

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



ROMERO  
INSURANCE BROKERS

# INTRODUCTION

Here at Romero, we make sure our commercial clients are protected for their tomorrow, today. That includes making sure your commercial vehicles are adequately covered.

## WHAT IS FLEET INSURANCE?

Fleet Insurance is insurance that covers one or more vehicles (the minimum and maximum amount is dependent on each individual insurer).

For business owners with multiple vehicles this is ideal as it saves juggling several different policies.

Vehicles often covered by Fleet Insurance include vans, trucks, minibuses, HGVs and cars. Generally, taxis will need specific Taxi Fleet Insurance, so you should ask your broker for additional advice on this.

You can often insure a mix of different vehicles as part of your fleet insurance. You can decide whether to allow your drivers to mix 'n' match vehicles or have Named Drivers for specific vehicles.

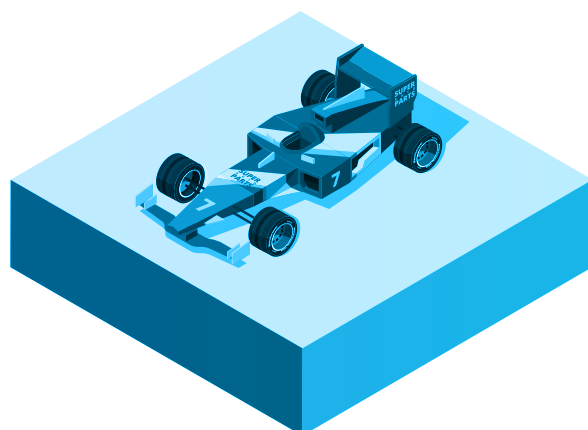


# THE DIFFERENCE BETWEEN CAR INSURANCE, MOTOR TRADE INSURANCE, MOTORSPORT INSURANCE AND FLEET INSURANCE

There's little difference between car insurance and fleet insurance – aside from the numbers. Think of fleet insurance as an efficient way to duplicate your car insurance for a variety of vehicles and drivers.

Motor trade insurance covers those working in the industry (such as mechanics) to drive any vehicle – but it must be for the sole purpose of the motor trade - so no zipping about in a customer's Mercedes just for fun!

If you're into go-karting or motorsport, you'll need specialist insurance cover for that too. Car or fleet insurance simply won't cover the inherent risks associated with motorsport racing.



## ... AND WHAT ABOUT MULTI-VEHICLE INSURANCE?

If you have a small number of vehicles (less than five, for example) then multi-vehicle insurance may be the most suitable type of cover.

As part of a multi-vehicle policy, each vehicle has its own no claims bonus, so it often works out cheaper. When you start to add more vehicles to the fleet it makes more sense to hop on over to a Fleet Insurance policy, where there's an overall fleet discount.

# DO I NEED FLEET INSURANCE?

Think about arranging car insurance yourself. Do you want to multiply this process ten, twenty, or even twenty thousand times? You'd have many renewal dates to keep track of, and thousands of claims to personally arrange with hundreds of different insurance companies.

Of course, this would be a nightmare. Fleet Insurance makes insuring many vehicles much easier with one policy acting as a one-stop-shop for your vehicle insurance needs.

You can make the process even smoother by appointing an insurance broker. A broker will act as an efficient middle man between you and your insurer. So if a vehicle is changed, modified or taken off road, you need to declare a new driver or there's been an accident, your insurance broker will do most of the hard work. All you need to do is send a quick email or pick up the phone for a couple of minutes to brief them in.

You don't need to be a big haulage company or own a car sales business to benefit from fleet insurance. Any business that has more than a few vehicles on its books should consider it. If you've got four or five company cars, for example, fleet insurance could be beneficial.

A private client who's lucky enough to own several cars or even collect them as a hobby should also consider Fleet Insurance to save time and money when compared to taking out individual policies for each.



# THE BENEFITS OF FLEET INSURANCE

## ◆ YOU'RE INSURED

Okay, this one's obvious. Just like car insurance, you'll legally need third party insurance to protect other people if an accident is your fault. You should consider third party fire and theft and/or comprehensive cover, too, to make sure you're protected for damage to your own vehicles.

## ◆ ONE POLICY FITS ALL

Each time you add a new vehicle, you just need to add it on to your existing policy. No need to have multiple policies. This makes the annual renewal process much smoother. In the long-term it could also save you money.

## ◆ COVER YOUR WHOLE BUSINESS

You can register your vehicle insurance in the name of a company, which allows one policy to cover all associated vehicles.

## ◆ KEEP YOUR CLAIMS ALL IN ONE PLACE

If you arrange Fleet Insurance via an insurance broker, they will handle the claims on your behalf. Just provide the details and they will try to settle the claim with your insurer. Do you have the knowledge and time to navigate a claims process and defend unsatisfactory settlement figures every time an accident happens? We thought not.

# WHAT ELSE DO YOU NEED TO KNOW BEFORE ARRANGING FLEET INSURANCE?

You will need to keep on top of your Fleet Insurance admin. If a vehicle is sold, modified or exchanged you'll need to let your insurer know.

If you don't update the policy and you need to make a claim, it could be invalid.

Don't just arrange insurance, think the job's done and then go right ahead and convert your van into a motorhome (trust us, it's happened). If you modify your vehicle in any way (from adding decals or window stickers right through to installing a tail lift) you'll need to let your insurer know.



# HOW TO CUT THE COST OF YOUR FLEET INSURANCE

## WATCH OUT FOR CARELESS DRIVERS

Hopefully you won't employ irresponsible or accident-prone drivers. But if you happen to have a driver who is constantly causing claims to be made against your insurance you should consider putting them on a separate policy. This way, their mistakes won't affect your overall fleet insurance premium.

To try and minimise accidents you could also make drivers responsible for paying their own excess or incentivise staff by introducing a bonus if they aren't responsible for a claim.

## CONSIDER ELECTRIC OR HYBRID CARS

Less power means lower insurance, as it's unlikely your drivers will be going at an unsafe speed in these cars. Plus, the CO2 emissions are lower and insurers are likely to take this into account too.

## SECURITY

Make sure your vehicles are kept safe overnight in a garage, CCTV monitored garage or locked car park. Don't store valuables in the vehicle where possible and always invest in the best locks for your vehicles.

## INVEST IN TECHNOLOGY

Dashboard cameras can provide evidence if one of your drivers happens to get into an accident and there's a dispute about who's at fault.

Some larger vehicles such as vans have CCTV systems fitted to prevent theft. If you do have CCTV fitted in your fleet vehicles, you must make sure your drivers are completely aware that they are being recorded though.

GPS tracking could also help to recover a vehicle if it did get stolen.

It's worth mentioning that installing a Sat Nav or similar classes as a car modification, so you'll have to let your insurer know.

## MAINTAIN YOUR VEHICLES

Checks should be carried out regularly, particularly on tyres and brakes.

Keep a service record to show your vehicles are kept in good condition.

# WHAT IS MID?

MID stands for Motor Insurance Database. It's a central record of all insured vehicles in the UK, used to combat uninsured drivers. All fleet vehicle details should be registered on the MID, and these records should be accurate and up to date. Your insurance broker can help you to navigate the MID in no time.

## MOST COMMON FLEET INSURANCE CLAIM ISSUES

### ◆ VEHICLE NOT ON THE MID OR POLICY SCHEDULE WHEN THE CLAIM IS REPORTED

All insured vehicles should be registered on the MID, and failure to comply could invalidate an insurance claim. Your broker may be responsible for updating the MID, but double check with them.

Each insurer will also request to know about different additions and deletions to the Policy Schedule. Your broker should know the policy inside out and be able to advise how often you should update the Schedule. Some insurers require quarterly or half yearly declarations, for example.

### ◆ FAILING TO COMPLY WITH THE DEMANDS & NEEDS DOCUMENT

The Demands & Needs document could include young driver restrictions or restrictions based on a lack of driving experience. It's important to know the consequences of not complying with your policy – it's simply not good enough to think you'll just get away with it.



## ◆ LEAVING KEYS IN THE VEHICLE

Yes, you read that correctly. It might seem like an obvious thing to not do. But you'd be surprised how often it happens. Leaving keys in the vehicle breaches either a specific keys condition in the policy or the reasonable precautions condition. You can argue you were only a short distance from the vehicle but in most cases it won't make a difference and a claim won't be successful.

# WHAT HAPPENS IF AN INSURER VOIDS MY POLICY?

Quite simply, you won't get a payout.

Your insurer would deal with the third party claim as a Road Traffic Insurer. An insurer still has a liability to third parties of a road traffic accident, even when a policy has been voided.

However, it's worth noting your insurer could pursue you for any third party payments made.

## MOTOR INSURANCE STATS

- ◆ A van is broken into every 23 minutes (BBC Radio 5 Live)
- ◆ The total amount paid on all motor claims stands at over £8billion per year (ABI)
- ◆ The average cost of car insurance in the UK costs £692 (Statista)
- ◆ In 2018, 79,000 motorists were caught driving illegally without insurance (Finder.com)
- ◆ MIB handles over 20,000 claims against uninsured and untraced motorists every year (MIB)

# CASE STUDY 1

## THE STORY

The customer was involved in a road traffic accident. The third party was at fault but had driven off without exchanging details.

## THE CLAIM

As our customer had no details of the driver and had not been able to validate the claim, the insurer repudiated the claim.

If the case was referred to the MIB, they would request evidence and statements from the policyholder to confirm they were not at fault for the incident. Ultimately, this was something our customer didn't have. They only knew the details of the vehicle and the damage caused by the accident, but had no way of proving who was at fault.

## THE SOLUTION

We used our knowledge of the case to defend our client's claim. The insurer reviewed the case law and agreed to deal with our customer's claim on a Without Prejudice basis. This effectively means the insurer pays out in full, but without addressing the issue of fault / liability.

We obtained a full recovery of the damage caused to our customer's vehicle and they were satisfied with the outcome.



# CASE STUDY 2

## THE STORY

Our customer was hit by a third party driving on 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 or damage caused by someone unknown.

## THE CLAIM

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

## THE SOLUTION

As the vehicle was shown on our customer's dashcam footage, the offending vehicle was identified. Therefore, the appeal was allowed.

# CONCLUSION

These case studies showcase how complex and potentially 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. If you have a fleet of several vehicles, could you manage several complex claims cases?

We understand you have a business to run, and it's our job to help you by taking care of your insurance.

# CAN WE HELP COVER YOUR FLEET OF VEHICLES?

**Let us take the wheel.**

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