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Drug & Alcohol testing: impact on insurance policies

Ruth Kydd

Insurance Manager

Objectives

- Insurance risks for fleets
- Impact of incidents involving drugs & alcohol on insurance coverage
- Benefits of having a policy / testing programme in place
- What does this mean for the public sector?



Insurance Risks for Fleets

Current risks:

- Number and type of vehicles
- Number & length of journeys undertaken
- Resource (drivers)

Insurer expectations of fleet risk management:

- Repairs
- Maintenance
- Technology: telematics / sensors / cameras
- Drivers: policies & their implementation



Insurance Risks for Fleets

General Safety Regulations: July 2024 (last updated in 2019)

Number of improvements required as a result of the above, including:

- Alcohol Interlock Installation Facilitation (ALW)
All new commercial vehicles will have a standardised alcolock interface in place
- Fleet operators will therefore be expected to have a policy in place / testing in the future
- Best practice would include both policy and testing programme in place – speak to your insurance manager / insurers / brokers



[RMP-Risk-Control-General-Safety-Regulations-2024.pdf \(rmpartners.co.uk\)](https://rmpartners.co.uk/RMP-Risk-Control-General-Safety-Regulations-2024.pdf)

Insurance Risks for Fleets

Effective fleet management: H&S and managing driving is more important than ever

Health & Safety at Work Act 1974: includes

- *Driving or riding at work*
- *Company or hired vehicle, or employees own vehicle*
- Longer term management of risk for fleets will likely require D&A testing



Insurance impact: Drugs & Alcohol

Scotland has stricter limits for alcohol than elsewhere in the UK (NB use of drugs is illegal):

- Breath alcohol is 22mcg per 100ml of breath
- Blood alcohol limit is 50mg per 100ml blood
- 67mg in 100ml of urine

Police may carry out drug / drink testing with drivers where they are involved in an accident

Depending on outcome, driver may be subject to prosecution

Impacts on organisation could include :

- Significant reputational / brand damage
- Operator Licence issues
- Financial impact:
 - Vehicle may be impounded (storage charges)
 - Insurance coverage may not respond for own damage but the third party (compulsory element) only – Road Traffic Act



Benefits of having D&A testing in place

- More prevalent in commercial sector than in public sector
- Improves employee and public safety, together with the protection of assets (vehicles)
- Assists organisations deliver their duty of care to employees; also promotes a culture of safer driving
- Improved defence rate for insurance claims, which will contribute to stabilising of premiums
- Positive financial impact for claims that are under deductible / excess
- Supports Operator Licence requirements
- Strong brand protection and less negative media attention
- Improved public trust in the driving culture of an organisation
- Confirms organisations commitment to corporate social responsibility



What does this mean for the public sector?

- Challenging times financially: need to ensure mitigation of any potential incidents where drugs and alcohol may be a factor
- Cannot sit back and await incident/s – requirements exist now under the Road Traffic Act and H&S at work Act
- Need to support drivers within our organisations to ensure they are fit to drive
- Determine policy, extent of testing and process post test
- Implementation will require support from senior managers of each organisation, trade union colleagues and, above all, staff
- Joined up approach – internal and external collaboration required in design & implementation



Insurance proposals / discussion points

- Full engagement with all stakeholders / representative bodies (eg HSE / ACAS / Trade Unions / providers of testing) to ensure common goal in place and focus on wellbeing / welfare
- Testing is proposed to include all legally obtained medication and prescription drugs
- Levels for testing: Scottish levels where Scotland, could be even stricter for larger vehicles?
- Drivers only and / or all employees? Depends on nature of the business and expectations of employees
- System: auditable and restricted access, with testing being discreet
- Full auditable test results to show no sector / person has been targeted, random generator for testing



Questions?

