



Auto Dealer Claim of the Month – September 2023

Federated Insurance's Claim of the Month – Preventing Distracted Driving

An insured's technician was repairing a customer's vehicle and went to take it on a test drive to ensure that the repairs had fixed the issue. On the way back to the dealership, the technician was distracted by the radio and failed to recognize an oncoming school bus had stopped to drop kids off after school. Two children were crossing the road, and the technician struck them with the customer's vehicle, leaving both children seriously injured.

CLAIM AMOUNT: \$1.5 million

Risk management advice: Distracted driving can lead to dangerous, deadly, and expensive losses. Take the time to conduct frequent training on safe driving, and remind drivers to be especially cautious around schools, buses, and crosswalks as the school year starts up.

Consider creating and utilizing a driving policy with clear outlines and policies, which should be available for employees to review. This policy could include:

- Prohibiting phone use and other distractions behind the wheel.
- Outlining expectations for employee drivers when driving customer and company vehicles.
- Clarifying consequences for failure to follow driving policies.

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