

TRANSPORTATION SAFETY

ONE VEHICLE ACCIDENT CAN THREATEN YOUR BUSINESS

FOR FLEET operators one serious traffic accident can trigger consequences far beyond repair bills and insurance claims, sometimes threatening the company's very existence.

Here's a look at what can go wrong after an accident involving one of your drivers and how to have a strong driver safety regimen in place to avoid a cascading series of problems.

Operational slowdown – When a fleet vehicle is involved in a serious accident, operations often slow immediately. The damaged vehicle may be out of service for weeks or months.

If the company operates with tight delivery schedules or specialized equipment, the disruption can ripple across the organization. Routes must be reassigned, replacement vehicles rented and customers notified of delays.

Driver injuries – Losing an experienced driver to injury or extended leave forces employers to rely on overtime, temporary staffing or rushed hiring, all of which increase costs and risk.

Financial fallout – Commercial auto claims have become increasingly expensive in recent years, fueled by rising medical costs, litigation funding and large jury awards that surpass \$10 million. One large lawsuit can exceed a firm's liability coverage and leave the business responsible for millions of dollars out of pocket.

Cargo damage – For businesses transporting products, one crash may damage or destroy thousands — or even hundreds of thousands — of dollars in goods.

Reputational damage – Accidents involving company vehicles can become public through dashcam footage, social media or news reports. Customers and business partners may question whether the company maintains adequate safety standards. A highly publicized crash can jeopardize contracts.

Regulatory scrutiny – Serious accidents involving commercial vehicles can trigger fines, audits and increased oversight by the

Department of Transportation, OSHA or state agencies, particularly if there are allegations of poor maintenance, inadequate driver training or hours-of-service violations.

Insurance fallout – The growing frequency of large verdicts has made insurers more cautious. Companies with poor loss histories often face higher premiums, larger deductibles or reduced coverage options at renewal. In some cases, insurers may decline coverage.

What you can do

The good news is that many accidents are preventable. Fleet operators that invest in proactive safety and risk management can significantly reduce their exposure.

Among the most common fleet accidents are rear-end collisions, backing accidents, intersection crashes, lane-change incidents and distracted-driving collisions. Many of these accidents stem from preventable behaviors such as speeding, following too closely, fatigue or cellphone use.

Employers should regularly train drivers on defensive driving techniques, safe following distances, backing procedures and avoiding distraction. Refresher training should occur throughout the year, not just during onboarding.

Accident prevention strategies

- Conduct regular motor vehicle record checks on drivers.
- Use telematics and dashcams to monitor drivers.
- Establish clear cellphone and distracted-driving policies.
- Perform routine vehicle inspections and maintenance.
- Create fatigue management and hours-of-service compliance programs.
- Investigate crashes and near-misses to identify trends and causes.
- Develop a fleet safety program with written procedures and accountability standards.
- Review your liability limits regularly to ensure coverage reflects current risks. Consider a commercial umbrella policy to account for any liability claims that exceed your policy's limits.



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