



4 STRATEGIES to secure **CONTINGENT AUTO LIABILITY** COVERAGE

Contingent Auto Liability (CAL) insurance is vitally important for every transportation intermediary who arranges for the movement of cargo by truck. A volatile litigation landscape and the rise in "nuclear verdicts" make this coverage increasingly difficult to obtain. Brokers and forwarders can use the following strategies to help secure this essential coverage.

1

Establish a relationship with a specialized transportation & logistics insurance broker. These specialists are uniquely qualified to help you identify exposures and present effective risk transfer solutions. A "generalist" broker is not a viable option.

2

Develop a consistent, repeatable process for carrier vetting. The insurance companies that do offer CAL coverage have implemented stringent underwriting guidelines to manage exposures and losses. They will expect a vetting strategy that includes verification of the carrier's authority, SAFER score and valid insurance.

3

Review and hone marketing materials. Ensure that public-facing information, such as your website, clearly conveys your role as an intermediary. Any implication that the intermediary may be operating assets or acting in a broader role are red flags that may result in a declination of coverage.

4

Audit all contracts, including Terms & Conditions of Service (Ts&Cs). A transportation intermediary needs visible and effectively communicated Ts&Cs, which define the intermediary's role in the process and outline the parties responsible for cargo damage, third-party bodily injury, and property damage. When clients require agreement to terms outside the broker-forwarder's Ts&Cs, the intermediary should utilize a standard broker/client contract format.

Contact us today for a complimentary risk assessment.

