

Transure

For The Road Ahead...

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HARD MARKET INFO

With the last hard market that had an across-the-board impact on pricing and capacity ending in 1986, producers less than 40 years old have only known a soft market.

One retiring agency principal commented recently that his heart cannot take another two years like we saw in 1984 and 1985.

The hard market, especially

"...expect to be working until the last minute."

one where there is seemingly no rhyme or reason to the decisions that are being made can destroy credibility with clients and the credibility of the industry.

Begin the renewal process early, but expect to be working until the last minute.

At this time, like never before, the ability to market a client's program must be done in a very skillful manner. The marketplace selections process does not account for the different skill levels of brokers. It is based solely on who is assigned markets or can run a photocopier the fastest.

Sending multiple producers into the marketplace is not in the client's best interest. This is because the client needs his or her story told by one strong consistent voice. During this time of upheaval,

a confused underwriter will translate into higher costs. The producer must have the authority to "lock and load" when the right terms are negotiated.

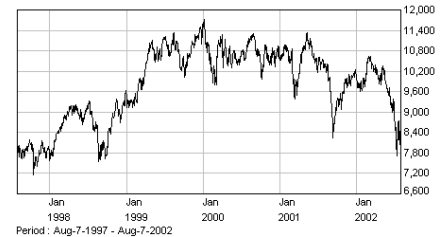
In many cases there are not three carriers available, let alone enough for multiple agents to compete. As the recent "C. R. Ekern & Co. Marketplace Survey" reported, in 45 percent of the cases there are two or fewer carriers with the appetite for any given risk.

One of the first points clients must be educated about is that they will need to furnish more information to insurers than they have had to in the past, when carriers were more eager to write business and less discriminating about what they wrote in the soft market.

Customers must also be aware that since Sept. 11 insurers are asking for more

"...clients must...furnish more information to insurers than they have had to in the past..."

information than before. An example is workers' compensation, where carriers want to know such things as employee concentration, locations within ZIP codes and the



number of employees in buildings over 10 stories tall. It is often a challenge to get all the required information, but getting it is a must to place the account.

Information is crucial, with underwriters being bombarded for quotes and more requests piling up on their desks. Completeness of submissions increases the likelihood of an underwriter reviewing a submission - otherwise it goes back to the

"Information is crucial..."

bottom of the pile, warned one underwriter.

"This is an opportunity for us to demonstrate to our clients why they engaged us in the first place," observed a chief marketing representative. "A poor broker could play a role and hide behind the circumstance of a soft market. But now the skills come out and brokers find they need to rethink how they approach risk."

"One of the challenges with the middle market clients is they have not experienced or don't remember the pricing they are now seeing."



“bill of lading contains a clause which limits the time for a shipper to file suit against the carrier for damage to goods during transport”

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WHEN IS IT TOO LATE TO FILE A CLAIM?

Almost every carrier’s bill of lading contains a clause which limits the time for a shipper to file suit against the carrier for damage to goods during transport. The question is, are these clauses effective when tested in court? A recent federal case from New York answered in the affirmative and noted that even “creative” arguments will not protect a shipper who files too late. *Calka v. North American Van Lines*, ___ F. Supp. 2d ___ 2001 U.S. Dist. LEXIS 5157 (S.D.N.Y. April 26, 2001).

In *Calka*, the Plaintiff hired the Defendant movers to transport a load of furniture from a seller in Florida to the Plaintiff in New York.

Upon its arrival on April 15, 1997, the Plaintiff noted its condition and refused to accept delivery. The Defendant, however, would not take the shipment back. The Plaintiff then arranged to store the furniture elsewhere in her apartment building and the Defendant immediately moved the goods to

another apartment.

The Plaintiff timely filed a claim in April of 1997, which was disallowed by the Defendant in October of that year. The Plaintiff then filed suit against the mover in March of 2000, well beyond the two years and one day limit contained in the shipper’s bill of lading.

In dismissing the claim as not being timely filed, the court noted that the Carmack Amendment does not allow a carrier to limit the time a shipper has to file



suit. In an effort to avoid dismissal under Carmack, the Plaintiff argued that the shipment might not have been damaged during “transportation.” That is, it might have occurred during loading or unloading. The Court quickly disposed of this argument by noting that Carmack also covers

“...services related to...” the transportation of goods, such as loading and unloading. Moreover, the Court noted that the Plaintiff’s argument about where the damage occurred was merely speculative.

Additionally, the Plaintiff argued that Carmack did not apply because the damage might have occurred during interstate transportation, that is, when the furniture was moved from the Plaintiff’s apartment to the other apartment. The

Court also rejected this argument, noting that any movement within the apartment building was “...simply the conclusion of a continuous stream if interstate transport.” Accordingly, the suit was dismissed.

F&P Liability Dispatch
Spring 2002

INFORMATION HIGHWAYS

The Central Analysis Bureau in New York City monitors the financial conditions of trucking companies and reports their ratings to your insurance carriers who are subscribers and ask for the information. They also provide information to the insurance companies that is contained in Safer.

Although it is voluntary that you provide financial data to CAB as they are referred to, it is important that you know what your rating is before you enter into the renewal process. If there is old information and you are rated below "barely fair" you could have a problem with your renewal. You may want to call CAB at 212-244-6575 and speak to someone about your rating.

Safer information is updated frequently by the Federal Highway Administration and is public information. You need to know what your profile looks like in Safer before you enter into renewal negotiations. Certain information is can be updated by you via an MCS150 form available on the internet. Since the information contained in your file

is reviewed by underwriters pricing your account for renewal it behooves you to be sure the information is accurate.

CAB in their newsletter says that the Commercial Vehicle Safety Alliance annual road-check shows with 91% of all



jurisdictions reporting that 77.9% of all vehicles inspected met safety standards for mechanical fitness, a 1.9% increase over last years results. Brake problems made up 53.3% of the vehicle out of service violations. The report also shows that of the drivers placed in out of service rolls, 58.1% were based on hours

of service issues. This information is used to calculate annual averages in vehicle and driver out of service. You are compared to the National average in your Safer report, the one the underwriter sees. If you have problems with hours of service and brake adjustment issues you can

take action to be as accurate as possible and make sure your reports are viewed favorably by an underwriter.

Since insurance is such a major item in everyone's profit it behooves you to be sure that the information contained in

these information sources are correct as it will have an affect on who will offer you a quote and what kinds of credits are made available to you.

Statistics from the CAB Newsletter



"it is important that you know what your (CAB) rating is before you enter into the renewal process"

THE TRANSURE ADVANTAGE

Unlike most retail agencies, Transure Services, Inc. enjoys a very unique relationship with the underwriters at Lloyds.

For nearly 20 years, Transure has managed our own Lloyds contracts for physical damage and cargo liability coverage; a responsibility rarely afforded a "retailer."

⇒ We are able to offer our insureds a direct contact to this historically unique facility.

⇒ The most responsive claims handling available in this marketplace including the ability to create the policies and issue checks from within our office.

Through these facilities, we are able to provide

you with products and services tailor-made to your insuring requisites at terms and pricing that are fair and competitive!

LLOYD'S

ity.
⇒ Our programs afford our insureds the broadest of coverage wording

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

For over four 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 100 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.

We're on the web!
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For The Road Ahead...

TRUCKER JOKES

A truck driver would amuse himself by running over lawyers. Whenever he saw a lawyer walking down the side of the road he would swerve to hit him, enjoy the loud, satisfying "THUMP", and then swerve back onto the road. (at this point some of you are probably wondering how the trucker could distinguish the lawyers from the humans. We'll just say he had a good eye for them!)

One day, as the truck driver was driving along he saw a priest hitchhiking. He thought he would do a good turn and pulled the truck over.

He asked the priest, "Where are you going, Father?"

"I'm going to the church 5 miles down the road," replied the priest.

"No problem, Father! I'll

give you a lift. Climb in the truck." The happy priest climbed into the passenger seat and the truck driver continued down the road.

Suddenly the truck driver saw a lawyer walking down the road and instinctively he swerved to hit him. But then he remembered there was a priest in the truck with him, so at the last minute he swerved back away, narrowly missing the lawyer. However even though he was certain he missed the lawyer, he still heard a loud "THUD". Not understanding where the noise came from he glanced in his mirrors and when he didn't see anything, he turned to the priest and said, "I'm sorry Father. I almost hit that lawyer."

"That's okay", replied the priest. "I got him with the

door!"

A young man at his first job as a waiter in a diner has a large trucker sit down at the counter and order, "Gimme 3 flat tires and a couple of headlights."

Bewildered he goes to the kitchen and tells the cook, "I think this guy's in the wrong store, look at what he ordered!"

The cook says, "He wants 3 pancakes & 2 eggs sunny-side up."

The waiter takes a bowl of beans to the trucker.

He looks at it and growls, "What's this? I didn't order this!"

The young man tells him, "The cook says that while you're waiting for your parts you might as well gas up."



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