

# CUSTOMODAL

## Why you want to insure your load

In the last twelve months nearly 4,000 tractor trailers were involved in accidents on America's highways. Your goods may have been in one of these.

The truth is, when measured in miles traveled, tractor trailer accidents are far less frequent than passenger car accidents. Yet when measured against cost they are far more damaging.

Just this past weekend saw a horrific crash between a tour bus and a tractor trailer in southern California. The truck had properly slowed through a utility work zone. The bus, and we don't yet know all the circumstances, ran into the back of the trailer at speed resulting in multiple deaths.



When you look at the pictures from the news agencies who reported on the crash you might also notice the contents of the trailer spilled out on the highway.

And while no goods in transit can ever be as valuable as a person's life, there is the certain reality that someone is not getting their shipment and someone is filing a lost or damaged freight claim.



Weather (remember the multi-vehicle crash in Michigan last year), mechanical issues, other drivers, all can contribute to commercial vehicle accidents. These are difficult to predict but statistically certain. As a transportation professional I'm not doing my job if I don't ask you - how much risk are you willing to accept?

Freight damage claims are not quickly resolved. The carrier has the right to make their own inspection and investigate the circumstances. And they are not normally falling

over themselves to pay out claims. When they do, the dollars are likely less than the value and inconvenience the shipper and the consignee must endure. And if a claim is paid, the carrier gets to keep the goods that you have stored and protected for the long months while the claim sat in limbo!

Load insurance is inexpensive and consistently priced based on the value of the freight. You add up the value of the goods and the shipping cost (if you need to reship something you don't want to pay again) and apply some insurance rate. An example might be: for an LTL shipment valued at \$1,500 with a shipping cost of \$132 the insurance might cost around \$35. This is cheap when you consider the customer satisfaction issues a damaged or lost shipment can cause.

