



EXPANDING LGIT GRANT FUNDING

Expanding the LGIT Grant Funding for Auto Claims Loss - Adoption of a Telematics System as a Loss Reduction Strategy

Auto losses continue to increase not only for LGIT's members but trending upward nationwide. Both the frequency and the severity of these types of losses cannot be ignored and are driven by several factors. The number of collisions continues to increase and cost of vehicles, both in replacement and repair costs. Despite this pessimistic outlook, there is a positive technological development that has the potential to halt and even reverse this loss driver, **Telematics**.

So, just what is Telematics?

Telematics is an integrated fleet management computer-based system that provides real time data feedback to a central location monitoring a variety of useful vehicle data points. For example, it is possible to get historical trip information, start times, end times, distance, durations and even the amount of time that a vehicle was at a stop. Plus, you can get other valuable driver related data, fuel efficiency, speeding, harsh braking and engine idling time. It is these data points that record driver behavior(s) that provide the greatest ability to positively modify those behaviors. By monitoring the vehicle operator in real time, a Telematics system allows the local government entity to evaluate performance and set corrective action when potential loss causing actions occur. Hopefully, correcting poor behaviors before they become an auto related claim. Used as part of a comprehensive fleet management system, Telematics have been proven to be a valuable driver training tool.

Recently, LGIT members have implemented Telematics systems for their vehicle fleets including public works, roads and law enforcement departments. The LGIT Risk Management Committee, in its oversight of the Trust's grant programs, has approved funding successful pilot programs to reduce the members' cost of purchasing a Telematics system. If your entity has been considering implementing a Telematics system to help monitor and train your personnel in the effort to reduce vehicle related losses, we encourage you to consider a LGIT grant.

For more information, please contact Larry Bohlen, Director of Field Services at lbohlen@lgit.org for more information.