

MOTOR FLEET RISK MANAGEMENT ADVISORY

Practical Guidance for Transport and Logistics Operators

Building safer, more resilient and more insurable fleet operations

Why This Advisory Matters

Road transport is the backbone of Tanzania's economy — supporting trade, logistics, construction, agriculture, fuel distribution, and cross-border commerce. A single major fleet accident can trigger death or injury, vehicle damage, cargo loss, business interruption, third-party claims, regulatory complications, reputational harm, and materially higher insurance costs. This advisory equips fleet operators with structured, practical frameworks to reduce accident frequency, control claims severity, improve vehicle uptime, and strengthen their overall insurance risk profile.

1. Why Fleet Risk Management Matters

Fleet risk management is not only about avoiding accidents — it is about protecting the entire transport business.

Consequences of Poor Fleet Controls

- Loss of life and serious injuries
- Vehicle downtime and loss of revenue
- Cargo damage, theft, contamination, or delivery failure
- Third-party property damage and liability claims
- Higher repair costs due to poor quality or delayed reporting
- Increased insurance premiums, higher deductibles, or reduced underwriting appetite
- Loss of customer confidence and contractual penalties
- Reduced fleet value and higher lifecycle maintenance costs

The Business Case for Safety

A well-managed fleet benefits from lower claim frequency, better driver discipline, improved fuel efficiency, longer vehicle life, stronger insurer confidence, and greater business continuity. Safety and profitability are not in conflict — they are directly linked.

2. Key Causes of Fleet Losses

The following are common causes of motor fleet accidents and losses in transport operations across Tanzania.

A. Unsafe Driving Behaviour

Many serious accidents are caused not by vehicle failure, but by driver behaviour.

- Excessive speed
- Risky overtaking
- Mobile phone use while driving
- Aggressive driving
- Poor judgement in rain, darkness, or congestion
- Failure to observe road conditions

B. Driver Fatigue and Fitness to Drive

Fatigue remains one of the most underestimated causes of severe motor accidents. Long-distance drivers face extended hours, pressure to meet deadlines, night driving, and inadequate rest.

- Slow reaction time and microsleep
- Poor lane control and late braking
- Failure to judge speed and distance
- Increased probability of serious or fatal crashes

C. Operational Pressure and Unrealistic Delivery Timelines

Many accidents occur because the driver is indirectly pushed into unsafe behaviour by the business model itself.

- Unrealistic delivery schedules with penalties for late delivery
- Drivers trying to recover lost time by speeding
- Lack of communication between dispatch teams and drivers
- Poor route planning causing avoidable delays

Key Principle

A driver should never be forced to choose between meeting a delivery deadline and driving safely. Safety must be built into delivery planning.

D. Poor Journey and Route Management

- Poor road condition and accident blackspots
- High-theft areas and remote zones with limited support
- Unsafe parking, weather hazards, and road works
- Cross-border and port delays without contingency planning

E. Night Driving

Night driving increases the probability and severity of accidents due to reduced visibility, driver fatigue, limited emergency support, and higher security risks. Where possible, night driving should be restricted and subject to additional controls.

F. Vehicle Condition and Maintenance Failure

Mechanical failure is often the visible cause of an accident, but the root cause is usually weak maintenance discipline.

- Worn tyres and incorrect tyre pressure
- Brake defects and steering problems
- Faulty lights, suspension defects, poor wheel alignment
- Defective reflectors or warning equipment
- Lack of preventive maintenance records

G. Overloading and Poor Load Distribution

Overloading affects braking distance, stability, suspension, steering, tyre performance, fuel consumption, and vehicle life — and can create serious claim complications.

H. Cargo Loss, Theft and Security Risk

Fleet losses are not limited to road accidents. Theft, pilferage, hijacking, cargo substitution, and disappearance of goods are also major risk exposures.

- GPS tracking and geofencing
- Tamper-proof seals and route deviation alerts
- Background checks for drivers and subcontractors
- Dual control for high-value cargo

I. Subcontracted Vehicles and Third-Party Drivers

Subcontracted vehicles and casual drivers are a major risk area. A loss caused by a subcontractor can still damage the reputation and customer relationship of the main transporter.

3. Recommended Fleet Risk Management Framework

Fleet safety must be owned by senior management — not left entirely to drivers or mechanics. The following controls form a structured, practical framework.

A. Management Accountability

- Written fleet safety policy
- Designated fleet safety / risk officer
- Driver rules and disciplinary procedures
- Monthly accident and claims review
- Board or senior management visibility on major incidents

B. Driver Selection & Vetting

- Valid licence and experience verification
- Medical fitness checks
- Knowledge of defensive driving
- Accident history and employment references
- Behaviour, discipline, and attitude assessment

C. Driver Training and Refresher Programmes

Driver training should not be a one-time event. It should be refreshed at least annually, and immediately after serious incidents.

- Defensive driving and fatigue management
- Speed management and safe overtaking
- Emergency braking and accident scene management
- Cargo security and GPS / communication tools
- No mobile phone use while driving

D. Driver Behaviour Monitoring (GPS / Telematics)

Fleet owners should move from trust-based control to evidence-based control. Data should not merely be collected — it must be reviewed and acted upon.

- Speed violations and harsh braking / acceleration
- Route deviation and night movement alerts
- Driving hours and rest compliance monitoring
- Driver scorecards — safe drivers recognised and rewarded

E. Fatigue Management

- Defined maximum continuous driving period and minimum rest breaks
- Two-driver policy for selected long-distance or high-risk routes
- Restrictions on excessive night driving
- Monitoring of driving hours through logbooks, GPS, or dispatch records

F. Journey Management (Long-Distance & Cross-Border Trips)

For long-distance, high-value, hazardous, or remote-area trips, operators should use a written journey management plan covering:

- Driver, vehicle, and cargo details
- Route, approved rest stops, and fuel stops
- Known high-risk road sections
- Check-in schedule and escalation process if vehicle becomes unreachable
- Night-driving approval if applicable

G. Speed Management

Warning

A speed policy that is not enforced is not a policy — it is only a document. Repeated violations must trigger counselling, retraining, suspension from high-risk routes, or disciplinary action.

H. Vehicle Inspection and Preventive Maintenance

Every fleet should have a structured maintenance programme. Vehicles with safety-critical defects should not be dispatched.

Daily Controls

- Daily pre-trip inspection

Scheduled Maintenance

- Lights, reflectors, and safety equipment checks

- Post-trip defect reporting
- Scheduled preventive maintenance
- Tyre and brake inspection records

- Trailer coupling and locking checks
- Maintenance history and defect closure tracking
- Fire extinguisher, first-aid kit, warning triangles

I. Pre-Trip Inspection Checklist

Before every trip, the driver or fleet supervisor must confirm the following items. The checklist should be signed or electronically recorded.

- Tyres in good condition and properly inflated
- Brakes working; steering normal
- Lights, indicators, reflectors, and hazard lights functioning
- Mirrors and windscreen clear; wipers working
- Load properly secured with cargo documents available
- Fire extinguisher, first-aid kit, and warning triangles available
- GPS functional and communication device charged
- Route and rest stops confirmed

J-P. Additional Framework Pillars

J. Load & Cargo Management

All loading must be supervised and documented — compliance with permitted load limits, proper weight distribution, correct securing, photographs of cargo condition, and written handover at delivery.

K. Parking & Security Controls

Maintain a list of approved parking areas, prohibit high-risk roadside parking, use GPS geofencing, apply seal checks after every stop, and plan parking before departure.

L. Emergency Response & Accident Management

Every driver must know: stop safely, protect life first, notify fleet control and police, take photographs, collect third-party details, preserve evidence, and follow approved towing instructions.

M. Claims Reporting & Repair Discipline

Immediate insurer notification, submission of police report and photographs, use of approved garages, genuine parts, and root-cause review after every claim.

N. Repair Quality & Roadworthiness

Post-repair controls include brake and steering checks, wheel alignment, test drive, confirmation of restored safety equipment, and final approval by fleet maintenance manager.

O. Fuel, Fraud & Misuse Controls

Fuel monitoring, GPS reconciliation, trip authorisation, repair invoice review, and internal audits to prevent leakage and collusion.

P. Insurer & Broker Engagement

Share fleet schedule, route exposure, GPS capability, claims history, and risk improvement plans with insurers — enabling fair pricing and long-term partnership.

4. Suggested Minimum Standards for Fleet Operators

Before Hiring a Driver

Before Dispatching a Vehicle

- Verify licence and experience
- Obtain references and check accident history
- Conduct medical / fitness assessment
- Train on company safety rules
- Explain disciplinary policy

- Confirm vehicle inspection and cargo security
- Confirm route plan and driver rest status
- Confirm GPS functionality and emergency contacts
- Confirm all documents and insurance are valid
- Record pre-trip checklist sign-off

During the Journey

- Monitor GPS — speed violations and route deviation
- Require scheduled driver check-ins
- Monitor long stoppages and night movement
- Record incidents and near misses

After the Journey

- Conduct post-trip vehicle check and record defects
- Review GPS exceptions and confirm cargo delivery
- Update driver performance record
- Plan maintenance where needed

After an Accident — Immediate Actions

Protect life and scene → Notify fleet control → Notify police → Notify insurer or broker immediately → Take photographs → Collect third-party and witness details → Preserve evidence → Arrange approved towing or repair → Conduct root-cause review → Implement corrective action.

5. Fleet Risk Management KPIs

Fleet owners should measure safety performance — not only revenue and delivery performance. What is not measured is rarely controlled.

- Number of accidents per month and per vehicle
- Accident frequency per kilometre travelled
- Claim cost per vehicle and downtime days per accident
- Number of speed violations and harsh braking incidents
- Number of route deviations and fatigue / rest-break violations
- Tyre failures and brake-related defects
- Preventive maintenance compliance
- Repeat accident drivers
- Claims reported late
- Repairs completed through approved garages
- Recovery from negligent third parties
- Near-miss reports

6. Role of Insurers in Fleet Risk Improvement

Insurers should not only pay claims — they should help clients reduce claims. Alliance Insurance is committed to a collaborative approach with fleet owners and brokers.

- Claims trend analysis and fleet risk surveys
- Driver safety workshops and risk improvement recommendations
- Approved repairer network and documentation support
- Support in recovery and subrogation against negligent third parties
- Identification of repeat-loss vehicles, routes, or drivers
- Incentives for operators with strong risk controls
- Periodic claims review meetings with major fleet clients

7. Practical Risk Improvement Plan

Fleet owners should adopt a phased improvement approach. The following plan provides immediate, short-term, and medium-term priorities.

PHASE 1

First 30 Days

- Identify top loss-making vehicles and drivers
- Review recent accidents and common causes
- Enforce pre-trip inspections
- Confirm all drivers have valid licences
- Activate GPS monitoring for speed and route deviation
- Issue written speed and fatigue rules
- Create emergency contact and accident reporting procedure
- Ensure vehicles have basic safety equipment

PHASE 2

60 to 90 Days

- Introduce driver scorecards
- Conduct defensive driving training
- Create approved parking and rest-stop list
- Implement journey planning for long-distance trips
- Start monthly claims and safety review meetings
- Establish tyre and brake inspection records
- Review subcontracted vehicle controls
- Introduce formal incident investigation process

PHASE 3

6 to 12 Months

- Integrate telematics data into management reporting
- Link driver incentives to safety performance
- Establish fleet safety KPIs
- Conduct annual driver fitness and competency reviews
- Strengthen cargo security procedures
- Develop route risk maps
- Carry out joint claims review with insurer and broker
- Benchmark fleet performance against industry standards

8. Conclusion

Fleet risk management is not a paperwork exercise — it is a business discipline.

The most successful transport operators are those that treat safety, maintenance, driver discipline, journey planning, and claims management as part of daily operations.

Insurance protects against financial loss, but it cannot replace lives, restore damaged reputations, or recover lost business caused by preventable incidents.

Alliance's Commitment

A safer fleet is a more profitable fleet. It has fewer accidents, lower downtime, better driver retention, stronger client confidence, improved insurer relationships, and a more sustainable insurance cost structure. Alliance Insurance Corporation Ltd. is committed to partnering with fleet owners, brokers, regulators, garages, and transport associations to build a safer and more resilient transport industry in Tanzania.

Disclaimer:

This advisory is intended to provide general guidance on motor fleet risk management. It does not replace professional, legal, regulatory, technical, or insurance advice specific to an individual operator's business. Fleet owners should assess their own operations, routes, vehicles, cargo, contracts, and regulatory obligations before implementing any risk-control measures.