AFFECTING THE FLEET INSURANCE MARKET?

## **New highway code rules**

It is important to ensure all your drivers understand road safety and the new rules which have come into place recently. Key changes include but are not limited to:

- The hierarchy of road users – those who can do the greatest harm now have the greatest responsibility.
- Pedestrian crossings – give way to pedestrians waiting to cross at crossings
- Phone usage – such as scrolling and texting, changing music or playing games
- More space to be offered to cyclists upon passing and at junctions

## **Green card regulations**

UK drivers are now no longer required to carry Green Cards when driving in the EU. However, to drive abroad, all vehicles will need a UK sticker, as opposed to the previous GB sticker.

## Electric cars

It's clear in many minds that electric cars are the future. Many businesses have seen the benefits of having electric cars on the books over petrol and diesel and therefore have purchased or leased them. However there are also increased risks which businesses need to be aware of.

### **The benefits of a fleet of electric cars:**

- No emissions
- Less refuelling
- Less tax – however this is set to change in the near future.

### **The risks of a fleet of electric cars:**

- They are generally more expensive, therefore the insurance could be more expensive
- They are deceptively fast; a number of electric cars are considered prestige sports cars by insurers
- There are fewer recognised repairers and garages, therefore wait times on repairs will be longer and are often more expensive
- Insurers are wary of new technology and this unknown factor can harden the market around electric car insurance
- Charging cables can cause problems and trip hazards. Make sure this is covered as an extension of either your fleet insurance policy or your public liability insurance – discuss with your broker as to whether this would be necessary.

**A VAN IS BROKEN INTO  
EVERY 23 MINUTES.**

(BBC RADIO 5 LIVE)

**THE TOTAL AMOUNT PAID ON ALL MOTOR  
CLAIMS STANDS AT OVER £8 BILLION PER YEAR.**

(ABI)

**THE AVERAGE ANNUAL COST OF CAR  
INSURANCE IN THE UK IS £429.**

(ABI)

**2.4 MILLION DRIVERS ARE  
CONVICTED OF A DRIVING OFFENCE EACH YEAR.**

(THE HOME OFFICE)

**90% OF INDIVIDUALS TAKEN TO COURT FOR  
MOTORING OFFENCES GO ON TO BE CONVICTED.**

(THE HOME OFFICE)

**THE MIB HANDLES OVER 20,000 CLAIMS AGAINST  
UNINSURED AND UNTRACED MOTORISTS EVERY YEAR.**

(MIB)



# CASE STUDY

## – THE CLONED PLATES

### Context

Our customer was hit by a third party driving a vehicle with cloned plates. We submitted the case to the MIB under the untraced drivers' agreement. This allows victims of accidents to claim compensation for the injury and damage caused by someone unknown.

### Claim

The case was rejected on the grounds that the vehicle was not identified. We therefore argued that the vehicle was identified, it was the driver that was unidentified. We were successful.

### Solution

Reviewing the footage from the customer's vehicle dashcam, the offending vehicle was identified. Therefore, the appeal was allowed.

### Conclusion

Case studies showcase how complex and frustrating insurance claims can be. Having the knowledge of technicalities and clauses in lengthy policy documents could be the difference between a claim being settled or repudiated.

An insurance broker will have extensive experience of similar claims and can help to successfully defend you should you need to make a claim. Ask yourself: If you have a fleet of several vehicles, and each is involved in a claim, could you handle several complex claims cases? Could you provide or afford the time each case requires?

At Romero insurance Brokers, we understand you have a business to run. That's why we promise to take care of the full breadth of your insurance, minimising any disruption to your business workflow.

# WHY YOU SHOULD USE ROMERO INSURANCE BROKERS FOR YOUR FLEET INSURANCE?

We are the UK's best independent insurance broker. We offer innovative cutting-edge solutions to protect, support and reassure you. We are sat at the head table with the best insurers, able to negotiate the most competitive deals for your fleet insurance.

With 25 years in the insurance sector, there isn't much we haven't seen before. We are also able to see how the recent changes are affecting the landscape and where we need to adapt in order to overcome.

Take advantage of our in-house claims team and our UK-wide account handlers to ensure you have the insurance your company deserves.



# MATT JAQUES

Romero Group Broker

***“FLEET INSURANCE CAN BE COMPLICATED. USING ROMERO INSURANCE BROKERS SIMPLIFIES THE WHOLE PROCESS SO THAT YOU CAN FOCUS ON MANAGING YOUR BUSINESS.”***

**At Romero Insurance Brokers we treat customers exceptionally; this includes your property, assets, employees, as well as your vehicles.**

**We believe in protecting your tomorrow, today.**

**Contact us now and let us take the wheel.**



# DO YOU KNOW THE RECENT CHANGES TO THE FLEET INSURANCE MARKET?

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