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Halcyon Agent News



The Intelligent Broker

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“Auto Rates Keep Going Up! – Why Your Commercial Clients Desperately Need a Fleet Safety Program.”

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The 2016 financial results for US insurers' commercial auto policies were the worst they've been in 15 years, reaching an underwriting combined ratio of 110.4% according to a recent report issued by Fitch Ratings. ¹ Recent trends, such as more frequent distracted driving, increased road traffic, and costlier vehicle repairs due to imbedded driver assist technologies in car exteriors, show no signs of abating in the short-term and are resulting in higher auto claim frequency and severity.

Accordingly, commercial auto underwriters have taken increased action this renewal cycle implementing double-digit increases for below-average accounts, low-to-mid single-digit increases for best-in-class accounts, and non-renewals for the worst performing. Several carriers have also lowered agents' auto commissions, increased required retentions on umbrella policies, or stopped writing monoline auto altogether for certain classes of business to help shore up their balance sheets. Moreover, carriers are also declining submissions or non-renewing mid-to-large auto accounts

for failure to maintain or implement formal fleet safety programs.

In turn, what can an insurance agent do to help their clients in this hardening auto market? How can an agent temper their clients' auto rate increases or receive better consideration from underwriters in an environment where auto rates are going up for everyone?

The answer is quite simple. Agents can help their clients get "front-of-the-line" treatment and better than average rates by implementing formal, written fleet safety programs. While Halcyon recommends that every Insured have this in place, every account with 10 or more vehicles should definitely have well-defined, documented, procedure in place.

If you're helping your clients implement a formal fleet safety program and are wondering what should be included in such as program, the following are common must-have elements that can be adapted to meet your clients' specific needs.

Company Policy Statement and Commitment

Every fleet safety program should begin with the company's policy statement and their principles as to what a safe-driving environment means to them, their employees and clients, the public, other stakeholders, and society at-large. This statement sets the tone and culture of how companies hold their drivers responsible when operating company vehicles or driving personal vehicles on company business. The company policy statement should also outline the basic responsibilities of drivers and a listing of management personnel responsible for overall fleet maintenance and safety (i.e. the fleet manager).

Safe Driving Performance Expectations

The fleet program should outline safe driving expectations and require annual employee sign-off of all policies and procedures contained in the manual.

New Driver Selection Process & Questionnaire

In addition to MVR requirements, all new hires (and at least every 3 years thereafter for existing drivers) should be subject to a Road Test as outlined by company parameters. Moreover, all new hires should complete a driver questionnaire outlining their driving experience, references, and MVR results.

MVR Requirements

Companies should clearly list MVR requirements for all new hires and existing drivers. The MVR requirements should not be "whatever the insurance company allows." Rather, the Insured should have a list of their own MVR requirements and strictly follow them when selecting and retaining company drivers. After all, when employees operate company vehicles, they are putting the company's assets at risk. Hence, all business owners and risk managers should be aware of who they are entrusting to operate motor vehicles.

At minimum, MVRs should be run pre-hire and annually thereafter. In addition to a proper and valid license, MVR requirements should at least include the following parameters:

- No major violations in the past 5 Years and no more than 3 minor violations in past 3 years.
- No drivers under 21.
- No drivers over 65 unless by special exception and with annual physician medical exam approval.

Not having MVR requirements and not reviewing MVRs at least annually could result in negligent entrustment lawsuits in the event of a severe auto claim. As a result of the potential for negligent entrustment suits, clients should pay the cost and pull their own MVRs on drivers. They should not defer the cost to or rely on their insurance agent or carrier to tell them if a driver is acceptable or not. The prudent business owner takes the proper steps before exposing his company's assets to loss by hiring or employing a poor driver.

Mobile Device Use Policy for Drivers (aka "The No Cell Phone While Driving Policy")

All employees should sign and be strictly held to a "No Mobile Device Policy" while operating a vehicle.

Formal Vehicle Maintenance Program

Formal vehicle fleet maintenance should be assigned to an employee designated as the "Fleet Manager" in addition to every driver being held responsible for completing Vehicle Condition Reports and inspecting their vehicle daily, weekly, and monthly per company policy.

Disciplinary Rulebook and Safe Driver Incentive Program

In sum, good drivers should be rewarded with cash incentives for good performance. A good incentive program should be based on length of time without an accident, violation, or a combination of both. Conversely, poor driving performance should be disciplined. On the job driving infractions should be included in the fleet program with listed disciplinary actions depending on the level of offense and ranging from written notices, to fines, and ultimately, the loss of employment.

Driver Training and Continuing Education

Defensive driving, basic vehicle maintenance, and other pertinent courses should be taught at least annually. On larger accounts, insureds can ask their carrier's loss control department to set-up annual safe driving seminars and training. Coupled with their own programs, insureds can stay up-to-date by utilizing their carrier's expertise. Not only will this build loyalty between the insured and carrier, but will also save the insured money as driving training courses offered by their carrier's loss control departments is often free of charge.

Procedures to Follow in a Vehicle Crash or Vehicle Breakdown In the event of a claim, all drivers should be trained on proper procedures for handling accidents including crash reports, police statements, and the handling of insurance information. In addition, basic first aid training and kits should be available to mitigate minor employee injuries as well as to emergency preparedness training in the event of a serious occurrence.

Similar procedures should be in place in the event of a vehicle breakdown (i.e. flat tire, battery failure, etc.).

Altogether, in hardening markets, it is our responsibility as agents to help our clients better their loss controls by implementing safety programs such as formal, written fleet programs. In turn, these programs will not only result in reduced loss activity for our clients, but will also yield more favorable underwriting treatment and long-term reductions in our clients' insurance costs. Only when lower long-term insurance costs and safer workplaces are achieved, will we, as agents, earn our clients' loyalty over the competition. Consequently, to guarantee client loyalty in this hardening auto insurance cycle, we cannot stand idly by and merely collect our commission. Rather, we must guarantee our clients a higher level of service by helping them mitigate claims through the implementation of best-in-class fleet safety programs.

Taken from Article - <https://www.fitchratings.com/site/pr/1024533>

Halcyon Announcement!! **We are Happy to Announce Our Newest Online Rating Products!**

**Learn More About
Us**

Check out our new Online Rating Tool with Safeco via our [Facebook](#) page or [Online Rating](#) via our website. Appointed agents have the ability to obtain Florida automobile indications.

Safeco Insurance™
A Liberty Mutual Company

Outside of Florida - obtain indications/quotes on Homeowners, Renters and Condo policies.

[Claims Cost Comparison - Safeco Insurance - CLICK HERE](#)

Team Member Spotlight: Amara Goldstein



The relationship we have with our agent partners is very important to us. While we work with you on a day to day business level, we thought you'd like to learn more about our team members.

In this issue, we have Senior Personal Lines Underwriter Amara Goldstein who is in the spotlight.

Years at Halcyon: 13 years

Years in Insurance: 13 years

First Job: Taking inventory of loose gemstones

Favorite Movie: "What Dreams May Come"

Favorite Vacation spot: So far Israel or anywhere with a beach

Little-known fact: I went to school to be a firefighter before my insurance career

If I'm not at work, you can find me.... At the beach

Motto: Be the change you wish to see in the world - Mahatma Gandhi

Greatest Challenge: Finding the best work/life balance

Most important lesson learned: Documentation is king. if you don't document it, it didn't happen

Advice for Success: Forget there is a box

If I wasn't doing this, I'd: Be a librarian

Pet Peeve: Bullcrap in all forms

Hobbies: Reading, Traveling

If I could have met anyone in history, it would be: Albert Einstein

My favorite part about my job is: Finding a solution for the hard/interesting risks

Personal Lines

Chubb Relaxes Guidelines in South Florida!

Chubb has eased their guidelines and will no longer require \$15,000 in non-cat premium for homes located more than 2,500 feet from the Mainland Coastline.

Risks must meet the following criteria:

- 1.) Not in a Flood Zone V*
- 2.) Cov A Greater than 2.5 Million*
- 3.) Year built of 1996 or later in Palm Beach, Miami-Dade and Broward Counties*
- 4.) Year built of 2002 or later in Martin, St Lucie and Indian River*
- 5.) Shutters/Impact Glass required*
- 6.) 2% Hurricane deductible*

For homes closer to the water the \$15,000 non-cat premium is still required.

Please click the link below to reference the Chubb Florida Guidelines!

[Chubb South Florida Guidelines](#)

Did You Know?

Halcyon offers premium financing arrangements with very competitive rates for your commercial accounts. Contact your Halcyon Team for a free quote on any new or renewal account.

Claims Update!!

Halcyon's website now has direct reporting available for all claims ensuring faster access for appointed agents using online reporting for most companies. Please use our claims links by clicking [CLAIMS](#) to report any claims.

Is Your Agency File Up to Date?

Please remember to send a copy of your E&O renewal certificate to compliance@halcyonuw.com annually to remain an active agent.

IMPORTANT - Please make sure we have an updated [ACH Payment Authorization Form](#) on file for your agency to receive commissions via direct deposit.

Send the completed copy to compliance@halcyonuw.com.

[Call or Email Today - Click Here for our Staff Directory](#)



2017 Middle Markets - YTD

Recently Written Midsize Business						
Industry	Description	Cl	Auto	Prop	W/C	Other
Construction	General Contractor	✓				✓
Construction	Aluminum Builder	✓				✓
Construction	Roofing Contractor	✓				✓
Construction	HVAC Contractor	✓	✓			✓
Construction	Waterspreading Contractor	✓				✓
Construction	General Contractor	✓				✓
Construction	Roofing Contractor	✓				✓
Construction	Water Remediation Contractor	✓				✓
Construction	Landscaping Maintenance	✓				✓
Construction	Electrical Contractor	✓				✓
Distributor	Floor Vm Distributor	✓				✓
Distributor	Ac Spraying	✓				✓
Distributor	Butane Distributor	✓				✓
Distributor	Lumber Distributor	✓				✓
Distributor	Flowing Supplies	✓				✓
Hospitality	Restaurant	✓				✓
Hospitality	Hotel/Casino	✓				✓
Manufacturing	Aviation Mfg.	✓				✓
Real Estate	Property Manager	✓				✓
Retail	Beauty Store	✓				✓
Retail	Tax Sales	✓				✓
Service	Physical Office	✓				✓
Service	Call Center Provider	✓				✓
Service	Limousine	✓				✓
Service	Environmental Consultants	✓				✓
Service	Commercial General	✓				✓
Service	Medical Personal Care	✓				✓
Service	Convenience Store/Rest.	✓				✓
Service	Warehouse	✓				✓

Take a look at our
Middle Market Success List!

What Are We Writing?
[Halcyon New Business Success](#)

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