The trucking industry is the undisputed king of the road for consumer and industrial goods transported within the U.S. More than 19 billion tons of freight valued at $13 trillion is shipped over 4.4 trillion ton miles in the United States each year. Seventy percent of these goods – more than $9 trillion worth – are shipped by truck. On any given day, $36 billion worth of goods are in motion on our national and local roadways. And all of them are susceptible to damage and theft.

The leading causes of loss of or damage to goods in transit are:

- Collision, Upset, Overturn
- Theft
- Cargo Handling
- Spoilage

Drivers Can Make a Difference

The quality of their drivers is often the critical difference between companies that have collision, upset, or overturn losses and those that don’t. Implementing a policy of hiring only qualified, experienced drivers is one of the most effective risk management tools available to a cargo carrier. Consider this: motor vehicle collisions are the leading cause of workplace fatalities according to the Bureau of Labor Statistics (www.bls.gov).

Driver selection is a one-time process. Consider setting standards that establish minimum applicant qualifications for both the driving and non-driving duties of the position including:

- Applicable statutory regulations
- Physical requirements
- Transferable work experience
- Required job knowledge
- Vehicle operating skills
- Acceptable/clean driving record
- History of stable employment
- Attitude

Effective hiring tools generally include:

- **Driver Employment Application Form**: Information should be collected and evaluated includes:
  - the applicant’s driver’s license number and type of license
  - driving experience including types of equipment operated and miles driven
  - collision record for the past three years
  - moving traffic convictions for the last three years
- **Preliminary Interview**: An interview with management is an opportunity to evaluate the applicant, address questions arising from a review of the driver application form, and outline the job responsibilities.

Types of Cargo Carriers:

- **Common carriers** who offer their services to the general public. They generally have regular routes and established rates.
- **Contract carriers** do business only with specific customers under contract. The contract spells out the rights and obligations of both the transportation provider and the shipper. Rates are typically negotiated.
- **Private carriers** transport their own goods on their own trucks.
- **Small package or express carriers** transport small shipments on an expedited basis on their own trucks.
- **Specialized carriers** focus on a specific type of commodity such as cars, household goods, electronics, or fine arts. These carriers typically have special contractual provisions. Under current regulations, truckers may operate simultaneously as a common and contract carrier.
- **Written Test:** Government regulations may require written tests. Some employers also have written aptitude tests based on the job requirements. Written tests may also be used to determine the applicant’s general driving knowledge and understanding of traffic regulations.

- **Road Test:** A road test is used to evaluate the applicant’s driving skills and defensive driving techniques. Even though an applicant may have a CDL (commercial driver’s license), he or she may not have experience operating the particular vehicle(s) used by the employer. Driving issues may include manual vs. automatic transmission, operating controls, type and location of mirrors, vehicle length, straight truck vs. tractor trailer, and other differences based on manufacturer. Additional factors to consider include the conditions in which the company’s drivers normally operate including intercity, rush hour, rural or mountainous areas, and winter weather.

- **Pre-Placement Medical Examination:** If a CDL is required, the applicant must have a DOT (Department of Transportation) medical examination. If there are any concerns about the validity of an applicant’s DOT medical card, consider having the applicant complete a new physical by a company appointed physician.

- **Past Employment Investigation:** Check and verify the applicant’s work history for the last three years. Confirm and discuss any gaps in the employment history. A simple phone call or written request to a former employer can yield additional information about past work experience.

- **Motor Vehicle Record Check:** A driver’s past record often reflects the applicant’s effectiveness as a driver and attitude toward motor vehicle rules and regulations. A transcript should be requested from the applicant’s DOT medical card, consider having the applicant complete a new physical by a company appointed physician.

- **Initial Performance Evaluation:** A promising applicant may be further screened when hired on a part-time basis over a trial period. During this period, a supervisor should review the new driver’s work in detail and report on suitability for the job. Such an evaluation will allow management to determine whether to keep the driver on as a regular employee.

“Your Guide to Successful Driver Management” brochure from The Hartford includes helpful forms that may be used in your driver selection process.

### III Gotten Goods

Theft is the second most common cause of motor truck cargo losses. According to the FBI (Federal Bureau of Investigation) cargo theft is a growing, multi-billion dollar problem. Cargo theft is most often perpetrated by opportunistic thieves – those who break into unattended trucks – and highly sophisticated organized crime rings.

High value goods, especially those that are difficult to trace and easy to dispose of, are the most vulnerable to theft. Examples include technology products (electronics), pharmaceuticals, cigarettes, liquor, high-end designer clothing, footwear, athletic wear and accessories, and some types of food products. The value of such property on a single truck could be a few thousand dollars to $1 million or more.

The shipper is the first and best line of defense against theft of goods in transit, but the trucking company can also help. The following table outlines a variety of ways to help protect goods in transit.

<table>
<thead>
<tr>
<th>SHIPPER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidate goods using pallets or containers</strong></td>
</tr>
<tr>
<td><strong>Use tamper-evident tape, security seals and/or tracking devices</strong></td>
</tr>
<tr>
<td><strong>Minimize the amount of information marked on packages and on shipping documents. Use codes when possible.</strong></td>
</tr>
<tr>
<td><strong>Choose a trucking partner wisely – and only after evaluating their hiring and training practices, financial stability, experience, and their security practices while en route.</strong></td>
</tr>
<tr>
<td><strong>Use tracking devices on shipments. See paragraph on RFIDs.</strong></td>
</tr>
<tr>
<td><strong>Follow an established call-in plan via cell phone or radio.</strong></td>
</tr>
<tr>
<td><strong>Maintain contract with a reliable service for roadside assistance.</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TRUCKING COMPANY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Use appropriate methods and equipment to protect the goods being shipped from easy access by thieves. Be sure doors close tightly and can be adequately secured against unauthorized entry.</strong></td>
</tr>
<tr>
<td><strong>Inventory goods during loading. Check and verify documentation.</strong></td>
</tr>
<tr>
<td><strong>Choose a route that avoids or reduces the number of rest stops, cargo transfers, and high-crime areas. Utilize a two-driver team for long trips.</strong></td>
</tr>
<tr>
<td><strong>When a stopover is necessary, park in a well-lighted, fenced area monitored by a professional security service. Avoid stopping or standing for long periods of time on dark freeways, remote areas, etc. while waiting to make deliveries.</strong></td>
</tr>
</tbody>
</table>

- **Pre-Placement Medical Examination:** If a CDL is required, the applicant must have a DOT (Department of Transportation) medical examination. If there are any concerns about the validity of an applicant’s DOT medical card, consider having the applicant complete a new physical by a company appointed physician.
Cargo Handling

Another common cause of loss of goods in transit is the result of improper cargo handling. Motor carriers should consider having a policy in place to monitor and evaluate loading and unloading practices. They should also have established procedures to ensure proper load count and to control overage and shortage of freight. Policies should also be in place to ensure that trailers are loaded properly and that adequate blocking, cleats, braces, straps, load bars, separators, fill material, and locking devices are used. Drivers should be held responsible to identify any visible damage and properly noting their findings on the shipping records.

Another important step to help reduce cargo handling losses is the implementation of a formal cargo handling training program, tailored to address the value and type of commodities hauled. A training program is especially important when a company transports perishable goods such as produce, frozen food, livestock, grain, and pharmaceuticals or goods that are easily damaged such as machinery, heavy equipment, or electronics.

Drivers should be fully trained on the operation of the refrigeration (reefer) units, proper temperature setting, monitoring the unit temperature, trouble shooting and procedures to follow should the refrigeration unit malfunction. Modern GPS tracking systems can also be tied into the reefer unit for monitoring and tracking both location of the unit and temperatures inside the trailer while in transit. RFIDs (radio frequency identification) can also be very affective in monitoring the temperature and condition of individual pallet loads.

For flat bed and low boy type trailers, proper tie down procedures are important. Tie-down procedures often include:

- Driver training in proper tie-down procedures
- Identification, maintenance, inspection, and use of the appropriate tie-down devices such as chains, ropes, straps, blocks, braces, and edge protectors
- Determination of the need the need for special tie-down procedures based government regulations or on the shape, size, or weight of the load

Responsibility for Goods in Transit

Under the terms of a bill of lading or a contract with the shipper, a trucking company generally assumes responsibility for the safe delivery of the goods it carries. While some companies self insure, many purchase motor truck cargo liability insurance to protect themselves and to help them maintain good relationships with their customers. Motor truck cargo liability insurance, also known as carrier for-hire insurance, covers the trucking company’s liability for loss or damage to goods in transit for which they have assumed contractual liability.

Cargo that may be subject to water damage while in transit must be covered with a tarp. Failure to tarp when necessary, improper tarping procedures or defective tarps can all result in the cargo sustaining water damage. Some of the following areas should be considered:

- Driver training on the use of tarps
- Ownership of tarps (motor carrier, shipper or owner/operator)
- Maintenance and condition of tarps
- Responsibility for and frequency of tarp inspections, in particular when owner-operators are used to transport goods

More Information

For more information about The Hartford’s Marine products and services visit http://thehartford.com/info/marine.

For additional loss control information, contact your local Hartford agent or visit http://www.thehartford.com/corporate/losscontrol.

* Source: USDOT RITA 2010 (United States Department of Transportation, Research and Innovative Technology Administration)

The information provided in these materials is intended to be general and advisory in nature. It shall not be considered legal advice. The Hartford assumes no responsibility for the control or correction of hazards or legal compliance with respect to any business practices, and the views and recommendations contained herein shall not constitute our undertaking, on your behalf or for the benefit of others, to determine or warrant that any business premises, locations or operations are safe or healthful, or are in compliance with any law, rule or regulation. Readers seeking resolution of specific safety, legal or business issues or concerns regarding this topic should consult their safety consultant, attorney or business advisors.

Possession of these materials by a licensed insurance producer does not mean that such producer is an authorized agent of The Hartford. To ascertain such information please contact your state’s Department of Insurance or The Hartford at 1-888-203-3823.