



ROAD TALK

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AN OFFICIAL PUBLICATION FOR TRUCKING PROFESSIONALS



*Wishing you the safest of travels
throughout the holidays*

*May the warmth of the season
bring you an extra reason to smile*

*It has been a pleasure serving you this past year
and we are excited at the opportunity again in the New Year*





Uninsured brokering of loads

Denial of Claims

As we do from time to time, we review scenarios that have been popping up in claims. Currently, our adjusters are coming across cargo claims that show a lack of coverage due to improper brokering of loads.

For example, in the event that you have a load that your operation cannot handle and you choose to delegate that load to another trucker/company, you need to be sure you have coverage in place in the event of a loss. Delegating a load to someone other than your own drivers is technically brokering a load. As a broker, you need special protection against claims coming back on you for a loss by the subhauler.

Coverage for the load you are hauling comes from a Motor Truck Cargo policy. This protection is not part of your auto liability or general liability policies, it is its own separate coverage. Responsibility for cargo follows the Bill of Lading contract (BOL) or similar document. On the BOL, the name of the responsible party is listed and in the event of a cargo claim, the party listed on the BOL will typically bear the

responsibility - even if the driver was a subhauler. In that event, the subhauler's insurance company may deny the claim because his name wasn't on the BOL and push it back to your insurance company to pay because yours was listed there. Here's where the proverbial rabbit hole gets deeper. Many Motor Truck Cargo policies state that for coverage to exist there must be a covered power unit (truck) connected to the trailer. Being that the subhauler's truck is not covered on your policy, your insurance company may also deny that claim.

The world of insurance is all about contracts and the wording in those contracts is so very important. It is up to you to ensure that you are taking responsibility only for what is truly in your care, custody and control and that you have adequate protection for the risk(s) you are taking - especially if you have a change in commodity or operation.

There are many caveats to Motor Truck Cargo insurance policies that you need to be concerned with i.e., commodity coverage limits, aggregate

Intermodal Report:

The transportation industry is normally a good indicator of economic conditions, unfortunately economic activity around the world appears to be in a slowdown. Here in the U.S., year over year numbers for imports are showing the effects.

Intermodal cargo volume in 2016 started off on a low note and hasn't made much recovery. 2016 overall is expected to total 18.6 million TEUs, a growth of only 2.2% from 2015. The dip is evident when compared to recent years. Total volume for 2015 was up 5.4% from 2014 and 2014 was up 6.7% from 2013. Volume forecasts for the first quarter of 2017 are as follows: January at 1.54 million TEUs, up 3.6% from 2016; February at 1.49 million TEU, down 3.2% from 2016; and March at 1.38 million TEUs, up 4.6% from 2016.

Electronic Logging Devices

Oct. 31 - The U.S. Court of Appeals for the Seventh Circuit denied a legal challenge by the Owner Operator Independent Drivers Association (OOIDA) against mandated ELDs. The court ruled that the FMCSA has satisfied the objections made by the association. OOIDA says they will petition for a rehearing of the court's decision. Currently, the compliance date for the rule is December 18, 2017.

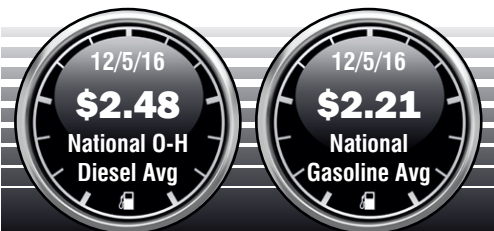
limits, exclusions and whether or not a scheduled power unit needs to be connected to the trailer or not. These are items you should be discussing with your agent to be sure you're properly protected for the risk you bear and the coverage you need.

FUEL UPDATE

According to the U.S. Energy Information Association (EIA),

U.S. regular gasoline retail prices averaged \$2.18 per gallon in November, a decline of 7 cents/gal from the October level. EIA expects gasoline prices to fall to an average of \$2.10/gal in January. Retail gasoline prices are forecast to average \$2.14/gal in 2016 and \$2.30/gal in 2017.

U.S. average low-sulfur diesel fuel prices averaged \$2.44/gal in November and is on the rise. At current prices, 2016 will end with an average of 2.37/gal.



On-highway Diesel Fuel Prices

Region	12/5/16	11/7/16	12/7/15
East Coast	2.499	2.474	2.413
New England	2.526	2.502	2.515
Central Atlantic	2.602	2.584	2.542
Lower Atlantic	2.415	2.384	2.295
Midwest	2.431	2.425	2.348
Gulf Coast	2.361	2.340	2.232
Rocky Mtns	2.457	2.532	2.410
West Coast	2.770	2.766	2.603
California	2.843	2.840	2.704

Prices listed above are diesel averages in dollars per gallon.

Up-to-date statistics are available from the Department of Energy at www.eia.gov.



HELP US TO HELP YOU

A MESSAGE FROM YOUR CLAIMS PROFESSIONALS

In the commercial trucking industry, there is too much on the line to not be diligent in defending yourself from false accusations and criminal behavior. Fraud is alive and actively being committed in the world of insurance and your claims professionals need your help. Listed below are things you should do in the event you are involved in a crash.

- 1) Secure the scene - The first thing to do is to ensure that the scene is safe to be in. If there is a fuel spill or a crash on a busy highway, get yourself out of harm's way before doing anything else. Whenever possible, setup emergency triangles to alert motorists.
- 2) Call your dispatch or agent. Two heads are better than one and the emotions associated with a traumatic event can overwhelm the best of us. Input/support from a third party can be valuable.
- 3) Take pictures - Pictures are truly valuable to your claims professionals to help piece together the scene as it was at time of the crash. When taking pictures, do not just take close-up pictures of the damage, take panoramic views of the entire scene including signs, skid marks, vehicles involved, intersections, people, etc.
- 4) Get license plate numbers of all involved vehicles - It is a common scenario for claims to come in from parties that were nearby but not actually involved in the crash. Additionally, having license plate numbers can speed up the claim process as police reports often take a while to obtain.
- 5) Get names and phone numbers of any witnesses - Witnesses provide supporting evidence to your claims, be sure to write down their names and numbers or take a photo of their business cards, ID etc.
- 6) Write down the facts as they happened - Little details can make big differences in claims investigations. Write down as many details as you can as soon as you can so they are not lost over time.

Take care and have a safe and happy holiday season!



**AMERICAN HIGHWAY
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Cargo theft

Cargo security should be a top priority for your operation - especially during the holiday season. Cargo thieves will use a variety of methods to obtain the products that are most valuable to them and high value alone will not necessarily be the determining factor.

You're already a target, understanding your vulnerabilities and putting a plan in place is key to reducing your chances of becoming a victim.

UNSECURED PARKING AREAS

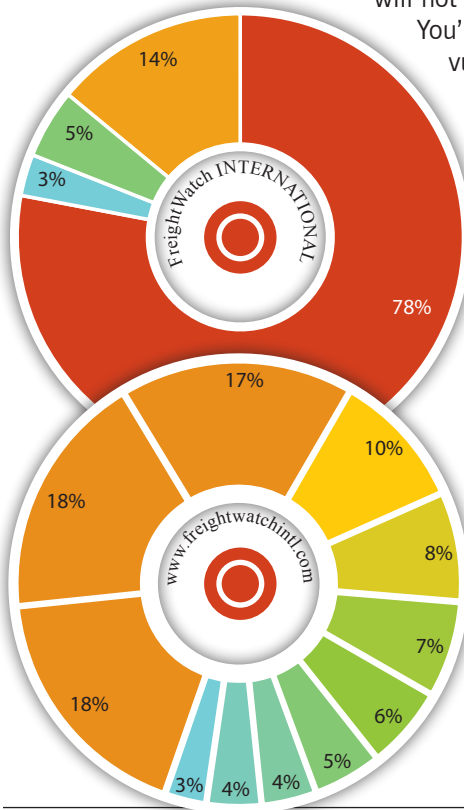
Large scale cargo thefts in unsecured parking areas during 3rd quarter 2016 (Q3) were identified in 75% of reported incidents.

Q3 THEFT BY EVENT TYPE

TRUCKLOAD	78%
PILFERAGE	14%
FACILITY THEFT	5%
FICTITIOUS PICKUP	3%

Q3 THEFT BY PRODUCT TYPE

ELECTRONICS	18%
HOME & GARDEN	18%
FOOD & DRINKS	17%
PERSONAL CARE	10%
BUILDING & INDUSTRIAL	8%
CLOTHING & SHOES	7%
AUTO & PARTS	6%
PHARMACEUTICALS	5%
METALS	4%
MISCELLANEOUS	4%
ALCOHOL	3%



CALIFORNIA WORK COMP ALERT

WORK COMP EXCLUSION CHANGE

With the passage and signing of Assembly Bill 2883, new rules have been created regarding who can be excluded from workers' compensation coverage.

AB 2883 revises the definition of an employee for coverage to include certain officers and directors of private corporations and working members of partnerships and limited liability companies. Beginning on Jan. 1, 2017 officers, directors and partners are required to be covered under the employer's workers' comp policy unless they meet the revised definition.

Under the new definition, officers, directors, and general partners can only opt out of coverage by signing a waiver under penalty of perjury and filing the waiver with their employer's insurer. Additionally, if the company is a corporation the officer/director/partner must now own at least 15% of the issued outstanding stock.

If you haven't received a notice from your insurer including the necessary forms to complete, call your agent as soon as possible.