

Transure

For The Road Ahead...



Issue 18

April 2007

Try our online certificate program, InScope on our website www.Transure.com! Email Andy@Transure.com for login info.

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MARKET NEWS

Transure Services, Inc is always looking for better ways to serve our customers and we would like to announce two new insurance companies with whom we have contracts.

The first company is an A-VIII rated company that loves furniture haulers. They have been in the business of insuring them for many years. We are now in a position to submit good trucking accounts that haul general freight to this carrier. They offer competitive quotes for all casualty lines

such as auto liability, general liability, motor truck cargo, physical damage, excess and workers compensation coverage.

Our second company is rated A VIII in Best. They are looking for well run trucking companies that are looking for a mutual relationship. Most classes of trucking will be considered but their target risk is general freight. We can quote all casualty lines usual to a trucking company except workers compensation.

CONTEST

Win an autographed UNC basketball by the whole 2007 team. See side bar of page 3 for details!

The Phoenix Fund has chosen a new third party administrator. As of April 2, 2007 National Benefits will be replaced by Synergy Coverage Solutions LLC. Synergy Coverage Solutions LLC will collect premiums, handle claims, and process policyholder information for the Phoenix Fund.



INSCOPE ~ ONLINE CERTIFICATES



InScope, our online certificate program has been enjoying great success by our customers with already thousands of activities logged.

InScope allows you to fax/email/print/view certificates/add holders and even designate additional insureds 24 hours a day, 7 days a week, 365 days a year!

The certificates are actually faxed and emailed from a computer located in our office which is important

because many shippers will not accept certificates unless they come from an insurance agency or insurance company.

Of course our staff is at your service if you need any assistance or special wording on certificates as well.

Occupational Accident Insurance Revisited

Since North Carolina tried to clarify the responsibilities of motor carriers and owner operators under the North Carolina workers compensation act, we have read a lot of discussion. We have written about this in our articles before but has anything really changed since the enactment of the statute? Not really. The mo-

tor carrier is still responsible for providing coverage to any of their drivers injured in North Carolina.

Notice we did not say workers compensation in the paragraph above. North Carolina does not care who pays for an injury incurred by a truck driver as long as someone does. Obviously you do not want your com-

pany to be the one that steps up to the plate and pays the loss. The insurance industry does not want to pay a workers compensation claim unless they have charged a proper premium for the exposure. What that means is if you bought an occupational accident policy for your owner operators and

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For questions or suggestions, please feel free to contact Andy Sharpe at 800-326-8198 ext. 102 or andy@transure.com.



PEOs

“A handful specialize in trucking and provide a very competitive option to your WC and human resource problems even with less than 1.0 MODs.”

Occ. / Acc.

“A secondary problem to coverage and price is the inability to certify true workers compensation coverage on your certificates of insurance.”

Workers Comp—PEOs / Employee Leasing

Workers Comp rates are skyrocketing in several southern states—notably NC and SC.

Truckers with high experience MOD factors are likely going to have difficulty staying afloat.

One possible solution is to join a PEO (Professional Employer Organization).

A handful specialize in trucking and provide a very competitive option to your WC and human resource problems even with less than 1.0

MODs. Your company and the PEO would be co-employers, sharing in duties and responsibilities. PEOs typically have less expensive WC as they take large deductibles that are unavailable to the average trucking company.

PEOs need to be carefully evaluated for their level of expertise and stability by a trained professional.

Occupational Accident Insurance Revisited (cont. from pg. 1)

you bought a contingent or contract policy to protect your interest as a potential employer of the owner operator you probably did so because it was cheaper than workers compensation.

Make no mistake, Occupational Accident coverage is no where near the same as Workers Compensation coverage. Occ/Acc is simply a less expensive “alternative” for owner operators to maintain in certain states. The coverage provided and benefits paid out on behalf of an injured owner operator are a fraction of what a company driver would receive. A byproduct of that difference is the possibility that you as the carrier, will still have to pay the injured driver to make up the difference in damages. In order to fully insulate you from damages, any proper Occ/Acc policy needs to be backed by contingent liability providing worker’s compensation coverage. This contingent coverage shifts responsibility from you the carrier back to the insurance company. The North Carolina Industrial Commission will most likely find all Occ/Acc claims to be work comp claims, thus rendering almost Occ/Acc useless here unless there is contingent liability coverage.

One or two insurance brokers came up with what they saw as fixes to problem. The largest program charged occupational accident premiums for true workers compensation coverage. It was ruled illegal by the North Carolina Department of Insurance and it was shut down soon after it started.

The insurance companies that were writing occupational accident in North Carolina stopped doing that because all the claims were being reported as true workers compensation losses and were being paid by the contingent policy. The premiums were not adequate.

A secondary problem to coverage and price

is the inability to certify true workers compensation coverage on your certificates of insurance. For example, let’s say you bought true work comp for your company drivers from AIG/American Home and you bought Occ/Acc for your owner operators from Zurich Life and Health. When the AIG auditor comes in at the end of the policy term to audit your payroll, he will likely ask for certificates for the drivers not covered under their policy. You would produce a cert showing Occ/Acc through Zurich Life and Health but without the certificate saying there is a true work comp policy behind it, you in effect had no protection against claims from these owner operators. At that point, AIG would want the back premium for all the owner operators since they have exposure for those drivers. This could be a very large amount depending on how many drivers were on this Occ/Acc policy.



Some companies are trying to fix the problem by offering a true workers compensation policy for your employees and occupational accident for your owner operators and by agreement waive the audit. This solves a couple of problems but so far the minimum premium for the workers compensation coverage is \$50,000 eliminating those with small owned fleet and large owner operator fleets. They will offer the occupational accident coverage by itself but that does not solve the issue.

There are insurance companies throughout the country that do write occupational accident along with a workers compensation policy for your employees but they shy away from North Carolina and some other states that have similar laws. If you have purchased occupational accident coverage in North Carolina, call us to come in and review your coverage. We will advise you whether or not you have adequate protection in the case of a claim.



Recent Court Cases

Is he a broker or is he a carrier?

The question comes up all of the time. In the District Court in Idaho this month a motor carrier, with a brokerage division (how common is that?) sought to avoid carrier liability by contending that it was a brokered load. In light of the fact that there was not a clear delineation between the two divisions, the court held that it would be a question of fact for a jury as to whether the carrier could establish that it was really a broker. (J.R. Simplot Company v. H&H Transportation, 2007 WL 220161)

Insurer Sues Insured

In an interesting decision an insurer sued its insured for fraud for withholding information during the claims process on a claim under a motor truck cargo policy. The insured sought to file a third party action against its insurance broker, contending the broker failed to provide the correct coverage. The court dismissed the third party action as it was not derivative of the fraud allegations brought by the insurer. (Transport Management v. Petty, 2007 WL 542431)

Expert Testimony

The court in Mississippi has determined that expert testimony is not needed to determine whether a truck driver was fatigued when he was operating a vehicle in violation of hours of service rules. Expert testimony will be permitted, for either side, only on the issue of whether the actions of the driver constituted a violation of federal regulations. (Bridges v. Enterprise Products Company, 2007 WL 465738)

Excerpts from the CAB, Inc. Newsletter

Improving Renewal Time By: Chris Huneycutt

It is not uncommon for you guys to dread your insurance policy's anniversary date. Renewals nowadays mean piles of paper and question after question. What are you doing to improve your driver out of service? What action are you taking to combat the rear-end accidents you seem to be having? What is your favorite color?

We have heard them all and believe me, we don't make them up. Entering my sixth year as a marketer here at Transure, I strive to keep the requests to a bare minimum, but sometimes it is tough. I have thought of a few suggestions and tips that might help manage the nightmare that is renewal time.

Preparation is the key, and that starts with lead time. Mark your calendars at least 90 days out to expect a call from our producers. We try to make contact on renewals at least 120 days out, but usually that is a phone call to

check in and that is about it. At the ninety day mark, begin the requests for loss runs from previous carriers, IFTAs, equipment and driver information, and MVRs. These are the big ticket items that most companies will need. In addition, if you pull all drivers' MVRs only once a year, consider making your anniversary date your MVR date as well. If you pull them on the anniversary for each driver, there is plenty of time to compile each one from the drivers' file.

In dealing with underwriters for many years, I have found that the nicer and more organized a submission is, the more attractive it makes you. For example, when an underwriter is looking at the pile on his desk, he is much more likely to pick up the submission that is nice and neat. If they know they are lacking several items of

information, they will leave it on the pile. Also, as more and more information is being computer generated, there should be minimal delay getting them from former agents and former companies and gone should be the days of loss runs faxed so often that they are one black blob on a page. Clear, easy to read copies will advance your cause, and help us speed through negotiations. Underwriters want to get finished with your submission because there are twenty others waiting. If we can get them satisfied quickly, we can get your quote out quicker.

Invariably there will still be items that the underwriters need, but if you can help provide us with a complete, currently valued submission, we can make your renewal as painless as possible.



CONTEST



We will be giving away a free autographed basketball signed by the entire University of North Carolina at Chapel Hill's 2006-07 basketball team.

To win this basketball, we will select our favorite entry submitted to us by May 1st.

All you have to do is email Andy@Transure.com your name and company name and in 50 words or less explain why you would like this basketball.

The winner must be an employee of either a trucking company (you do not have to be a customer) or an insurance company or market we represent.

The winner will not be allowed to sell this ball and will have to sign a disclaimer agreeing to this.

Please email submissions to: Andy@Transure.com



This Issue's Recipe:

MELVA'S Carrot Cake

2 cups unbleached all purpose flour
2 teaspoons baking soda
2 teaspoons baking powder
2 teaspoons ground cinnamon
½ teaspoon salt
4 large eggs
¾ cup vegetable oil
¾ cup sugar
2/3 cup packed golden brown sugar
½ cup orange marmalade
½ cup orange juice
3 cups lightly packed peeled, grated carrots
¾ cup chopped toasted walnuts

Frosting

4 (8oz) pkg. cream cheese, room temp.
2 cups powdered sugar
1 ¼ cups orange marmalade
6 tablespoons unsalted butter, room temp.
2 teaspoons grated orange peel
1 ¼ cups finely chopped toasted walnuts

Preheat oven to 350 degrees, and butter and flour two 9" cake pans. Sift first 5 ingredients into medium bowl. Beat eggs, oil, sugars, marmalade and juice in large bowl until blended. Stir in dry ingredients. Fold in carrots and nuts. Divide batter between cake pans. Bake 40 minutes, or until done. Transfer to racks and cool for 15 minutes. Turn out cakes and cool completely.

For Frosting:

Using electric mixer, beat cream cheese and sugar in large bowl until smooth. Add ¾ cup marmalade, butter and orange peel and beat just until smooth. Add walnuts. If necessary, cover and chill until firm enough to spread. Place 1 cake layer on plate and spread with ¼ cup marmalade. Spread 1 cup frosting. Top with second layer and repeat. Chill.

RICKISMS...JOKES BY RICK JOYCE

Transure's Controller



The only time my prayers are never answered is on the golf course. ~Billy Graham

Golf appeals to the idiot and the child in us. Just how childlike golfers become is proven by their frequent inability to count past five. ~John Updike

If profanity had an influence on the flight of the ball, the game of golf would be played far better than it is.
~Horace G. Hutchinson

If you drink, don't drive. Don't even putt. ~Dean Martin MY Personal Favorite!

If you are going to throw a club, it is important to throw it ahead of you, down the fairway, so you don't have to waste energy going back to pick it up. ~Tommy Bolt

Man blames fate for other accidents, but feels personally responsible when he makes a hole in one. ~Author Unknown

I don't say my golf game is bad, but if I grew tomatoes they'd come up sliced. ~Author Unknown

If you think it's hard to meet new people, try picking up the wrong golf ball. ~Jack Lemmon

I'm just serious!

Transure Services, Inc. **Your Truck Insurance Specialists**

For over five decades, Transure has been fulfilling the insurance needs of the transportation trade. By specializing exclusively in the associated risks of that business, Transure is clearly the best qualified broker to recognize and respond to the exceptional demands created by a unique industry.

Specialization is a key to Transure's success. Our clients are provided with a host of ancillary services not available through other brokers that are not focused in the transportation insurance field. This single industry concentration enables Transure to remain consistently informed about cycles and changes in both the insurance and transportation industries. A single focus helps us match clients with the most cost effective program offered, custom tailored by a Transure team, you (the client), and the insurance carrier.

Transure Services is composed of a staff of proven professionals with over 200 years of collective experience in transportation insurance. Both sales and administrative personnel have had experience and success in direct and retail sales of this kind of insurance placement. This industry knowledge and dedication, coupled with our outstanding insurance company relationships, adds value to Transure's strength in marketing.

We pride ourselves on individual attention to service which contributes to our success and to client satisfaction. Statistical loss analysis is designed specially for various client needs. Our staff identifies the risks that adversely impact your financial statement. Once identified, we make recommendations to eliminate, reduce or transfer the risks via insurance or alternative risk financing methods.

One of our most important services is providing prompt claims services to clients when a claim occurs. Our claims department handles each loss with efficiency and speed whether we do the adjustment or it is sent to a company for handling. We follow through with the companies to ensure the satisfaction of our most valued asset, our client.