

Excess Motor Truck Cargo

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Over the last several years, the cost of goods across almost all industry sectors has continued to rise. Consequently, most trucking companies are now required to obtain higher motor truck cargo limits due to increased cargo values. This is occurring in a hard market where insurance carriers are reducing their appetite and the limits they offer. It is essential that all trucking companies have motor truck cargo coverage when hauling others' goods, especially high-value or specialized freight. Motor truck cargo coverage protects against loss or damage to cargo for which the insured is legally liable while in their care, custody and control. Additionally, many trucking companies have contracts with carriers that require specific motor truck cargo insurance limits, resulting in higher coverage limits.

HIGHER CONTRACT LIMITS

When the primary motor truck cargo carrier cannot provide the increased limits, an excess motor truck cargo policy can be put in force to provide additional limits beyond the primary policy. For example, if the insured has a \$250k primary motor truck cargo limit but has a contract requiring a \$1M limit, we can provide an excess MTC quote with \$750k excess of the \$250k limit.

We have market access capable of providing excess motor truck cargo limits up to \$19M, though maximum limits vary based on various risk factors.

TRIP TRANSITS VS. ANNUAL EXCESS MOTOR TRUCK CARGO POLICY

While we do receive requests for trip transits with high limits, we have found it challenging to offer competitive pricing, as it must be justifiable in the event of a loss. Due to higher pricing for trip transits, we have found an annual excess motor truck cargo policy often makes more sense for the insured. This allows higher limits throughout the year for multiple trips, eliminating the need to increase limits each time a larger load is hauled.

SUBMISSION REQUIREMENTS

For our markets to consider excess motor truck cargo, we need the following information:

- Fully completed supplemental application – please use the attached application.
 - If the insured operates 10 or more power units, provide the unit and driver list in Excel format.
- 5 years of currently valued motor truck cargo loss runs.
 - If this is a newer venture, we will need all drivers' MVRs as well as any relevant experience operating similar power units and hauling similar commodities.
- A copy of the primary motor truck cargo policy.

Some of our recent successes have included excess motor truck cargo for truckers hauling automobiles, heavy machinery or general freight. Please don't hesitate to contact Nicole Percifield (npercifield@arlingtonroe.com) or Erika Bovair (ebovair@arlingtonroe.com) with any excess motor truck cargo risk. We are happy to help your insured find a solution.

If you are seeking primary motor truck cargo coverage, Arlington/Roe has options for that as well. Our transportation and brokerage teams have several markets that can help you find a primary motor truck cargo solution.