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FAQs ON THE 2022 TRANSPORTATION MARKET

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What challenges are you seeing this year?

The better question might be: what challenges are we not seeing this year? But in all seriousness, the main challenge we are seeing right now is economic. Over the course of one year, inflation has gone up 8.5%. You're seeing it all over the news, but our customers feel it in a very real way. Particularly on the trucking side, the cost of diesel is very high. Operating on a day-to-day basis is now more expensive for our customers. This leads to our customers trying to manage costs, which includes insurance. What we are seeing is a lot more shopping, even internally with our book. Interestingly enough, our renewal retention this year is the best I have seen it, but it is a lot of work to make sure we are retaining.

What are the hottest transportation target markets right now for Arlington/Roe?

We're still seeing trucking, which makes up a big chunk of what we do. We're also seeing a lot of garage activity and public auto as well. But we're also starting to see more of some other operations that are a little outside of the typical application classifications, such as drive-away contractors. Additionally, we've been seeing more shopping on the public auto side, like buses and non-emergency medical transportation.

Is the hard market affecting the transportation industry the same as others? What pricing changes are you seeing?

Prices are going northward, but I can't say it's necessarily because of the hard market. As I mentioned previously, we're seeing a lot more of our target customers shop their insurance, particularly on the trucking side. They're always a high shop segment, but there's a lot more looking at cost than there used to be. Because our customers move economically like that, I wouldn't say the increases are necessarily due to a hard market alone, but a few other factors.

There are some hard market elements to the rising prices, meaning that liability judgments have gone up considerably. For example, in the trucking industry, every billboard you see out on the highway is for an injury lawyer. Their costs and the award size have gone up dramatically over the last five years.

The other thing we're seeing is when there are accidents (or even our garage repair shops) they're having a hard time getting supplies like new parts and new vehicles. We know the cost is driven up for items, even just body parts, so it costs more just to replace something. However, there is so much competition in this business, that I wouldn't necessarily call it true in our area. There is definitely a hard market going on across the industry, but I would say ours is a small chunk of that, but largely has to do with economic impact.

Do you have any new markets? If so, what is their focus?

We don't have any brand-new markets, but we do have a new package, admitted direct bill product for the automotive industry, which is basically like the garage industry that is not dealers. So, think of tire dealers, mufflers, service work, bodywork, or paint shops. And we have a product that has property involved too, as well as mechanics E&O and is direct bill. In some states, we also have a premium trucking product that's offering 5 to 10% credits on the right risk right now too.

What would you like agents to know to help their submissions move faster?

Completed applications. No surprise there, right? It's cliché, but it's the truth. For example, on the trucking side, we don't often get the driver employment history. That's a significant rating factor, and I would say it's something on the common list that gets missed a lot. Sometimes we will get an MVR, but we still need their employment history. Additionally, IFTAs are missed a lot as well, and they are not only an important rating factor, but some of our carriers (especially on the binding side) won't bind without it. An example on the garage side, if they are a dealer, we need the number of dealer plates, a list of the employees and their MVRs. Again, these are significant rating factors and important ones.

What are realistic expectations for a trucking and/or garage submission?

It depends. Size matters, right? If it's a single-unit account for which we have binding authority, we could turn that around same-day, even day-to-day when we must submit to a carrier. I would only want to do that in a new venture type of situation, because that's when we're needing it quickly. But, if it's something that gets submitted to a carrier for approval because it doesn't fit within our binding guidelines, it's going to take longer. Most of our carriers work with the effective date in mind, meaning the first one in isn't necessarily always the first one getting worked on; it's more based on the due date.

We can't really give a true concrete time calculation because it's out of our hands to a degree. But I do want to emphasize the more time we have the better. We can do 11th-hour miracles, but ultimately the more time we have to work on a submission, the more time we have to place it with the right market and find the right solution.

This article was written in May of 2022. This information may have changed by the time you read this.