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Drilling Deep Podcast Fuel Podcast Trucking

Drilling Deep: Where the crisis in truck insurance rates came from

John Kingston • Thursday, March 19, 2020 1 238 Less than a minute

Drilling Deep with John Kingston | E...

Where the crisis in truck ins...

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It's shut down businesses and thrown planning into turmoil.

No, it's not COVID-19. It's the rising insurance rates that trucking companies have been facing over the last few years. The problem seems to have gotten particularly acute in the last year or two and insurance rates have been cited by several trucking companies as a key reason why they've shut their doors.

On this week's Drilling Deep podcast, host John Kingston sits down with Craig Dancer, the National Transportation Industry Practice Leader at Marsh, a global insurance broker. Craig shares his view on where the surge in insurance rates came from and where it might be headed.

To kick off the show, John will share his views on the complex situation surrounding plunging diesel prices. We expand on the discussion from last week where we ask the question whether this is a net positive or net negative for the industry.

 Tags

Truck insurance

One Comment

Noble1

Thursday, March 19, 2020 at 1:34 pm

Speaking of insurance ,

Quote :

Canada's cross-border truckers can't get coronavirus coverage

Major insurance companies won't guarantee they'll honor COVID-19 related medical claims by truckers crossing the American border.

"The insurance companies are not looking hard enough in the mirror," said Jean-Marc Picard, executive director of the Atlantic Provinces Trucking Association on Wednesday.

"To throw us a curve ball like that, seriously?"

With the pandemic spreading quickly across the United States the border was closed Tuesday to non-essential travel. It remained open to truckers linking the highly integrated supply chains of Canada and the United States, bringing essentials to stock shelves as both countries enter into various stages of lock-down to slow the spread of COVID-19.

"There's no way for insurance companies to handle that burden, they'd go bankrupt."
– Anonymous broker

Meanwhile truckers are weighing the dangers to themselves and their families of crossing into the United States.

"Our truckers come home but can't see their families," said William Gerhardt, owner of Lunenburg-based Gerhardt Trucking, of the self-quarantine many truck drivers enter when returning to Canada.

"We have one guy who is staying in his truck when he gets back."

On Monday Gerhardt called his insurance broker to ensure his workers are covered if they come down with COVID-19 while picking up loads in the United States.

He was told they weren't.

"I was told if (one of our drivers) feels sick he should rush home," said Gerhardt.

"That can be easier said than done. We're relying on these people to provide an essential service. This needs to be sorted out."

A Halifax insurance broker spoken to by the Chronicle Herald said the insurance companies he deals with are making an exemption for COVID-19 in their coverage – meaning though other illnesses and accidents that lead to a medical claim are covered, that virus won't be.

"There's no way for insurance companies to handle that burden, they'd go bankrupt," said the broker, who is not being identified because his business relies on dealing with the large insurance companies.

"We have a couple of companies that will do special risk, but that's expensive."

The Atlantic Provinces Trucking Association has contacted the Insurance Bureau of Canada, warning that this situation needs to be resolved.

"We're working on it from a national standpoint but it doesn't look good," said Picard.

A broker at Moncton based Optimal Travel, meanwhile, confirmed Tuesday that they offer plans for individuals travelling for work to the United States that can be used by truckers in place of their group insurance plans. Those plans would cover a COVID-19 illness so long as the driver did not show symptoms before crossing into the United States.

“We offer single trip as well as annual plans that provide coverage for unlimited number of trips up to the number of days chosen,” said the broker.

The rates are based on the age of the insured and the maximum length of their visits south of the border.

Transport Canada did not provide comment.”

End quote.....

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