

# CAC TRANSPORTATION

## STATE OF THE MARKET

*2020 gave the transportation sector a raw deal. An industry already strained by a shortage of quality drivers and rising equipment costs must now wrestle with the impacts of COVID-19 and a dramatic increase in insurance costs.*

*As risk managers know all too well, insurance can be one of the largest expenses for fleet operators. Insurance rates in the transportation sector have been ever-increasing as underwriters across the industry reassess the risks they are willing to write. Insurance carriers are unwilling to dedicate as much of their balance sheet to transportation risks as they once did, which has resulted in increased rates, reduced capacity, reduced limits, and higher attachment points. In some cases, insurance carriers are pulling out of transportation risks altogether, while those that continue to operate in this space are being more selective about the companies they are willing to quote – particularly on umbrella and excess lines, where the impact is even more pronounced.*

*Even transportation companies with a good loss history are being hit with exorbitant premium increases and struggle to find enough insurance carriers and capacity to fill out their liability limits. Where a liability tower once consisted of a few insurance carriers, it now takes several, and at a considerable cost increase.*

*To further complicate matters, Nuclear Verdicts - regarded as verdicts of \$10,000,000 or more - are becoming more common. This has inflated the public's perception of what an equitable verdict looks like, and underscores the problems associated with Social Inflation. Elements of Social Inflation include changes in jury dynamics, new tactics by the plaintiff bar, less brand loyalty, negative corporate sentiment, litigation financing and the influence of social media. Without intervention, these inflationary trends are expected to continue.*

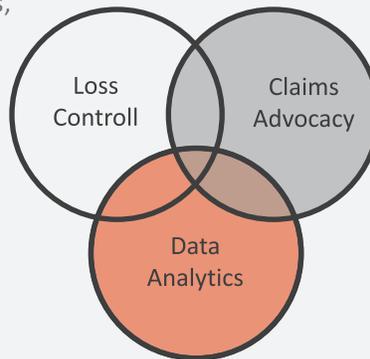
*It's not all doom and gloom, these risks can be addressed through proactive loss control and safety measures, aggressive claims management and creative insurance solutions.*





## LOSS CONTROL

Insurance carriers want fleet operators to take an active role in safety so auto claims will be reduced in the future. This will require a holistic approach that includes embracing improved driver hiring and retention practices, better monitoring of driving activity out on the road and management addressing safety activities at all levels of the organization. That's where CAC Specialty can help both small and medium-sized transportation companies improve their fleet safety program through hands-on consulting, advanced analytics, vehicle technology, and safety management best practices. Our experienced transportation team can assist in developing a comprehensive safety program, employee safety training, and compliance with DOT– Federal Motor Carrier Safety Regulations (FMCSR) and Occupational Safety and Health (OSHA) laws.



## CLAIMS ADVOCACY

Even with the most robust safety and loss control measures, some claims are inevitable. CAC Specialty claim advocates have the experience necessary to mitigate a client's current claims, assist with the creation and implementation of internal processes and procedures, and benchmark the adjusting services provided by third party administrators and insurance carriers against industry best practices. Unlike many of our competitors, CAC Specialty Claims and Loss Control teams maintain a close working relationship, have the same reporting structure, and operate in tandem for our clients; this close alignment, in conjunction with an objective loss data analysis from our Data Analytics team, leads to effective collaboration and focus on the most impactful strategies for mitigating loss severity, frequency and trending.

## INSURANCE SOLUTIONS

CAC Specialty will help you identify your insurance options, advocate to the market and deliver a customized solution. There is no one size fits all solution. Tough times like these require an insurance broker that is not beholden to the old way of doing things and is willing to think outside the box to find the appropriate risk mitigation strategy for your company.

CAC Specialty will provide optionality by evaluating retained risk structures, alternative approaches to risk transfer and new trading partners. Your company has a story to tell, and nobody can tell it better than yourself. CAC Specialty will help you differentiate your operations by anticipating underwriter concerns and addressing the risks upfront – after all, you only get one chance to make a first impression.

## ABOUT CAC SPECIALTY

CAC Specialty is a risk solutions company of seasoned and proactive senior industry leaders, operating as a nimble and collaborative partner who puts you and your business first. With a knowledge-driven approach informed by data and decades of honed instinct, CAC Specialty brings an innovative vision to insurance broking and structured solutions to solve your risk challenges – from the simple to the previously unsolvable.

**ANDRE EICHENHOLTZ**  
347.715.0104  
Andre.Eichenholtz@cacspecialty.com

**COREY ROBISON**  
214.886.8350  
Corey.Robison@cacspecialty.com