ZURICH

Large Claims Lessons Learned

Line of Business: Auto Liability
Topic: MVR Review and Distracted Driving

Claim scenario

A dealership employee was involved in a traffic accident while driving a vehicle owned by the business. The plaintiff's vehicle was struck from behind by the employee, who was cited by police for following too closely on wet roadway conditions. There were no passengers in either vehicle and there were no witnesses to the event aside from the two drivers.

Both drivers were using seatbelts at time of the accident, there was no airbag deployment, and no injuries were reported at the scene. However, the plaintiff subsequently stated he suffered neck pain, upper and lower back pain, numbness to all extremities, and alleged a traumatic brain injury (TBI) from the collision. As a result, he has had treatment for the TBI for the past five years.

Financial impact:

This claim may have a financial impact of up to **$1,000,000**.

Lessons learned

1. Minor collisions can lead to major claims. Initial low-impact accidents can escalate into high-cost liability claims due to delayed injury reporting and long-term medical treatment.
2. Road conditions require adjusted driving behavior. Wet or hazardous conditions demand increased following distances and heightened driver awareness.
3. A traffic citation (e.g., following too closely) can significantly impact liability determination and settlement outcomes.
4. Lack of witnesses increases uncertainty. With no third-party witnesses, the case relied heavily on driver testimony and medical documentation, which can be subjective and difficult to dispute.
5. Documentation and reporting are critical. Comprehensive documentation at the scene is essential, as injuries may be reported later, and claims can escalate over time.
6. Long-term medical allegations are costly. Claims involving TBIs or chronic pain often result in extended treatment timelines and substantial financial exposure.

Actions needed to prevent this type of loss

- Implement regular MVR (motor vehicle record) reviews. Routinely review employee driving records to proactively identify and address risky drivers.
- Provide regular defensive driving training. Educate employees on safe driving practices, especially in adverse weather conditions.

- Educate employees about the dangers of distracted and aggressive driving, and establish clear consequences for violations.
- Establish clear driving policies. Implement and reinforce company policies on safe following distances and speed, especially in adverse weather. Include expectations for mobile device usage.
- Ensure thorough, timely reporting and documentation of all incidents, regardless of initial injury reports. Provide drivers with training on what to do in case of loss and how to document the scene.
- Conduct post-incident reviews. Analyze all vehicle incidents to identify root causes and improve future safety protocols.

By taking proactive steps and leveraging Zurich's resources, you can help reduce risks, protect your employees, and safeguard your business's reputation and financial health.

Loss prevention/risk management resources

Zurich offers a wide range of tools and services to help dealerships reduce liability and improve operational safety, including but not limited to:

- **Risk Management and Loss Prevention for Auto Dealerships:** Zurich's support includes driver safety tools, MVR reviews, and dealership walkthroughs.
- **Automotive Resource Hub:** A curated collection of dealership-specific safety, training and compliance tools.
- **10 Major Causes of Distracted Driving**
- **Dangers of Using Hands-free Devices While Driving**

Zurich
1299 Zurich Way, Schaumburg, IL 60196-1056 800 382 2150 www.zurichna.com

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