

motive

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From risk to reward

How AI dash cams improve
driver safety and lower fleet
insurance costs.

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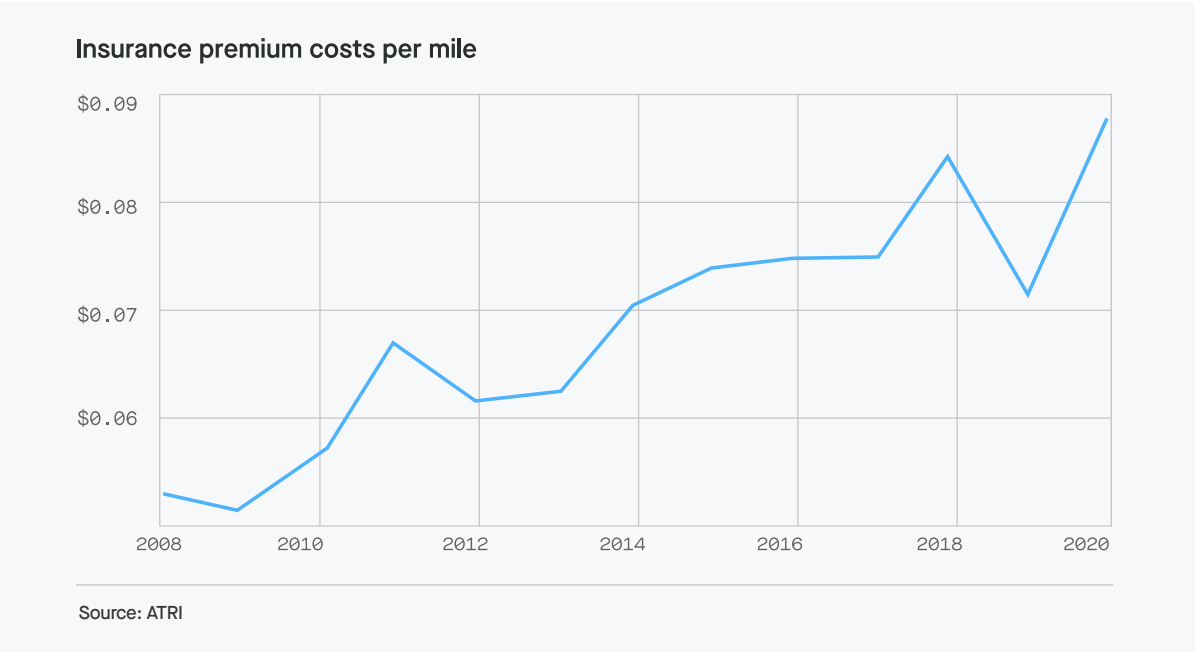
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Introduction

With today's economic challenges, fleets may be tempted to deliver products faster and keep freight moving, whatever the cost. But the cost of taking shortcuts can climb quite high through accidents and lawsuits.

Of roughly **415,000 crashes involving large trucks**, 24% resulted in injury. As accidents increase, fleet insurance costs may rise to account for heightened risks. **Premium costs per mile have risen 47% in the last decade**, climbing from 5.9 cents to 8.7 cents.



Premiums increased across all fleet sizes and sectors, with fleets of under 21 vehicles paying more than three times as much as those with more than 1,000 vehicles on a per-mile basis.

A combination of accident rates, higher repair costs, and litigation has created a challenging environment for fleets and insurers. As a result, **Sentry**, which insures more than 48,000 units throughout the United States, has been working closely with customers to help them manage risk and control costs.



The most impactful way for fleets and insurers to control costs is through the use of telematics and dash cams, both road-facing and dual-facing. By showing who was at fault in an accident, AI dash cams can exonerate commercial fleets from wrongful blame.

With every exoneration, fleets and drivers are realizing that dash cams protect them in ways other tools can't.

Using AI dash cams to earn lower insurance rates is the start of a more profitable future. One fueled by safer performance, fewer accidents, and all the benefits that come with that.

For insight into how dash cams can help lower insurance rates, we turned to Daniel Grant and Brad Schneider of Sentry Insurance. The information they share is reinforced by several respected professionals, who validate Sentry's point of view throughout this ebook.



The perfect storm: Nuclear verdicts, accident costs, and inflation

Higher fleet insurance costs are partly the result of “**nuclear verdicts**,” as multimillion-dollar judgments against motor carriers are handed down more frequently. In 2021, a Florida jury awarded **a landmark \$1 billion verdict** in a wrongful death case involving two trucking fleets. Even if money is never collected in the case, the judgment shows that juries believe huge rewards like these are warranted.

Questionable tactics like “**the reptile theory**” are driving up fleet insurance costs as well. Trial lawyers play on jurors’ emotions to award excessive judgments to the plaintiff. Other times, they pressure insurers to put up policy limits of \$1 million or more, even when fault has yet to be determined. And if insurers don’t follow through?



Daniel Grant
Corporate Director, Safety
and Loss Control Services at
Sentry

“The window to negotiate a settlement may close, and we may be faced with a demand or judgment well above the policy limits.”

As claim costs grow, insurers are **exiting the commercial fleet market altogether**. Those remaining are becoming more selective about the fleets they insure. To get drivers in seats, some companies may feel the need to relax their hiring standards. Meanwhile, accidents are increasing, along with lawsuits.

Trial lawyers have set their sights on the trucking industry, where nuclear verdicts are proving to be lucrative. Independent research firm Marathon Strategies found that **corporate judgments of \$10 million or more are becoming more common**.

From 2020 to 2022, the total sum of judgments multiplied from \$4.9 billion to \$18.3 billion. According to Transport Topics, “**trucking found itself at the top of the list**, with the total sum awarded by juries soaring from \$10.3 million in 2020 to \$65.4 million in 2022.”

How ‘The Reptile Theory’ drives nuclear verdicts



A rise in accidents, corporate mistrust among jurors, and a lack of tort reform in certain states is fueling the fire. But few things have played a bigger role in the rise of nuclear verdicts than “**The Reptile Theory**.”

Reptilian tactics prey on jurors’ fears, much like the fight-or-flight responses in reptile brains. To “eliminate danger,” attorneys use fear to suggest ruling against the defendant.

“If the trial lawyer can convince the jury that the defendant is a threat to society, jurors are more likely to rule in the plaintiff’s favor,” says David O’Neal, senior associate at [Scopelitis Transportation Consulting](#). When juries do rule in the plaintiff’s favor, commercial fleets face crippling judgments.

The total sum awarded by trucking juries soared from \$10.3 million in 2020 to \$65.4 million in 2022.

In the courtroom, a reptilian approach starts out subtly, with tactics that build slowly. The goal is to trap the defendant into admitting carelessness on the stand.

“Would you agree that safety is the most important thing from a driving perspective?” the questioning begins. “Would you agree that adhering to well-established regulations is an important way to drive a safe culture in your business?”

“A reasonable person will agree with that,” O’Neal explains. “But as the questions get more specific, it’s easy for defendants to get boxed in.”

Trial lawyers use “Yes, I agree” answers to trap defendants into admitting a time when safety didn’t happen as it should have. The attorney then amplifies that testimony to imply that a fleet’s entire safety culture is woefully inadequate. That’s where the nuclear verdict comes in.



David O’Neal
Senior associate
Scopelitis Transportation
Consulting

“By defending against the reptile practice, you defend against the nuclear verdict.”

AI dash cams as the ultimate defense in litigation



Interview with Doug Marcello, Attorney at Saxton & Stump

As more commercial fleets invest in AI dash cams, the video evidence they capture offers an ironclad defense. In an interview with Motive, attorney Doug Marcello talks about why dash cams are becoming the foundation of the defense and how they protect drivers as much as fleets.

Motive: How are dash cams impacting litigation?

Doug Marcello: The Greek philosopher Archimedes once said, “Give me a place to stand and I will move the world.” These cameras are our place to stand. They’re the foundation of the defense, because they help us exonerate trucking companies and their drivers.

I’ve had a number of cases where we’ve gotten a letter from a plaintiff, sent them video of the incident, and the case was dropped immediately. In instances that are less clear-cut, we use dash cam video as the foundation to show what happened.

Motive: What can video evidence achieve that other types of evidence can’t?

Doug Marcello: The key in any lawsuit is persuasion. The ultimate persuasion is video evidence that shows what happened and who’s liable. Juries have a hard time judging

credibility and determining who’s being truthful. Objective evidence like video lets juries visualize what happened and make judgments based on logic instead of emotion.

Motive: How can AI dash cams reduce insurance costs?

Doug Marcello: By exonerating fleets and their drivers from liability. AI dash cams ensure that companies don’t have to make costly, unwarranted payouts. As a result, fleets can keep claim costs low. When using dual-facing dash cams as a driver-training tool, fleets can correct unsafe driving behaviors before they lead to an accident, keeping their insurance premiums from rising.

Motive: You’ve talked about the total cost of risk and its impacts. What should carriers know?

Doug Marcello: Lowering the total cost of risk is the key. AI dash cams play a pivotal role in that. By investing in safety technology and having a strong safety culture, operators can reduce risk and the costs associated with it.

Motive: Are road-facing dash cams or dual-facing dash cams more effective in persuading juries?

Doug Marcello: Both have their place. Road-facing dash cams are useful, because they show the dynamics of the accident and who was where, when. Dual-facing dash cams are valuable because they can confirm, in seconds, that the driver wasn’t on the phone, eating, or otherwise distracted. When you have video showing that drivers are doing exactly what they should be doing, it helps break down barriers for all drivers.

Motive: With verdicts and settlements getting bigger, is there an end in sight?

Doug Marcello: Dash cams are the best way on a micro level for fleets to protect themselves. In this litigious environment, having a dash cam shields businesses from liability. Dash cams provide the video evidence today’s jurors depend on and expect to see. They’re invaluable to companies defending a case.

Having video evidence ‘potentially saves millions’



For commercial fleets, avoiding a big claim isn't easy, even when the driver is innocent. Commercial drivers have the larger vehicles, so they're often assumed to be at fault in an accident.



Brad Schneider
Director of Underwriting,
Transportation at Sentry

“When you have video evidence showing your driver isn’t at fault, it can eliminate or reduce any payout, potentially saving millions.”

Passenger car drivers often see an opportunity to make money from companies with “deep pockets.” But AI dash cams are giving commercial fleets a new kind of power — the power of exoneration. With dash cams in their vehicles, fleets don’t have to settle cases. Not when they have video evidence proving they weren’t at fault.

“Having AI dash cam footage in your corner clears up any question about who’s responsible,” says Brad Schneider, Director of Underwriting, Transportation, at Sentry. “You have recorded video that shows, indisputably, that your driver isn’t to blame. As AI dash cams

exonerate more commercial drivers, the greatest savings will come from the payouts fleets don't have to make."

Even if the dash cam shows your driver caused the accident, "there's still a large savings from a claims handling standpoint," Schneider adds. "Less investigative work is required, and the claim gets resolved faster."

As claim costs increase, even the best carriers are paying for the negligence and damage caused by more reckless carriers. When crashes occur, costs become so exorbitant that commercial fleets must share the burden of higher costs.

Backed by video evidence showing their drivers did nothing wrong, trucking companies can exonerate their drivers, shield themselves from litigation, and drive insurance rates down for everyone.

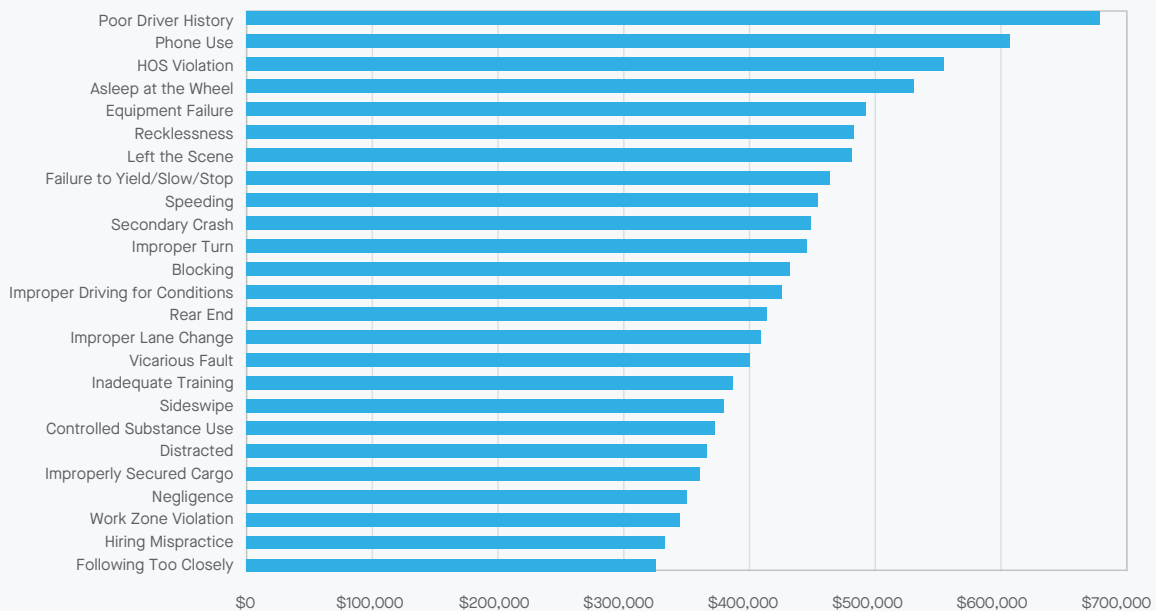
Small verdicts and settlements are driving insurance rates higher

Trucking companies know all too well about nuclear verdicts, whether from personal experience or today's headlines. Verdicts and settlements under \$1 million attract much less publicity, but are equally as damaging to insurers and small fleets.

The [American Transportation Research Institute](#) (ATRI) released a report that [quantifies the impact of smaller verdicts and settlements](#). The report shows that the mean payment size in smaller verdicts and settlements is about \$427,000. And when a fatality takes place or drivers have a history of unsafe driving, the average payout is substantially higher — \$600,000 or more.

"It was really surprising to discover that the smaller policy hits have a huge impact on insurers' bottom lines," says Dan Murray, senior vice president at ATRI. "I call it death by a thousand paper cuts. This nickel-and-diming to death is driving up costs for insurers. By extension, it's driving up insurance rates for trucking businesses."

Litigation-related payment size by alleged infractions



Source: American Transportation Research Institute (ATRI)

Fleets today settle for substantially larger amounts than a judge or jury might have returned. Why? Because they're terrified of what juries might do. With the right trial lawyer in place, a jury could easily move the outcome from a small verdict to a large verdict. Or a large settlement to an even larger verdict.

"Trucking fleets don't trust the court system, they don't trust the juries. So they end up settling for larger amounts than they probably need to," Murray says.



Reduce unsafe driving habits, lower insurance costs

With insurance costs rising, and nuclear verdicts becoming more frequent, fleet safety has never been more critical to the health and success of a business. Driving performance has a huge impact on fleet safety and profitability. The sooner fleets contain unsafe driving behaviors like speeding, close following, and **distraction**, the sooner they can protect their people and finances.

Investing in AI dash cams is a great place to start. **Motive's 2023 State of Safety Report** shows that 57% of fleets that use AI dash cams see a decline in unsafe driving behaviors. By reducing high-risk habits that lead to accidents and claims, AI dash cams protect against costly payouts and keep profits where they belong — in carriers' pockets.

57% of fleets that use AI dash cams see a decline in unsafe driving behaviors.

ATRI data shows that cell phone use, hours-of-service violations, and falling asleep at the wheel had the **highest average payouts in small settlements**. Having a poor driving history also makes fleets more vulnerable to large verdicts. A negative driving history shows a consistent lack of care, and that resonates with juries.

In 2021, drivers of large trucks involved in fatal traffic crashes had a **higher percentage of previously recorded crashes** compared to drivers of other vehicles. That's just the sort of poor driver history that makes fleets susceptible to excessive damages in the courtroom. To reduce liability, "carriers should proactively use video feeds to make the elimination of unsafe habits a top priority," ATRI suggests.

Invest in AI dash cams to earn insurance discounts

To promote safety and reduce costs through telematics, Motive and Sentry Insurance **have partnered to incentivize Motive customers with lower insurance premiums**. Customers who use Motive's Driver Safety Solution can save up to 5% on insurance premiums when they share their Vehicle Gateway-captured telematics data with Sentry. In addition to insurance savings, fleets could experience a reduction in accident frequency, further enhancing their ROI.

For large fleets, a 5% cut in insurance rates can save \$10,000 or more.

This exclusive benefit for Motive-Sentry customers puts fleets in position to reduce risk and lower their rates. Customers who take advantage of the insurance discounts will share their ELD and AI dash cam data with Sentry. Sentry will then be able to analyze the data and understand the connection between fleet safety performance and risk levels over time.



Dan Murray
Senior Vice President at ATRI

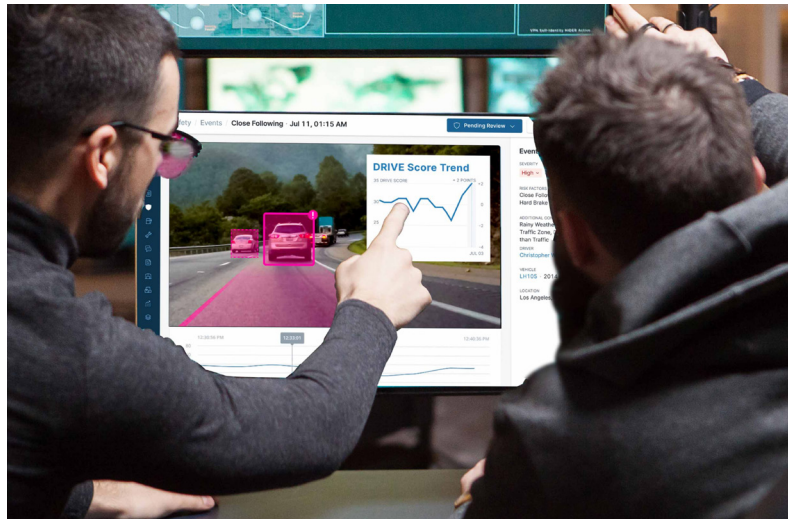
"I call it death by a thousand paper cuts. This nickel-and-diming to death is driving up costs for insurers. By extension, it's driving up insurance rates for trucking businesses."

Motive's 2023 State of Safety Report shows a direct correlation between driver safety programs and insurance savings. Forty-four percent of organizations with driver safety programs reduced their insurance costs. For commercial fleets, that's a substantial savings at a time **when every penny counts**.

Only 21% of insurers offer premium discounts, so the Motive-Sentry partnership offers a unique benefit at just the right time. It's far more common for insurers to offer discounts on the hardware itself, such as dash cams and electronic logging devices. About 25% of insurers surveyed offer some sort of discount, though just 1% of policyholders take advantage of them.

44% of organizations with driver safety programs reduced their insurance costs.

Use AI dash cams to coach drivers and prevent accidents



Fleets that make AI dash cams and driver coaching part of an integrated risk management strategy prevent accidents and reduce liability. Motive AI Dashcam customers who frequently coach **experienced an average of 50% fewer accidents**, and up to 80% fewer accidents, than those who don't coach. Data from Motive's 2023 State of Safety Report shows that companies that coach reap the benefits.

- 56% of respondents saw fewer unsafe driving behaviors
- 53% of respondents saw fewer accidents
- 44% of respondents saw greater insurance savings

A [recent insurance report](#) shows a strong correlation between crash frequency and premium costs per mile. Dash cam-based coaching has been shown to [reduce accident frequency and severity](#), leading to better safety performance and lower insurance rates.

“Companies looking to lower fleet insurance costs must first lower their accident rates — and coaching is a great way to do that,” Sentry’s Schneider says. “An [AI dash cam](#) reveals who’s driving risk in your fleet, but you can’t just set it and forget it. Installing AI dash cams and *not* coaching drivers to improve, *not* having driver meetings or a thorough onboarding process, will lead to disappointing results.”

AI dash cams like the one from Motive can be used to proactively coach drivers in a few ways. For example, when a rolling stop or cell phone event occurs, in-cab alerts prompt the driver to correct the unsafe behavior as quickly as it happens. The driver can correct unsafe habits as they surface, preventing accidents.

Through the [Motive Driver App](#), self-coaching tips are automatically sent to the driver, allowing them to review the tips on their own, without manager intervention. If an event captured by the Motive AI Dashcam warrants more discussion, fleets can reinforce positive driving behaviors during an [in-person coaching session](#).

Use dash cams to reward drivers

The best fleets use driver scorecards to gamify safety. Gamification takes the principles of board games and video games and applies them to the workplace. Some fleets reward drivers for conserving fuel, recruiting drivers to the business, or accident-free driving. Others give on-the-spot bonuses for avoiding collisions.

For the best results, focus on frequent, small rewards that are positive, timely, and meaningful. Make sure your incentives align with the business’s larger corporate goals. And personalize your safety messaging at every opportunity.



Dan Murray
Senior Vice President at ATRI

“The key to driver acceptance is to use dash cam video to positively reinforce safe driving behaviors. Using video of safe performance to reward drivers can go a long way in earning their trust.”



As exoneration grows, so does driver acceptance

As dash cams exonerate more drivers of wrongdoing, drivers are accepting them more readily. ATRI's newly released report, "[Issues and Opportunities with Driver-Facing Cameras](#)," shows that once a driver uses dual-facing dash cams, driver approval ratings improve. Current users rate dual-facing dash cams more than twice as high as drivers who have never used them.

Driver approval ratings of dual-facing dash cams are 19% higher when employers use them preventatively. So while drivers may think they don't want in-cab technologies, simply being exposed to cameras increases driver acceptance of them.

Driver approval ratings of dual-facing dash cams are 19% higher when employers use them preventatively.

"Drivers have become more comfortable with having AI dash cams in their vehicles," Sentry's Grant says. "If you look back six or seven years ago, fleets had a much harder time convincing drivers that dash cams support them. Now drivers are seeing how AI dash cams protect their reputation and help them advance in their careers."

Conclusion

In today's low profit margin environment, any sort of investment that leads to increased savings and profitability is worthwhile. If you focus on safety, there are organizations that will reward you for that — including Sentry Insurance. Beyond the obligation that commercial fleets have to protect their teams and operate safely, there are financial benefits to be had in investing in AI dash cams. As operational costs continue to rise, even modest savings can offer a welcome reprieve for physical operations businesses.

About Sentry

Sentry insures more than 7,000 trucking customers and 48,000 units. Learn more about [Sentry's commercial trucking insurance](#). To enroll in the Sentry and Motive telematics partnership, submit inquiries at sentry@gomotive.com.

The Motive AI Dashcam

The Motive AI Dashcam is central to our company's commitment to zero harm and zero preventable accidents. In enabling physical operations businesses to prevent accidents and lower risk, accurate AI detection also gives them the chance to lower their insurance premiums.

Check out Motive's [2023 State of Safety Report](#) to learn why the return on investment has been so strong. And if you're ready to lower your own insurance costs and take your safety program to the next level, [request a demo today](#).

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Partner with Motive

As a Motive insurance partner, you'll unlock safety, productivity, and profitability solutions with the leader in automated operations. To encourage safe driving performance, insurance providers offer eligible Motive customers a discount on their premiums or a subsidy on safety technology. In exchange, Motive insurance partners will earn rewards for successful referrals and leverage Motive data for more accurate risk assessments, underwriting, and loss control. Learn more about the [Motive Insurance Partner Program](#) and how your agency can benefit.