Fleet Liability Protection:

The Gap Between Having Telematics and Being Covered

What fleet owners in the trades need to know about false confidence, real risk, and the difference between a system that runs and one that protects.

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Most fleet owners know they need some kind of tracking system. The problem isn't awareness anymore — it's the gap between having the tools and actually using them. That gap is where the real liability lives.

42%	$5,725	~$16,000
of businesses with commercial vehicles reported accidents in the past year	average out-of-pocket cost per accident — before insurance and legal costs	total cost per accident once insurance and legal fees are added in

Pie Insurance, 2025 State of Workplace Safety

For a corporation, that's a rounding error. For an HVAC or plumbing company running eight trucks, it can wipe out a quarter's margin in a single afternoon.

Naeem Bari has spent more than 20 years watching what happens to small fleet owners when an accident hits and they have nothing to back them up. As co-founder of Linxup and a Forbes Technology Council member, he's heard most of the stories. What he sees most often isn't ignorance, it's false confidence.

> *"These are your vehicles, your people. You cannot bury your head in the sand and hope it will all work out. It just won't. Bite the bullet and arm yourself with the knowledge you need."*
>
> — **Naeem Bari,**
> Co-founder, Linxup & Forbes Technology Council Member

This guide walks through the real liability risks, the misconceptions that leave fleets exposed, and what to look for in a provider that helps you close the gap.

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Common misconceptions about fleet liability

The most dangerous assumption a fleet manager can make is that ignorance is defensible. In reality, what you don't know — and what you don't do with what you do know — can devastate your business. These are the misconceptions that leave small fleets exposed.

MISCONCEPTION	THE REALITY
If we don't own the vehicle, we aren't liable!	Any time an employee uses any vehicle to do work for your company, you're potentially liable for what happens.
An employee's personal insurance will cover it.	Personal auto policies typically don't cover business use. That bill lands on you, and your premiums go up with it.
A written safety policy is enough to protect me.	A fleet safety policy on paper doesn't hold up in court without data to show you enforced it.
Only big trucking companies get hit with large verdicts.	Semis do more damage, but a smaller fleet can still face a serious verdict if your driver gets hit by someone running a red light and you can't prove it.
Having a telematics system means we're covered.	A system you don't act on doesn't protect you. If it comes out in court that you had data showing a problem and did nothing about it, you're in a worse position than if you had no system at all.

So what does this mean for you?

The liability risks of not using fleet telematics

Not using your fleet telematics actively creates seven specific liability exposures: no evidence to defend against accidents, vulnerability to staged accident fraud, unauthorized use of your vehicles, no data to coach drivers, more customer disputes, lost insurance savings, and exposure to false wage claims.

NO EVIDENCE MEANS NO DEFENSE

In accidents involving work vehicles, courts are more likely to hold your business at fault. Without video footage or GPS data, you've got no defense, and courts won't wait for you to build a case.

> *"The effects on your business can be catastrophic. You're going to have to settle, premiums are going to rise, you'll probably lose a good driver, and it rubs salt in the wound. There is no good outcome for this."* — **Naeem Bari**

Naeem described a driver who was sitting at a red light when a semi carrying logs passed through the intersection. Logs shifted off the bed and came down on the cab, shattering it. The driver wasn't moving. He didn't cause anything. But without dash cam footage, that account is just a story, and a hard one to believe.

With footage, it's open and shut. The camera shows exactly what happened, where the truck was, and that the driver had no part in it. The difference between those two outcomes isn't luck. It's whether someone set up the system to record.

In most cases, the best you can hope for without evidence is partial fault. That's not a defense strategy. That's a coin flip.

FRAUDSTERS SEE SERVICE TRUCKS AS EASY TARGETS

Without footage, it often comes down to your driver's word against someone who had time to prepare a story.

> *"The worst possible moment for a small fleet is when an accident happens and you don't have any footage. Somebody stops in front of one of your trucks at a stoplight, backs into it, and pretends they were rear-ended. When your driver has a dash cam, sometimes the other person just gets back in their car and drives off."* — **Naeem Bari**

EMPLOYEES CAN USE YOUR BUSINESS NAME WITHOUT YOUR KNOWLEDGE

Taking the work truck home is common practice at a lot of small service businesses. Most of the time it's fine. But when someone runs a side job in your truck on a Saturday and something goes wrong, the name on that vehicle is yours.

Naeem saw this play out with a garage door installation company. An employee took the truck home for the weekend and picked up a private job on the side. If that installation went wrong and someone got hurt, the customer isn't going after the employee — they're going after the logo on the truck.

Telematics data, like GPS tracking, tells the real story. After-hours location records, fuel use, and phone alerts when a driver hits the road can catch this before it becomes a lawsuit. A well-timed notification gives you the chance to make a call before you're served with papers over something you didn't even know was happening.

WITHOUT DATA, DRIVER COACHING BECOMES AN ARGUMENT

Without data, coaching can become an argument. Your driver says they didn't do anything wrong. When you've got nothing that proves otherwise, you end up in a what-if scenario for when bad behaviors become real accidents.

With video evidence and real driving data, the conversation is different. You're not accusing anyone. You're showing them something and asking them to do better.

> *"When the driver knows you're invested in their success, they're a lot more likely to feel invested in changing how they drive."* — **Naeem Bari**

That investment goes both ways. When drivers know the system is there to protect them, not just watch them, they tend to respond to it differently. *Naeem frames it this way*:

> *"It's not big brother looking to rat you out. It's a system riding shotgun with you to keep you safe. Nine times out of ten, if something happens, it's not you, it's the other driver. No system means no protection."* — **Naeem Bari**

NO GPS OR VIDEO MEANS MORE CUSTOMER DISPUTES YOU CAN'T WIN

Some services are harder to prove the work was done. Pest control is a good example — if you spray outside, the customer may not see any evidence of it. That sets up a dispute you can't win cleanly either way.

GPS arrival records and video evidence remove that problem. You show the customer when the truck was there and what the driver did. The dispute ends before it costs you anything.

> *"If you don't have the evidence, the manager has to decide: dispute it and risk losing the customer and taking a reputation hit, or agree and lose the money."* — **Naeem Bari**

NOT SHARING TELEMATICS DATA MEANS LOST INSURANCE SAVINGS

Commercial auto insurance has been one of the hardest markets for small fleet operators for over a decade. The industry has posted more than 13 straight years of underwriting losses, and insurance carriers have responded with rate increases that show no signs of stopping. If you're running service trucks, you've probably felt that at renewal.

What most small fleet owners don't know is that their own data can change that conversation.

Carriers and their underwriters look at telematics scorecards, documented driver coaching records, and safety program adoption as evidence of a well-managed fleet. A fleet owner who shows up to renewal with dash cam footage, a clean driver behavior report, and a documented history of addressing safety issues is a different risk profile than one who shows nothing. That difference shows up in the quote.

Fleets using telematics and active driver coaching typically see 20% to 35% reductions in collision frequency within the first year. Fewer claims over time means real leverage at renewal — not just hoping your rate holds.

> *"Companies with video telematics systems are seen as lower risk. Doubly so when they have clear processes in place to identify and address risky behavior in their own fleet."* — **Naeem Bari**

There's also a gap most fleets don't know about: a significant share of fleets running telematics have never shared that data with their insurer or broker. Nobody asked, so they didn't offer it. If you're already running a system, ask your agent directly: "Can we use our telematics data to support our renewal submission?"

The savings won't be identical for every fleet. They depend on your carrier, your current loss history, and how consistently you've been using the system. But the direction is consistent: a documented safety record is worth more at renewal than a clean one you can't prove.

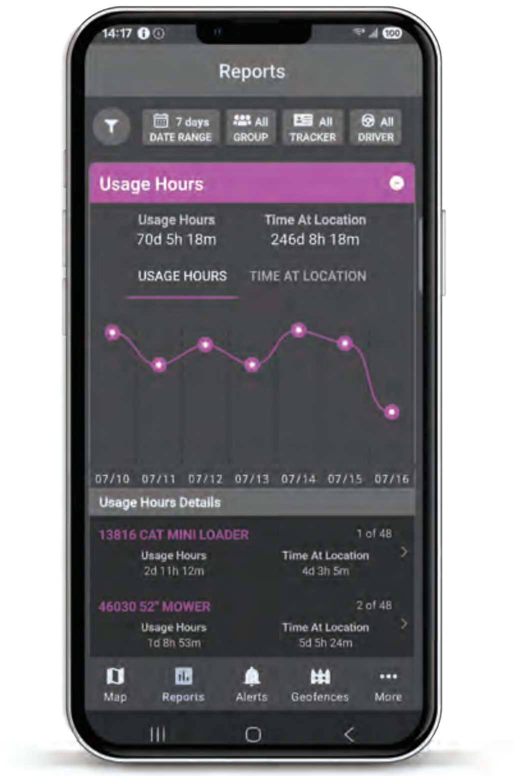
TELEMATICS DATA PROTECTS AGAINST FALSE WAGE CLAIMS

A small number of employees will inflate their hours if they think they can get away with it. In states with strong wage protection laws, that's not just an annoyance, it's a legal exposure.

California's Private Attorneys General Act (PAGA) lets employees sue to recover labor code violations on behalf of themselves and other workers. In 2025, PAGA filings hit their highest level on record, topping 10,000 claims. Most states have something similar.

Fleet management data like driving hours, fuel records, and GPS timestamps gives you a verifiable record to check claims against. It doesn't require a confrontation. The data either confirms the hours or it doesn't.

> *"Nobody wants to confront a driver who's doing something wrong. With a system that clearly shows it, you nip the problem before it turns into something bigger."* — **Naeem Bari**



What should you look for in a fleet telematics provider?

The right telematics provider does more than sell you hardware. They help you configure the system, build a process around it, and stay useful when something goes wrong. These are the five things worth evaluating before you commit.

DOES THE SYSTEM HANDLE AUDIO RECORDING COMPLIANCE?

Some states require consent before recording audio in a vehicle. If your system records by default and you're operating in a two-party consent state, you could be creating a new liability while trying to prevent one.

> *"You need to work with a company that gives you the tools to handle these scenarios. For example, the ability to disable audio recording by default, and signage you can post near the camera if you do want to record."* — **Naeem Bari**

If you decide to record, tell your drivers first. They'll appreciate the heads up. Check your state's recording laws through the ACLU's wiretapping resource page or your state's own website before you make that call.

WILL YOU ACTUALLY USE IT?

Some companies sell telematics hardware and then leave you alone with it. No alerts configured, no coaching tools, no follow-up. You've got a device running in your trucks and no process behind it.

That's the dangerous middle ground. You're paying for coverage you don't have. And if an issue comes up in court like a speeding pattern, an ignored alert, or a behavior that showed up in the data, the fact that you had the system and did nothing with it can be held against you.

> *"If you have an issue and it comes out that you had a system but did not use it to address the problem, it puts you in an even more precarious position."* — **Naeem Bari**

A good fleet management provider asks what your biggest concerns are and helps you configure the system around them. Alert thresholds should match your operating environment. Tailgating sensitivity in Boston is a different calibration than in Houston. If you're getting flooded with low-priority alerts, you'll start ignoring all of them, which defeats the purpose.

DOES IT HAVE COACHING TOOLS THAT WORK FOR DRIVERS, NOT JUST MANAGERS?

Accountability only works when both sides trust the process. Drivers who feel like the system is being used against them resist it. Drivers who understand it's there to protect them tend to use it and champion it throughout the company.

Built-in coaching tools give you a consistent, documented way to have those conversations based on data, not memory or instinct. You're pulling someone aside and showing them a specific moment while asking a straightforward question: how do we keep that from happening again?

> *"When the driver knows you're invested in their success, [they're likely to] feel more invested in changing how they drive."*
> — **Naeem Bari**

That investment has to go both ways. Catching problems is only half of it. Recognizing improvement matters just as much. Some fleet owners formalize that with driver reward programs — tools like Applause let you tie safety scores directly to recognition and bonus payouts, so good behavior gets acknowledged automatically rather than getting buried in the day-to-day. When drivers see that their safety score actually affects their paycheck in a positive direction, the dynamic shifts. The system stops feeling like a monitoring tool and starts feeling like something that works for them.

Coaching is cheaper than paying for someone's hospital bills. The data tells you who deserves recognition.

IS SUPPORT U.S.-BASED?

When something goes wrong and your team is stuck, you need to reach a person who understands your situation quickly. An overseas call center that requires you to repeat yourself three times while you're losing money is its own kind of problem.

U.S.-based customer support matters for fleet owners in the trades. The people on the other end of the line should understand what your operation actually looks like.

Speaking to someone who can't understand you is a nightmare scenario when your team is stuck. Doubly so if you're wading through an AI call tree yelling "Representative", stuck on hold while you're losing money.

DOES IT INTEGRATE WITH ELD COMPLIANCE?

Electronic logging devices (ELDs) connect to a commercial vehicle's engine and record drive time to meet federal Hours of Service requirements. Depending on what your trucks carry, you may be required to run them.

A telematics system that integrates with ELD data gives you a single record for compliance, coaching, and documentation. If the DOT runs a random inspection, you're ready.

What does a fleet look like when telematics is actually working?

When a fleet telematics system is properly configured and actively used, the changes show up across the whole operation, not just in accident rates. Here's what fleet owners in the trades typically see.

DRIVERS BEHAVE DIFFERENTLY BECAUSE THEY KNOW THE RECORD EXISTS

Drivers who know they have footage backing them up behave differently on the road not because they're being watched, but because they know that if something happens, the truth is on record. That confidence shows up in how they handle tough situations instead of avoiding them.

MAINTENANCE STOPS BEING REACTIVE

Telematics data tracks vehicle health over time, so problems surface before they become breakdowns or, worse, a "failure to maintain" argument in a liability claim. An owner running preventive maintenance on a schedule has a paper trail that's hard to argue against in court.

CUSTOMER DISPUTE GETS SHORTER

When a pest control or lawn care customer claims the work wasn't done, you're not negotiating, you're showing them a timestamp and a GPS record. Most of those conversations end quickly.

FUEL WASTE BECOMES VISIBLE

Idling time, inefficient routing, and hard acceleration patterns all show up in the data. Coaching drivers on those habits costs nothing and the savings show up on the next fuel bill.

INSURANCE RENEWAL BECOMES A DIFFERENT CONVERSATION

A fleet with a documented safety record approaches renewal from a different position than one without. You're not hoping for a better rate. You're showing why you deserve one.

None of this happens automatically. It happens when someone sets the system up, pays attention to what it's telling them, and acts on it. That's the difference between a fleet that's protected and one that just thinks it is.

The cost of the middle ground

The dangerous middle ground is having a telematics system that runs but isn't being used. It doesn't protect you. And in some cases, it makes things worse. Here's what that looks like in practice.

OWNER A bought a basic GPS system three years ago, mostly to settle arguments about where trucks were at the end of the day. The devices are still running. Nobody configured alerts. Nobody reviews the data unless there's already a problem. He figures having something is better than nothing.

Last spring, one of his drivers got rear-ended at a red light. The other driver claimed whiplash and hired an attorney. There was no dash cam. The GPS showed the truck was stopped, but couldn't show what happened. The owner settled for $18,000 and his insurance premium went up at renewal. The system he'd been paying for every month didn't help him at all.

> *"If you have an issue and it comes out that you had a system but did not use it to address the problem, it puts you in an even more precarious position."* — **Naeem Bari**

OWNER B runs a similar operation. When she added dash cams two years ago, she spent an afternoon with her provider getting alerts configured. Speeding and phone use weighted highest. Drivers got a walk-through before the cameras went live and she told them the system was there to back them up, not monitor them.

Six months later, one of her drivers got caught in a staged accident on a busy commercial street. The other driver backed into the truck at a stoplight and immediately called it a rear-end collision. The dash cam footage showed exactly what happened. The claim was dropped. Her driver kept his record clean. Her premium didn't move.

Having a telematics solution isn't the same as being covered

If you already have telematics in your trucks, the question worth asking is whether it's actually set up to protect you — or just running in the background.

The dangerous middle ground isn't a lack of technology. It's technology that isn't being used. GPS data that nobody reviews. Dash cam footage that would have cleared your driver, if anyone had checked. Alerts that went to an inbox no one monitors.

That's what takes down small fleet businesses. Not ignorance but inaction. If you're not sure whether your system is set up to protect you, that's worth finding out before something happens.

Fleet liability FAQs

WHAT IS THE DANGEROUS MIDDLE GROUND IN FLEET TELEMATICS?

The dangerous middle ground is when a fleet has a telematics system running but nobody is actively using the data. If an incident goes to court and it comes out that you had data showing a problem and did nothing about it, you're in a worse legal position than if you had no system at all. Having the system isn't the protection. Using it is.

CAN TELEMATICS DATA BE USED AGAINST YOU IN COURT?

Yes. If your telematics system recorded a pattern of unsafe behavior — speeding, ignored alerts, repeated harsh events — and you took no action, that data can be used to show negligence. The same system that protects you when you use it can work against you when you don't.

HOW DOES GPS TRACKING PROTECT A BUSINESS FROM FALSE CLAIMS?

GPS tracking creates a verified record of where your vehicles were, when they arrived, how long they stayed, and how they were driven. That record can refute false accident claims, resolve customer disputes, and defend against false wage claims — without requiring a confrontation. The data either supports the claim or it doesn't.

WHAT HAPPENS IF A FLEET HAS TELEMATICS BUT DOESN'T USE IT?

A fleet that has telematics but doesn't act on it gets the worst of both worlds. They're paying for the system without getting the protection. And if something goes to court, the existence of unused data can be evidence of negligence. Configuring alerts, reviewing data regularly, and documenting coaching sessions is what turns a tracking system into actual liability protection.

DOES FLEET TELEMATICS HELP DEFEND AGAINST STAGED ACCIDENT FRAUD?

Yes. Staged accidents are a known risk for service fleets — a work truck signals a business with insurance, which signals a potential payout. Dash cam footage is the most direct defense. When the camera captures what actually happened, the fraudulent claim often falls apart before it goes anywhere. In some cases, Naeem notes, the other driver simply leaves when they see the dash cam.

HOW CAN AI FLEET SAFETY SYSTEMS REDUCE ACCIDENTS?

AI cameras in fleet vehicles detect unsafe behaviors and alert the driver or fleet manager in real time, before an incident happens. That gives fleet managers a chance to coach the driver on a specific behavior with specific evidence, rather than running a general safety meeting and hoping it sticks.

DOES TELEMATICS DATA ACTUALLY REDUCE ACCIDENTS?

Yes. When it's paired with consistent coaching. Telematics data makes unsafe behavior visible and actionable. Fleets using telematics with active driver coaching typically see 20-35% reductions in collision frequency within the first year. The data alone doesn't change behavior — consistent follow-through does

WHAT IS THE BEST WAY TO REDUCE ACCIDENTS IN A COMMERCIAL FLEET?

Combine video telematics with a consistent coaching process. Technology tells you what's happening and coaching changes the behavior. One without the other produces limited results. Drivers respond better when the feedback is specific, timely, and tied to something they can see.