



Re: **Interstate 48**– Risk Management & Insurance Solutions

Dear Customer,

We want to thank you for the opportunity to represent your firm in the movement of your freight. It is our goal to do so in the most efficient, cost effective and most importantly, safest manner possible.

We are diligent in the selection process of our carriers, utilizing multiple resources to check every carrier we use every time we use them. However, exposures will always be present when moving freight and recent court cases have demonstrated that shippers have significant risk exposure when their freight is on the road.

Working with the right logistics operation can have a significant impact on your responsibility and potential payout should the driver employed by the carrier hired by your broker be involved in an accident in transit, especially where death or bodily injury results.

Current research shows an industry average for deaths relating to accidents involving common carriers is approximately 5,000 a year with over 120,000 people injured. 90% of the trucking companies operating on the U.S. highways have \$1,000,000 of Auto Liability coverage, but statics support the average settlement for a fatality is **2.6 million**.

With this in mind, the importance of selecting a logistics operation such as Interstate 48, that is not only fully bonded to \$75,000 per MAP-21, but also insured where coverage can be extended to protect the shipper should be a critical factor in your broker selection criteria.

The following reflects actions and insurance policies we have in place to most aptly protect our clients given the nature of the transportation industry, and brokerage industry specifically:

**Interstate 48 Broker Carrier Agreement:**

To address these exposures, we have contracts in place with all of our carriers that require they have the following minimum coverages in place:

- 1) Commercial Auto Liability Insurance with Minimum Limit of USD 1,000,000.
- 2) Motor Truck Cargo Policy with Minimum Limit of USD 100,000.
  - a. With Reefer Breakdown Coverage
- 3) Workmen's Compensation Coverage with State Required Limits in effect.
- 4) Commercial General Liability with Minimum Limit of USD 1,000,000.

Should you request it, we can and our carriers can increase either temporarily or permanently the coverage in place to accommodate your requirements.

Our carrier-to-broker agreement required by all carriers at set-up also clearly identifies that the carrier has primary responsibility and liability for cargo should it be lost or damaged in transit while in their care, custody and control or where they assume contractual liability for freight.

Our broker carrier agreement with trucking companies also has a provision that requires companies to hold harmless our firm and the shippers we represent from accidents that incur in transit including vehicle accidents where bodily injury or death take place. The provision of our agreement requires carriers arrange defense on our behalf and our customers behalf. (A sample format of our broker carrier agreement is attached for your review)



### **Our Process To Verify The Safety Rating of a Trucker:**

**Interstate 48** confirms the safety rating of every trucker we use to move freight prior to assigning them to pick up any load with two separate software programs based on, among other things, their industry reported performance ratings, their DOT/FMCSA inspection reports, accidents involving injury and death, and even their road infractions as handed out by police, state troopers or highway patrol. This helps by all possible means to ensure only quality trucking operations are used to move your freight. We also work with a limited number of trucking operations whose relationships we have been developing since our inception.

### **Broker Shield Risk Management and Insurance Program:**

To further address exposure to our client's freight and the liabilities inherent while we are handling their freight, we are insured through ***The Broker Shield Program***.

We have the following bonds and insurance policies in place to protect our firm and all of our insured's:

- 1) Contingent Freight Broker (Auto) Liability Policy with a USD 1,000,000 policy limit.
- 2) Shipper's Interest Coverage to instantly bind full coverage for LTL freight or High Value shipments over and above the carrier's underlying limits
- 3) Property Broker Bond with required USD 75,000

### **Covering Clients Under our Contingent Freight Broker (Auto) Liability:**

We can add clients as "additional insured" who request coverage under our auto liability. This policy is then extended to provide coverage to our clients in the same manner it is provided to us.

Our Auto policy has defense provisions that will protect our shipper client in these cases. Attorneys are assigned by our underwriters who will incur the cost of these attorneys' fees to defend our shipper should you be named in a law suit relating a shipment which we have coordinated where bodily injury or death take place. Complete copies of the coverage we have in place are available upon request. Let us know if you would like a quote to be covered by our Auto Liability policy. Note coverage under these policies is restricted to only shipments moved by **Interstate 48** and does not extend to shipment in which our firm is not involved in organizing the transit.

### **The Broker Shield Program:**

The "Broker Shield" program supports our company by providing some of the broadest forms of coverage available for logistics operations in the U.S. market. Their Risk Management Consulting Services assist our company in reducing exposures that could impact our operation and the shippers we represent.

Please let us know if you have any questions or require additional information. We look forward to representing you for all of your logistical needs.

Best,

A handwritten signature in black ink, appearing to read "Adam Rose", written in a cursive style.

Adam Rose – Vice President  
Interstate 48 Transportation, LLC  
Office: 888-484-0948 ext 101  
Fax: 888-484-0943  
Email: Adam@interstate-48.com