



# 2024 Q2 Transportation Market Update

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The world of transportation insurance is never dull, and Q2 has had as much action as ever. Here's a full report.

## TRANSPORTATION NEWS FROM THE WSIA CONVENTION

In speaking with insurance providers at the Wholesale and Specialty Insurance Association (WSIA) Underwriting Summit in March, I found that many commercial auto carriers are looking to increase client retention on their book of business while growing their writings in new business. Meanwhile, a few carriers or programs have exited the commercial auto space entirely.

As noted in our last update, [2024 Q1 Transportation Market Update: Starting Off the New Year Right](#), numerous carriers and programs provide either discounts or subsidies when clients provide their electronic logging device (ELD) data to those insurance providers. This data provides a way to reduce premiums for clients or reduce their investment in purchasing things like camera products on their own.

While the freight spot market isn't where truckers want it to be, we heard from several insurance carriers at WSIA that they remain optimistic that freight rates for truckers will begin to improve over the course of 2024. Several of them noted that they continue to see unique opportunities come across their desks in both the business auto and public auto sectors, as the entrepreneurial spirit continues within our country. From our perspective, the rapidly growing excess and surplus (E&S) segment of insurance will continue to allow expanded opportunities to place a wide variety of clients just as we do today.

Trucking insurance remains our largest segment both in fleet brokerage as well as our non-fleet niches, with many of our carriers granting binding authority to RPS based on the strength of our team and the trust that they have of us. Several carriers noted the growing concern over cargo theft and the need for clients to take the necessary steps to protect and monitor cargo, such as portable tracking devices, planned routes, and parking in lighted secured lots.

## CURRENT EVENTS IN TRANSPORTATION INSURANCE

We would like to highlight a couple of points regarding the Northeast.

### New Jersey Raises the Minimum Liability Limit for Commercial Motor Vehicles

In New Jersey, the governor signed bill A-4292<sup>1</sup> (identical to bill S-2841), which goes into effect on July 1, 2024. The new law does the following:

- Raises the required minimum amount of liability coverage for commercial motor vehicles and autocabs.
- Imposes a \$1.5 million required limit for vehicles with a gross vehicle weight (GVW) of 26,001 pounds or more.
- Imposes a \$300,000 limit requirement for vehicles with a GVW from 10,001 pounds to 26,000 pounds.
- An umbrella or excess policy in combination with a primary liability limit could be used to meet these requirements.

Several of our insurance carriers noted that they're ready to offer either the full limit needed to satisfy the requirements or can provide a combination of excess and primary to meet the limits.

### **Collapse of the Francis Scott Key Bridge**

In other recent news, on March 26, 2024, a cargo ship struck and destroyed the Francis Scott Key Bridge in Baltimore County, Maryland. The bridge was a large connection for truckers delivering freight from the ports of Baltimore. The port is one of the largest in the country for farm, construction machinery, cars and light pickups. The bridge's collapse, which led to the deaths of six workers, caused untold disruption to the region.

However, in our opinion, we'll see the resiliency of our supply chain, which learned how to pivot and adapt during the pandemic. A natural delay is possible, but shippers and transportation clients will explore and use alternative routes to deliver the goods to the consumers, just as they had to adapt during the pandemic when supply chain issues were prominent at the ports.

### **THANKS AND KUDOS**

We appreciate our many retail agent partners and carriers for their commitment to all of our policyholders and to this great industry. We thank the over 140 people within our growing team here at RPS who dedicate their day to transportation, for providing the best solutions and value for our clients.

In the first quarter of each year, one of the largest trucking insurance providers in the US announces their Cornerstone Club to honor their top 10 most profitable wholesalers who deliver outstanding underwriting results. We're proud that RPS has been recognized as part of the club for a record seventh straight year.

### **SUPERIOR MARKET ACCESS**

We're proud of our partnerships with many strong carriers and appreciate all of them. Each of our insurance providers allows us the opportunity to help fulfill the needs of our policyholders.

<sup>1</sup>["Assembly, No. 4292 State of New Jersey, 220th Legislature," New Jersey Legislature, 4 Jan. 2024.](#)

As was noted in meetings at WSIA, RPS is the largest partner of several transportation insurance providers. Colleagues with whom we spoke indicated that access to a variety of carriers with varying appetites for client geography, business segmentation, admitted versus E&S, etc., affords them the opportunity to best serve their clients.

### **DELIVERING EXCLUSIVE PROGRAMS TO OUR CLIENTS**

In 2023, we launched several exclusive transportation program offerings to our clients through [www.RPSsmallbusiness.com](http://www.RPSsmallbusiness.com). Retail agents can rate/quote/bind/issue directly on the platform. These offerings are tailored to trucking risks with up to 10 total power units. Coverages include:

- Auto Physical Damage
- Motor Truck Cargo
- Truckers General Liability
- Non-Trucking Liability (coming in 2024)

Also, for larger fleet clients, we rolled out an exclusive program in the first quarter of 2024 that caters to the trucking fleet segment. RPS Fleet Trucking is available for over 15 power units operations and is now live in 22 states with more to come. Coverages are underwritten and provided by MS Transverse Insurance Company. Options available include:

- Auto Liability
- Auto Physical Damage
- Motor Truck Cargo
- General Liability for Truckers
- Blanket Waivers of Subrogation and Additional Insureds
- Camera Subsidies
- Loss Control Services

Springtime is a great time of year, and we hope that you all enjoy a great second quarter of 2024. Whether it is through our strong carrier partnerships or in exclusive program offerings, we appreciate your business and look forward to continuing to help meet the needs of our clients.