

CENTURIES OF ROUGH NOTES

Rough Notes magazine, April, 1953



THE FIRST STEP in insuring fleets of trucks is to determine the desirability of the risk by studying the financial statement.

How to Make Money Insuring Motor Truck Fleets

By F. VERNON GRIFFITH, JR.
W. S. Johnson & Co., Kansas City, Missouri

An outstanding producer of Motor Truck Insurance tells how he sells and keeps this business on his books.

THERE ARE BIG opportunities to develop good truck company business today by merely making the right kind of selection of risk. The growth of this vital Transportation industry produces a challenge to agents and companies alike, to improve their ability to furnish sound protection at a fair cost and to eliminate the bugaboo of fear which has too long been associated with this class of business.

Insurance protection is a vital part of the operation of truck lines, particularly of those trucking concerns operating under Interstate Commerce Commission permits as opposed to those which are intrastate only in their scope.

Examining a Risk

First and foremost, the financial condition of the line is of utmost importance from an underwriting standpoint. It would be well as an initial step, if the management of the line has indicated a willingness to

discuss its insurance problems with you as its agent, to begin by obtaining a complete financial statement.

Generally speaking, a strong financial position indicates good management all down the line, which in turn would indicate good operational procedure and safety programs.

Second, a complete analysis of the scope of their operations, including the accurate location of all terminals. Many times trucking concerns secure terminal facilities that are difficult to locate, both for inspection purposes, as well as rating requirements.

In connection with terminal locations, the agent should obtain a letter of authority covering each one in order to render Fire rate engineering service. The importance of inspecting these terminal locations cannot be emphasized too greatly: first, to reduce the hazards as far as practicable, since it is at these terminal locations that concentration of values generally exist; and, sec-

ond, by the eliminating of hazards, the rates can be reduced, which affects the Cargo insurance rates, as well as other concurrent coverage charges.

Third, accurate lists of the physical equipment together with a complete analysis of the maintenance program must be obtained. How is the equipment inspected? What is the policy on replacing old equipment? How does the age of the present equipment compare with the recommended life of like equipment?

Fourth, a brief personnel inventory on drivers, showing ages, and if possible, their driving record, is essential.

Fifth, if possible, obtain the accurate determination of the experience on all classes of coverage for a minimum period of three years, but preferably a five to ten year average loss record.

Most concerns of medium to large size have made progress in their operations to the extent that they are