

# FLEET

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## THE PEST CONTROL INDUSTRY'S HIDDEN RISK

BY GARY SHAPIRO

WEISBURGER INSURANCE  
BROKERAGE

The pest control industry faces a number of significant risk exposures. While the most obvious ones are tied directly to the core business, such as effective application of product, some of the largest exposures are actually related to fleet operations. These exposures include third party claims arising from vehicle crashes and damage to company vehicles from collisions. The financial impact is severe. It can take hundreds of service calls to make up for the cost of one crash and, in less frequent cases, a catastrophic crash can bring a formally robust business to its knees. For most organizations, their vehicles are moving billboards as well as representation of their company.

While improved products and processes have greatly reduced injuries to employees and exposure claims, the average cost of vehicle crashes has dramatically increased. This trend has affected not only the pest control industry, but all service based fleets. Newer vehicles are much more expensive to repair than their older counterparts and third party claimants are much more likely to use an attorney than in years past. One only has to watch television for an hour or drive down the interstate to be bombarded with ads instructing anyone involved in a crash to contact their law firm so that they can have a cash windfall.

In 2015, fleet losses were an area of significant concern for a number of major commercial insurance carriers. Carriers are now looking much closer at their insured's loss histories and safety practices. They want to make sure that their clients are not a serious claim waiting to occur.

Fleet operations pose a huge challenge to operations because there are so many variables involved. Company employees can make poor decisions while driving that lead to near miss incidents or crashes. A number of important items to consider are:

**Screening Process:** Your operators are the key to any safe fleet operation and the screening process is often not

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as detailed as it should be, due to either time constraints or the challenge of finding qualified technicians. The best service fleets look at each new employee as bringing a new member into their family. The operator needs to have safe work practices, be able to control the vehicle, and often travel on very congested roadways. They also work under time constraints from both the company and customers. Ensuring that this individual has a relatively safe driving history and can operate the vehicle he is going to be tasked to drive is the first part. This includes reviewing an applicant's MVR and conducting a road test. The driver qualification process is the key to the safety castle!

**Effective On-boarding:** Once an operator is hired they need to be indoctrinated in how the company wants them to do their job. This includes how to drive the vehicle and store any equipment or chemicals. There should be some education on defensive driving as well as directions on how to operate the vehicle in either a driver's manual or the operations handbook. They need to know what to do when a problem occurs on the road.

**Management:** Management also plays a critical role in fleet safety. They set the tone by creating expectations and enforcement mechanisms. Employees will work to do what is required of them, whether that be speed, safety, or always meeting the requests of customers. Regularly explaining how work is supposed to be done and what will happen when deviations occur is an important part of any operation. Managers and supervisors must also live by the same rules that they require their field personnel to abide by. Having a distracted driver policy and watching the head of sales hold a phone in one hand and write notes with his other while driving sends the wrong message to everyone at the company. The safety message starts at the top and works its way down.

**Monitoring:** There should be a driver monitoring mechanism in place. This can include

supervisor observations, a citizen complaint program, and telematics (vehicle monitoring). The electronic monitoring of vehicles has become much more sophisticated over the last few years and can include vehicle location, speed, hard braking incidents, hard cornering and geo fencing. Constantly knowing how your vehicles are being driven often changes the way drivers approach their task. Having objective data to identify at risk drivers allows managers to make informed decisions about discipline and remedial training. Once an at risk or problematic driver has been identified some form of action must take place!

A key part of any risk management/safety program is engaging partners to assist and identify gaps. The insurance broker usually serves as a key advisor leveraging their knowledge as well as internal and external resources to benefit the pest control industry. Their work can include policy reviews to mitigate risk exposures, engaging the insurance carrier to review claims/identify loss drivers, and bringing in safety consultants that can identify gaps in safety programs and provide education to reduce future safety lapses. A great safety program starts from within and needs to be constantly reviewed for improvement and utilizes the best resources available. ☞

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