



## Dispelling an Urban Myth: Why Rural Fleet Auto Risks are Greater for the Oil & Gas Sector

Open, rural roads are often considered among the safest and easiest places to drive, especially when compared to urban areas. Lower population density and traffic levels should mean fewer distractions for rural drivers, and thus fewer serious accidents. While this is a logical conclusion to draw, it's a common misconception.

It is true that urban drivers get into more total auto accidents than their rural counterparts. However, an automobile accident in a rural area is up to 70% more likely to be fatal than one in an urban area according to a study conducted by the U.S. Department of Transportation.

According to the National Highway



Safety Administration in 2020, it took victims of fatal rural auto

accidents about **19 minutes** longer on average to



arrive at a hospital compared to urban crash victim.

This poses a unique problem for oil and gas well operators, non-operators, servicers, drillers and contractors since most U.S. wells are concentrated in rural areas. As a result, fleet drivers operating within the energy industry are at a higher risk of experiencing a fatal vehicle crash.

While these rural fleet drivers are not faced with nearly as much traffic and population density as urban drivers, they have a unique set of challenges that contribute to their high fatality rate including:



Dark or unlit roads.



Overreaction to the presence of unexpected animals or other vehicles on the road.



Response time of rural emergency services.



Relative sparsity of trauma centers in rural areas.



More areas with limited or no cell service.



Regardless of the cause, auto accidents are costly, and fatal accidents are especially so. With this in mind, it's no wonder that commercial auto losses are becoming a more serious issue in rural areas.

Risks and exposures arising from oilfield auto accidents at any location include death and bodily injury, not only for employees, but also for others involved in crashes. They also include property damage in the form of physical damage to the vehicles involved in the crash.

The tragedy of such incidents is often compounded by costly litigation and potentially criminal charges against commercial drivers and the owners of fleet vehicles.

Policies that may respond to these exposures and mitigate costs include Commercial Auto, Workers' Compensation or Umbrella or Excess liability.



## How fleet owners can reduce or AVOID LOSSES

As concerning as the prevalence of rural auto fatalities is, fleet owners in the oil and gas sector can take steps aimed at lowering the risks. Arch Insurance recommends actions including:

- Ensuring adequate driver qualifications and conducting continuous monitoring of motor vehicle records.
- Enforcing internal safety protocols, such as pre-trip inspections, filing of driver vehicle inspection reports, personal use policies and driver readiness.
- Using technologies to improve fleet tracking and monitoring, such as GPS-enabled sensors, telematics that can monitor and record on-road behaviors, geofencing of routes for fleet vehicles and onboard cameras.
- Educating through training and skill refresher programs that include information on the dangers of rural driving.
- Discussing risks with a trusted insurance company and broker, to make sure appropriate insurance policies and loss control are in place.

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