

Recent Trends in Auto Claims & Telematics

Don E. Goebel, Esq., LL.M.T.

Chief Legal Officer & Chief Tax Officer

Maxim Crane Works, LP

Don E. Goebel, Esq., LLMT
Chief Legal Officer and Chief Tax Officer
Maxim Crane Works, LP and its affiliated companies

Executive/Attorney with thirty-five years of diverse legal, business, mergers and acquisitions, insurance, tax, and financial experience including twenty-two years with Maxim Crane Works, LP (“Maxim Crane”), the largest provider of cranes and related lift and logistics services in the United States to thousands of end users, seven years with large international accounting firms, and six years with regional law firms. Attorney Goebel is primarily responsible for Maxim Crane’s legal/risk/insurance and tax departments. He is an adjunct law professor at the University of Florida College of Law. Attorney Goebel has been a licensed attorney in the Commonwealth of Pennsylvania since 1989. Attorney Goebel has over thirty-two years of experience in the crane industry, handling various legal and tax matters for Maxim Crane’s predecessor companies since 1993. He is a frequent lecturer on various legal, insurance, and tax topics. He received his BA in Economics & Political Science from the University of Pittsburgh, his Juris Doctorate from the Ohio Northern University College of Law, and his LL.M. in Taxation from the University of Florida College of Law.

Recent Trends in Auto Claims

- A study from the American Transportation Research Institute showed a nearly 1,000% increase in large verdicts involving truck crashes
- The average verdict size for a lawsuit above \$1 million involving a truck crash increased from \$2.3 million to \$22.3 million over nine years.
- Auto accident cases account for 23.2% of nuclear verdicts
- Median verdict in auto cases: \$21 million
 - mean verdict: \$46.4 million – due to extreme outliers

Nuclear Verdicts

- Nuclear verdicts refer to jury awards exceeding \$10 million, often in personal injury or wrongful death lawsuits
- \$14.5 billion: The total amount awarded in nuclear verdicts in 2023, a 15-year high.
- \$44 million: The median nuclear verdict in 2023, up from \$21 million in 2020.
- 57% increase in liability claims over the past decade, largely due to nuclear verdicts.
- 38% rise in medical care costs and 40% rise in vehicle repair costs since 2020, further contributing to the higher verdicts and increased insurance claims.

\$100 Million Verdict Texas

- Case: *Blake v. Werner Enters., Inc.*
 - Winter weather advisory cautioned extremely dangerous driving conditions
 - Novice Werner employee was driving a semi-truck while his supervisor slept in the front seat
 - 7-year-old killed in collision with Werner truck
- Verdict
 - \$116 million jury verdict

\$1 Billion Verdict Florida

- *Case: Melissa Dzion v. AJD Business Services and Kahkashan Carrier, Inc.*
 - Kahkashan employed a licensed driver with a poor safety record
 - Driver was distracted and over the limit of federally allowed consecutive driving hours
 - 18 year old Connor Dzion was killed in the crash
- **Verdict**
 - \$100 million in compensatory damages and \$900 million in punitive damages

Litigation Funding

- Litigation funding is a \$17 billion industry; 16% increase from the prior year
 - 52% of that money is being spent in the U.S.
- Average rate of return on personal injury cases ranges from 25% to 35%
- Leads to a decrease in the amount of damages the plaintiff receives
 - Average plaintiff gets 55% of awarded damages with no 3rd party funding
 - Average plaintiff gets 43% of awarded damages with 3rd party funding

TELEMATICS PROGRAM

OVERVIEW

In 2022, Maxim made a multi-million-dollar investment in a telematics platform. As of mid 2023, the equipment had been installed on Maxim's entire on-road fleet including tractors, pick-up trucks, service trucks, and all on-road cranes.

FOCUS

Dual-facing cameras

- Increase driver safety performance and exonerate drivers during no-fault accidents.

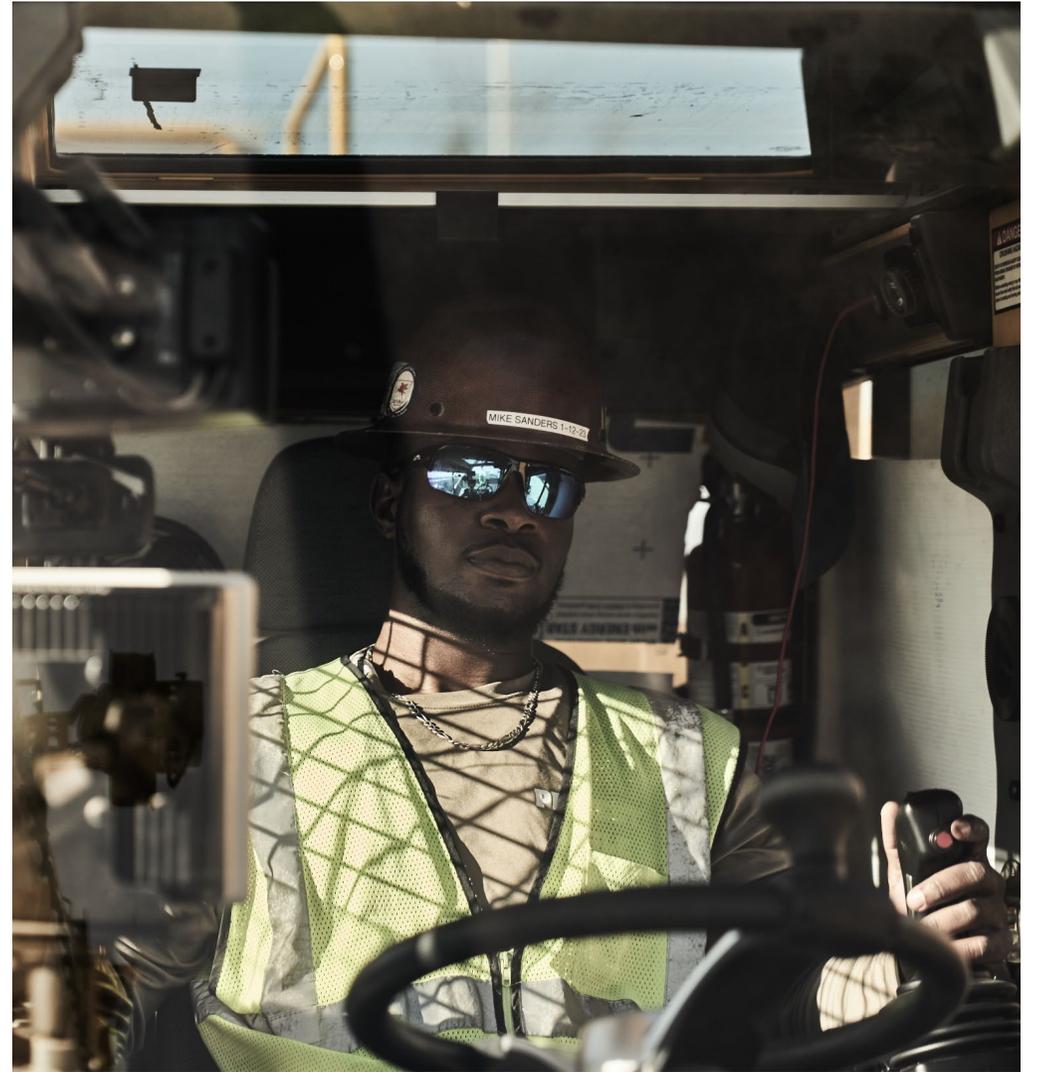
Tracking & monitoring

- Track "harsh events" including braking, acceleration, rolling stops, speeding, following distance, inattentive driving, etc.
- Allows for daily pre-trip and post-trip electronic vehicle inspection reporting, embedding photos of any defects, and electronic alert notification to the service department through the mobile driver app.
- Compliance with FMCSA ELD Hours of Service Mandate.

RESULTS

Our first-year goal was to reduce at-fault rear ending accidents by 50%. In 2023, Maxim exceeded our goal with a 65% reduction. In 2024, Maxim had reduced its at-fault rear ending accidents by 88% from its 2019-2022 average.

The Company's goal was to reduce Harsh Events by 50%. Since the platform's installation in June of 2022, we have seen a 70% reduction in Harsh Events, 75% reduction in speeding policy violation, and over 30 driver exonerations from no fault accidents due to the dual facing camera technology saving Maxim millions of dollars in litigation and claims costs.





Telematics Reporting Capabilities

Examples:

- Asset Location
- Idle Time Information
- Working Time/Asset Utilization
- Fuel & Energy Usage

Summary Program Timeline Overview

- Maxim is currently 32 months into the partnership with Samsara, with over 6,000 devices across the Company's fleet, ~2000 connected employees, and continuing to leverage the connected ecosystem.
- Began Samsara telematics implementation process in July 2022.
- Full implementation was obtained in January 2023.
- **2025 Samsara Connected Operation Award Winner.**

Samsara Related Insurance Update

- Liability claims down 30% from the prior year.
- 42% decrease from prior 4-year average.
- Collision claims are down 39% from the prior 4-year average.
- Rear End Collision claims are down 46% from the prior 4-year average.

Category	Year 1 Target	Year 1 Actuals	Year 2 Actuals
<i>Safety/Insurance Expense Reduction</i>	\$603K	\$1,158K	\$894K
<i>Fuel/Idle Time Reduction</i>	\$411K	\$742K	\$864K
<i>Maintenance Expense Reduction</i>	\$551K	\$750K	\$751K
<i>IFTA/Compliance Expense Reduction</i>	\$150K	\$0K	\$48K
<u>Year 1 Grand Total</u>	<u>\$1,714K</u>	<u>\$2,650K</u>	<u>\$2,557K</u>

Example of Telematics Idle Fuel Reporting

Idling Events ★

Feb 13, 2024 12:00 AM - Feb 13, 2024 11:59 PM

Idling Event Report updates every 6 hours

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<  Feb 13 → Feb 13 >

 Tags ▾

Asset Name ▾

Q Search results

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Vehicle	Idle Event Start	Idle Event End	Idle Event Duration	PTO Status	Fuel Used	Address
STO166	Feb 13, 12:49 AM EST	Feb 13, 12:53 AM EST	4m 2s	Inactive	0.06 gal	Dowling Road, Port Arthur, TX, 77640
STO166	Feb 13, 12:54 AM EST	Feb 13, 12:58 AM EST	4m 31s	Inactive	0.06 gal	Dowling Road, Port Arthur, TX, 77640
STO166	Feb 13, 12:58 AM EST	Feb 13, 1:04 AM EST	5m 57s	Inactive	0.08 gal	Dowling Road, Port Arthur, TX, 77640
4384	Feb 13, 1:06 AM EST	Feb 13, 1:08 AM EST	2m 10s	Inactive	0.10 gal	301 Gough Street, San Francisco, CA, 94102
4384	Feb 13, 1:10 AM EST	Feb 13, 1:17 AM EST	7m 13s	Inactive	0.24 gal	301 Gough Street, San Francisco, CA, 94102
4384	Feb 13, 1:18 AM EST	Feb 13, 3:00 AM EST	1h 41m	Inactive	4.55 gal	301 Gough Street, San Francisco, CA, 94102
4384	Feb 13, 3:00 AM EST	Feb 13, 3:15 AM EST	14m 57s	Inactive	0.25 gal	330 Gough Street, San Francisco, CA, 94102

Example of Telematics Fuel & Energy Usage

Fuel & Energy ★

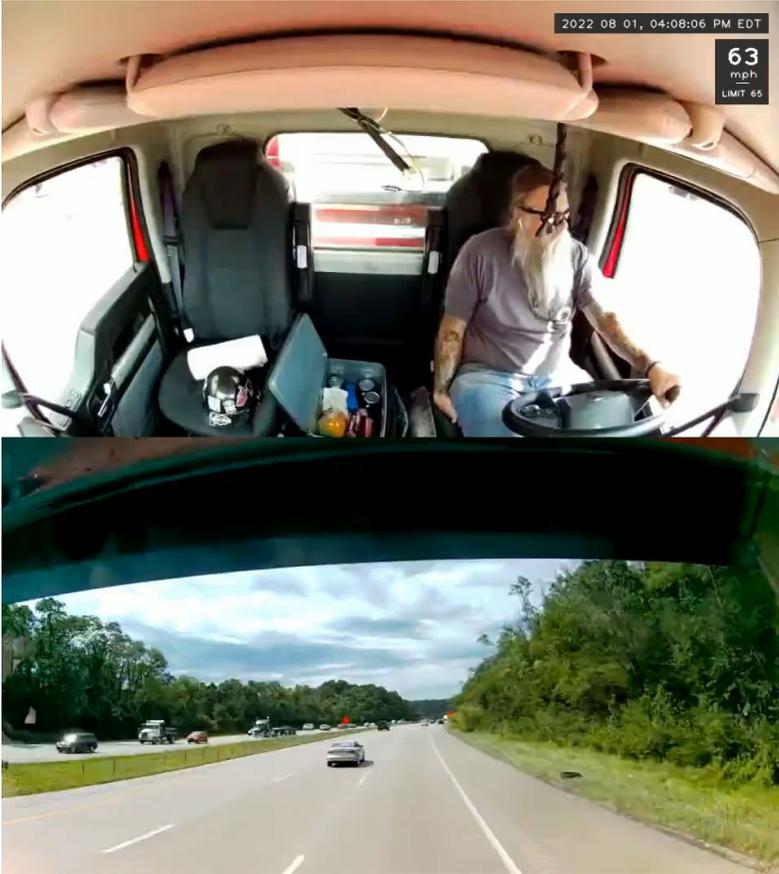
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Vehicle	Driver	Benchmarks						
<p>< Feb 6 → Feb 13 > Tags Attributes</p> <p>Q Search vehicles < 1 of 63 ></p>								
Vehicle	Efficiency ⁱ ▼	Fuel Used ⁱ	Distance ⁱ	Est. Carbon Emissions ⁱ	Est. Cost ⁱ	Total Engine Run Time	PTO/AUX Time (%)	Idle Time (%)
V31	26.4 MPG	8.2 gal	218.0 mi	161.6 lb	\$26.80	5h	0s (0.0%)	24m 47s (8.2%)
V1818	26.0 MPG	17.8 gal	462.6 mi	348.0 lb	\$57.73	11h 29m	0s (0.0%)	20m 37s (3.0%)
V1269	25.2 MPG	13.2 gal	332.1 mi	257.8 lb	\$42.77	13h 46m	0s (0.0%)	3h 5m (22.4%)
V1896	24.3 MPG	5.8 gal	141.3 mi	114.1 lb	\$18.93	4h 55m	0s (0.0%)	30m 4s (10.2%)
V1888	23.9 MPG	35.3 gal	842.4 mi	691.5 lb	\$114.71	17h 58m	0s (0.0%)	1h 1m (5.7%)
CV0076	23.9 MPG	7.2 gal	171.8 mi	141.1 lb	\$23.40	4h 54m	0s (0.0%)	17m 40s (6.0%)
V1894	23.6 MPG	18.7 gal	442.9 mi	367.2 lb	\$60.90	10h 41m	0s (0.0%)	53m 11s (8.3%)
V1897	23.6 MPG	4.7 gal	109.8 mi	91.2 lb	\$15.13	3h 18m	0s (0.0%)	49m 39s (25.0%)
V1895	23.4 MPG	26.8 gal	627.2 mi	524.1 lb	\$86.94	13h 56m	0s (0.0%)	30m 51s (3.7%)

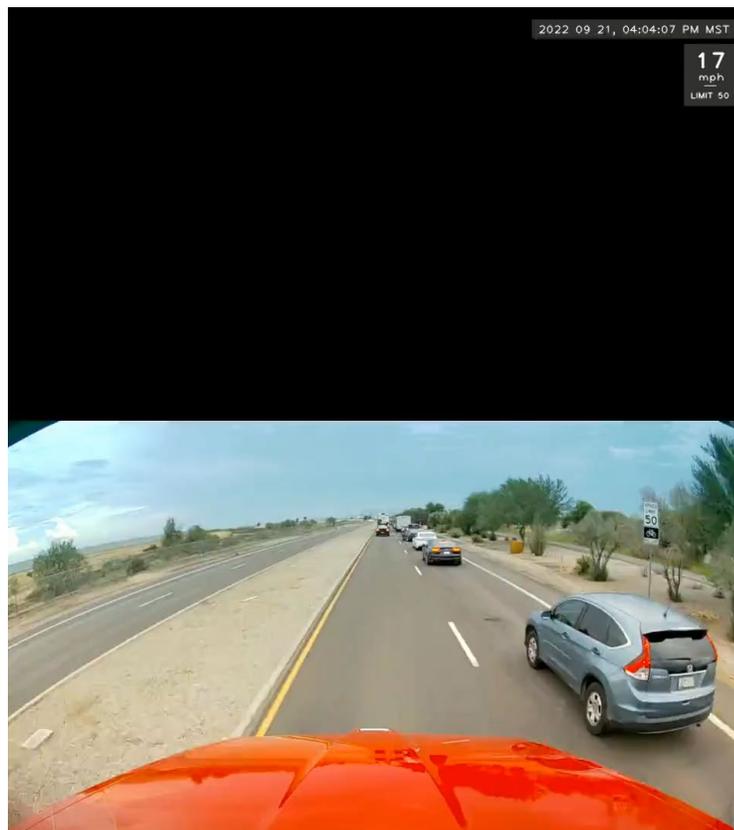
VIDEOS

Why Samsara Dual Facing Camera's?

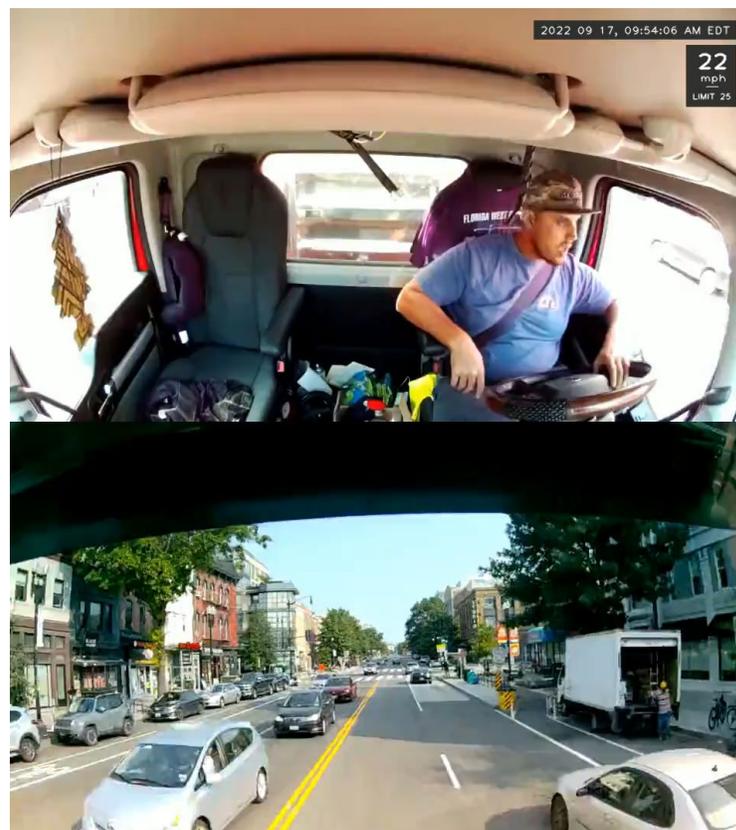
VIDEO 1 - Priority Driver Exoneration (proving in a lawsuit you were not at fault)



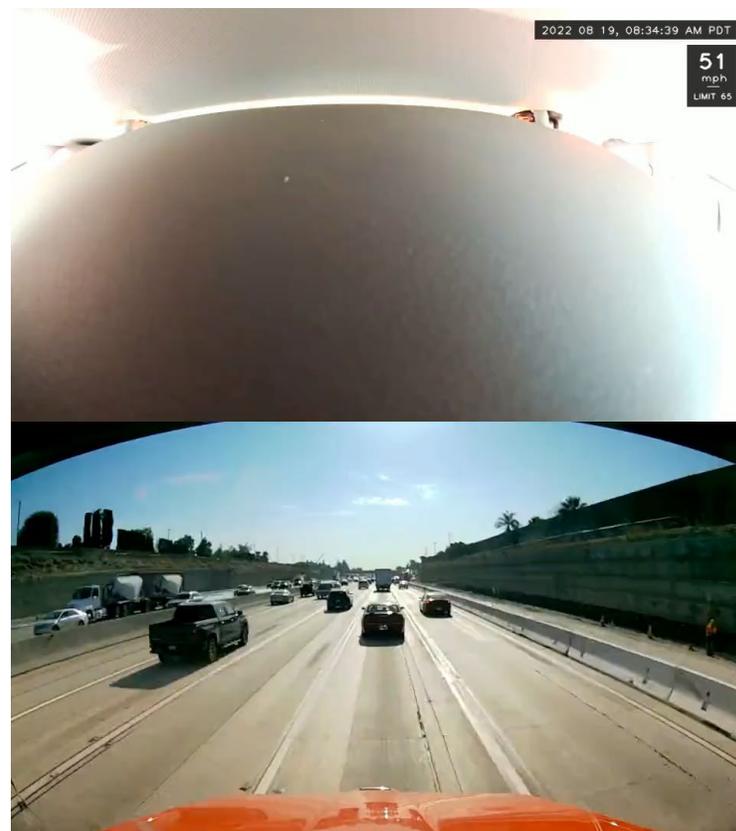
Video 2



Video 3



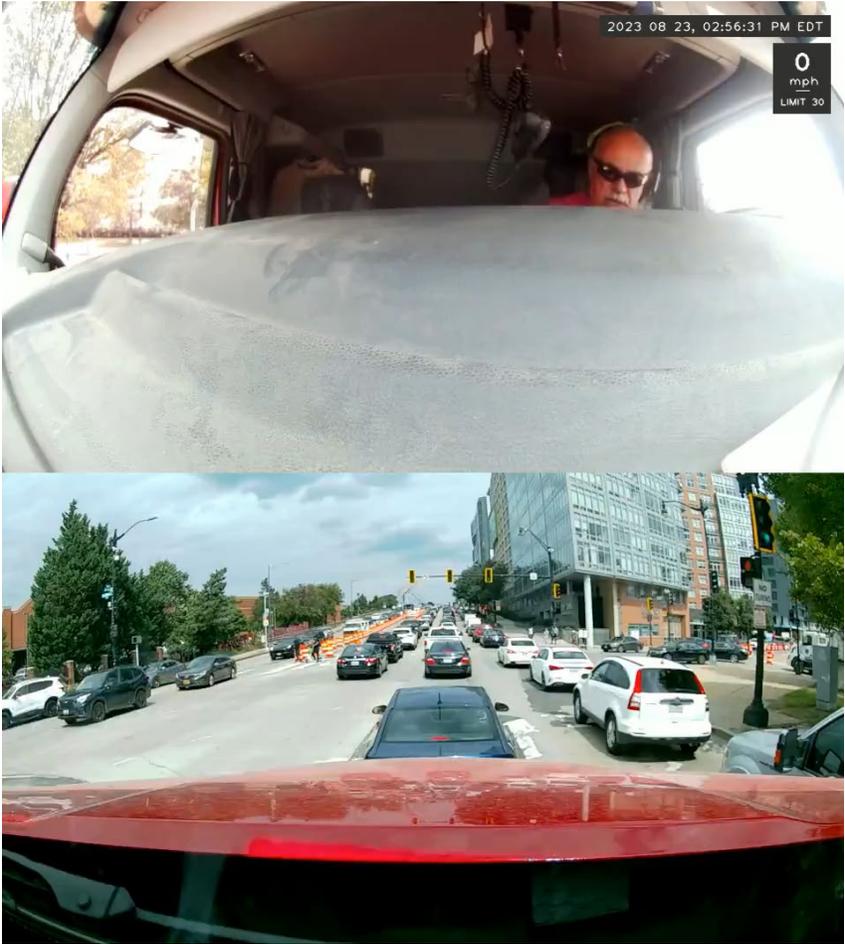
Video 4



Video 5



Video 6



Driver Testimonial



Importance of Dual Facing cameras

The first four videos you just saw are actual videos from Maxim vehicles that were part of the pilot program and are true events. All the drivers did an outstanding job of avoiding potential accidents.

Had there been an impact in any of these the following would happen:

1. A lawsuit is 100% assured.
2. Drivers are sued individually along with the company.
3. Cell phone records are subpoenaed.
4. Significant dollar amounts are always demanded.
5. Driver record and driver personal life scrutinized by lawyers.
6. Cases take months and years to settle, significant legal fees accumulate.
7. Cases settle in many instances because the legal fees would exceed the settlement demand.

Why Inward Facing Cameras?

-Immediate proof driver is being safe and following safe driving practices behind the wheel.

-Immediate proof driver is not on a hand-held device or distracted behind the wheel.

-Immediate proof driver did not cause the accident.

-These items alone will stop the driver and the employer from being sued in a no-fault vehicle accident. In fact, it enable seeking compensation from the other driver's insurance company to cover the cost of any injuries to the driver and the cost to repair the equipment.

-The forward-facing camera alone will not provide the level of detail needed to keep lawsuits from happening. Lawyers will argue and say that the driver was doing something wrong because the camera is blocked and make the employer and driver prove the opposite in a trial setting which will cost extensive amounts of money to fight.

-Additional camera safety features: Audible warnings - the camera has built in technology to give drivers an audible warning when following distance is too close, exceeding a speeding threshold, sensing fatigued driving, etc.

-Reduction of accidents, claims, and costs.

What the Camera System Can Do

The Camera system monitors the following and will register a Harsh event

1. Harsh Braking- when the camera senses a brake application that exceeds .50 G forces
2. Harsh Turns- when the camera senses a turn exceeding .50 lateral G forces
3. Rolling Stop Signs- Senses Stop Signs and will alert if the speed remains above 5mph
4. Following Distance- Speeds greater than 55mph with a following distance of 1sec or less for a minimum duration of 30sec.
5. Crash Alerts- When a collision is registered within the camera sensors
6. Obstructed Camera- When one of the lenses are blocked i.e. sun visor, tape, lens cover, etc.

How does the system know when there is an incident? An internal accelerometer recognizes crashes and harsh driving.

What the Camera System Cannot Do

This does NOT need to be a “Big Brother” Program. The driver’s privacy can be respected.

The user can opt not to live stream driver video.

The user can opt not listen to or monitor audio.

The user can opt to set video recording when a harsh event or crash is detected. The system can be set to capture a 10 second video clip of both the inward and outward facing cameras.

VIDEO FOOTAGE PROVES INNOCENCE

With telematics dash cams there is instant access to video evidence to exonerate drivers when not at fault.

Example of Telematics Alert Set-Ups & Thresholds

Example of Alert Set-Ups, Thresholds, and Follow-Up Steps When They Trigger.

- **Following Distance:** In-cab audio alerts activated. Vehicle is over 55mph and within .5 seconds of the vehicle in front of us for more than 60 seconds. There is a nudge feature that will give the driver a voice alert to increase the distance. If that driver gets two nudges in a 12-hour period, then an event is triggered.
- **Distracted Driving:** In-cab audio alerts activated. Vehicle is going over 25mph, also have a nudge feature for the driver to self correct. Goes to the event box for coaching if the driver gets 3 nudges in 12 hours.
- **Policy Violations:** Set for minimum vehicle speed of 25mph or above. No seat belt, inward facing camera obstruction. No in-cab audio alerts.
- **Speeding:** Moderate- 6 to 10 mph over a speed limits, Heavy is 11-15 mph over, Severe is 16+ mph over. In-cab alerts are set up for 6 mph over for more than 60 secs. These automatically go into an event notification.
- **Harsh Acceleration and Harsh Braking:** These trigger when the accelerometer inside the vehicle gateway senses a .5 g load in the fore and aft sensor.
- **Crash Events:** When the accelerometer in the vehicle gateway sense a G force load impact of 2 gs or more.
- **Rolling Stop Signs:** The vehicle is traveling more than 10 mph and rolls a stop sign. No audio alert and this one automatically goes into the safety inbox for review.
- **Discipline**