



Winning the battle against cargo theft

We all know the trucking industry has faced extraordinary challenges over the past year and a half. These challenges include everything from a growing trend in nuclear verdicts (See Napa River's article in this supplement entitled "Is a Nuclear Disaster in Your Future?" for more information.) to driver shortages and rising fuel prices to a sharp rise in cargo theft—the latter of which has increased by more than 29% in 2020.¹

There are various ramifications to cargo theft; the most obvious includes financial losses to motor carriers. Stolen assets must be replaced, which may be difficult to do because of shortages or other factors, especially in today's market. Even if replaced, the assets may be delivered late, which could tarnish the reputation of the motor carrier's clients and the carrier itself. Also, cargo theft may be a threat to driver safety, which is of the utmost importance. While not all of the issues faced by the industry can be resolved, various proactive measures can be taken against cargo theft.

Communication and training is paramount to help avoid theft. Drivers and staff must be well-informed about security risks, preventative measures and the simple steps they can take to decrease the likelihood of cargo theft. Simple precautionary measures include keeping a full fuel tank, avoiding idling or leaving assets unattended, and, when possible, avoiding areas that may be high-risk. Additionally, it is important for motor carriers to invest in anti-theft technology and monitoring, such as asset-based tracking, which provides the location of assets in real time using GPS or cellular technology. If a truck, for instance, strays from its route, an alert will be triggered and sent to the motor carrier. The carrier can then investigate if something is amiss, contact the driver to ask for status and inquire whether assistance is needed. A carrier's training, again, is important in this instance, since it is vital that drivers and staff know how to respond and use monitoring and anti-theft tools correctly and effectively. Finally, having the right insurer—one that thoroughly understands the particular challenges faced by the industry—will help mitigate losses and risks, and provide support and protection when inevitable losses do occur.

For years, Hudson has provided the commercial auto industry with protection for automobile liability, physical damage, general liability, non-trucking liability, occupational/accident, contingent liability and ancillary cargo through agents, brokers and program administrators. Recently, Hudson expanded its offerings to motor carriers in the inland marine area and developed a new cargo form with terminal and storage capabilities, significant automatic coverages and a menu of additional coverages that can be tailored to meet insureds' needs—all of which has been well-received. Nicole McMurty, head of USI's transportation practice, commented on cargo products and Hudson's new form, "There's great variation in cargo products offered to motor carriers. It's important to have a clear, robust product that can best protect the motor carriers we insure. Hudson has worked strategically and thoughtfully to develop a new, broad form."

Along with the new form, a host of new inland marine capabilities with a focus on cargo theft reduction, supplement these new inland marine investments. Daniel Johnson, Vice President at McGriff who is co-leader of brokering for their transportation and logistics practice, expressed he is "...happy to see Hudson continue to grow and develop further into the inland marine space. Hudson is a strong carrier in the transportation space and recognizes motor carriers that invest in technology advances in the industry."

This new addition to Hudson's suite of products offers coverage that is even more comprehensive—an ever-increasing necessity in today's environment.

Want to find out more ways to help clients win the battle against cargo theft? Hudson welcomes the opportunity to learn about your clients' businesses and offer customized solutions that address their concerns. Please reach out and find out how Hudson can help you grow your business and protect your clients' cargo, drivers and bottom-line.

¹CargoNet, "2020 Supply Chain Risk Report," 2021.



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