A SAFETY PROGRAM THAT WORKS

“I’ve worked with other carriers who just were ‘high maintenance’ - they wanted to tell us what to do and how to do it, but with little regard for feasibility in the ‘real’ day-to-day operations of our own business,” says Sheri Stuart, safety and personnel manager at Metro Xpress in Wichita, Kansas.

Having worked with Canal for nearly five years, Stuart appreciates a change in approach. Describing Canal as knowledgeable about claims, particularly larger losses, and on-top of liability issues, she has come to rely on Canal’s valuable safety resources. It works for her - not the other way around.

“Canal is always ready to help us find ways we can be better, but they do it on our terms,” explains Stuart. “They can be as hands on as you want them to be, but they don’t step on toes.” Like many other Canal insureds, Metro Xpress arrived with a structured safety program already in place. “We run a pretty tight ship, but we’re always open to suggestions to make our company’s safety program better,” says Stuart. “And Canal helped us keep our program firmly on track.”

Metro Xpress, which began in 1982 as a husband and wife operation with one 14-foot straight truck, has grown into the largest general commodities truck load carrier in Wichita, servicing all 48 contiguous states. The company also boasts warehousing facilities, making it a total logistics company.

Although Metro Xpress does monitor its own drivers regularly, Stuart appreciates the additional insight Canal provides, referencing available education material, on-site visits and a trending report of CSA scores that Canal recently provided as examples of their open dialogue and partnership. As she says, an extra layer of experience and suggestions for improvement are always beneficial, particularly at a company like Metro Xpress.

Stuart has attended two Canal Safety Seminars as well - the most recent in April - and she was especially impressed with the caliber of presenters, including attorneys who highlighted specific liability issues. “The networking was another great benefit,” she says. “It’s always good to hear how others are managing the same kind of problems you face.”

“In the end, Canal provides what we need, when we need it and in a format that matches our company and its procedures, not the other way around,” says Stuart.

Underwriting with a 360 Degree Approach
Visit Canal at the Great American Trucking Show
RISKY BUSINESS
How Enforcement and Education Can Reduce Fatalities

By Sergeant Mike Still, Community Relations/Recruiting Officer, South Carolina State Transport Police

The reasons are many. Unfortunately, the outcome is the same. Too many fatalities are occurring with large trucks on American highways.

According to the latest numbers from the National Highway Traffic Safety Administration’s Fatality Analysis Reporting System (FARS), there were 3,541 fatal crashes involving large trucks in 2013, resulting in 3,964 fatalities, an increase over previous years. The top 10 driver related factors in these crashes:

- Over-correcting: 1.7%
- Following improperly: 1.8%
- Failure to obey traffic sign, control devices, officers, safety zone traffic laws: 2.3%
- Careless driving: 2.4%
- Impairment: 3.8%
- Failure to keep proper lane: 3.9%
- Failure to yield right of way: 4.0%
- Vision obscured: 4.4%
- Distraction/inattention: 5.9%
- Speeding: 8.1%

Given these statistics, it’s not surprising that in its 2012-2016 Strategic Plan, the Federal Motor Carrier Safety Administration declared its vision to be: “Save lives by striving toward a crash-free and fully accountable CMV transportation life-cycle.” This has led to Large Truck and Bus Traffic Enforcement Training, which the administration has called “fast, free and effective.” In 2015, the government agency offered a Large Truck and Bus Traffic Enforcement Training Train-the-Trainer Course, held a National Symposium on Work Zones and Large Trucks, made available $25 million grants to states (with priority given to those who developed programs to alert CMV drivers to approaching work zones) and offered $15 million in high-priority MCSAP grants to the states for crash corridors and new enforcement strategies.

Reflecting nationwide trends, the South Carolina State Transport Police reports an “alarming spike” in traffic-related injuries and fatalities in CMV collisions, as overall fatalities have risen as well. When compared to this time last year, preliminary numbers show that CMV related fatal crashes are up 119 percent and CMV related fatalities are up 127 percent. And in 2015, there have been 59 deaths in South Carolina compared to 26 deaths in 2014.

As Commander and Deputy Director of the South Carolina State Transport Police, Colonel Leroy Taylor says one of the most challenging obstacles his officers face is ensuring the safety of truck drivers and protecting all elements of the state’s trucking industry, including infrastructure. In support of these efforts, the state’s Department of Public Safety has adopted the proactive mindset of “Target Zero,” which is also the theme of all State Transport Police educational, outreach and enforcement efforts. Police efforts are mirrored by Canal’s own robust RMS and safety training program, says Gary Flaherty, Assistant Vice President, Risk Management Services. “When we can reduce distracted, fatigued and impaired driving, as well as failure to use safety belts and other risky behaviors, we can and do impact real world safety statistics.”

USING MATH TO FIGHT FRAUD
How Predictive Analytics Help

By Princess Spencer, Senior SIU Investigator

It takes more than a hunch. The traditional tools used to detect insurance fraud include internal audits, whistleblower hotlines and software that flags unusual claim activity. But criminals engaged in insurance fraud have become increasingly sophisticated. Fortunately, so has the insurance industry, and we now employ advanced analytics to help identify more questionable claims earlier than ever.

There are two types of fraud: opportunistic or soft fraud, when there is a legitimate claim, but individuals inflate damages or repair costs, and professional or hard fraud, when organized groups work together to deliberately damage property or stage thefts or accidents. Advanced analytics use predictive behavior and patterns to uncover possible criminal intent.

Tools used include social media analytics or text mining to detect patterns and key words that may lead to inferences about daily activities or relationships between claimants. Geospatial analysis provides key data about the accident location as well as the physical distance between the claimant’s homes. Link analysis collects and compares addresses, phone numbers, vehicle numbers and other identifying information. Using predictive analysis to review previously scattered data from multiple company departments, including policy details, previous claims and adjuster reports, can reveal patterns we used to miss. Knowing that individuals have been involved in similar incidents or have appeared with the same group of claimants on earlier dates initiates suspicion and prompts more investigation.

While Cognizant, a research and analytics company, reports that fewer than twenty-percent of fraudulent claims are currently detected, predictive analytics are a powerful new tool that will help us improve those odds. And as we uncover fraudulent claims quicker and sooner, there will be more money and more time saved for everyone. Now that’s math we can all understand.

Should you suspect fraudulent activity, please contact Canal IMMEDIATELY. SIU Hotline 877.561.1599 / email: siu@canal-ins.com

Sign up online to receive CanalConnections by email.
SAFETY: WHY CULTURE IS IMPORTANT

By Gary Flaherty, Assistant Vice President, Risk Management Services

French politician Edouard Herriot said “Culture is what is left when everything else is forgotten.” While he may have been focused more on croissants and fine wine, he understood the power of culture and its ability to unify, define and influence a group of people.

At Canal, we talk often about the importance of creating a “culture of safety” so that it becomes second-nature and impacts daily choices on the job. A true safety culture solidifies over-arching attitudes and habits, even as the regulations, trends and technologies change. When everyone understands the importance of safety, it’s easier to prioritize and react when new requirements appear. Safety rules are words on paper. A safety culture is a daily approach.

To help our insureds continually improve their own safety standards and outcomes, Canal hosts an annual Safety Seminar. This year it was held April 22-24 in Greenville, and the theme was Your Safety Culture: The Key to Driving Performance. Our keynote speaker at that event, Dan Baker, expressed why safety matters. Yes, it impacts the bottom line, but the real reason safety matters is the people. As he explained, our end goal should always be to deliver our drivers safely home - the moms and dads, husbands and wives who make it possible for everyone else to earn a living. He also emphasized the generational shift that is impacting not only our industry, but our entire world. Today’s newest workers arrive expecting an employer that puts more emphasis on human relationships than on the specific tasks and tactics of trucking. Are you ready to deliver? Showing you emphasize safety is a great way to actively demonstrate your concern.

If you weren’t able to attend the Safety Seminar itself, it’s not too late to learn. As an insured, if you’d like to hear a summary of Baker’s presentation, The People Side of Trucking: Recruiting, Retention, Culture Building and Generational Change, you can listen on canalinsurance.com/seminar-presentations. While there, you can also review the other seminar presentations, including Handling Catastrophic Loss, Social Media & Trends in Litigation, Lytx DriveCam, Programs for Safety Focus Behavior and more.

The seminar was a great reminder of the main task we’re each given every day and how focusing on safety can help us attract, and ultimately protect, the most valuable cargo we haul - our drivers.

CASUALTY CLAIMS SYNERGIES

Canal is excited about a new synergy in our Casualty Claims department that will not only improve claims handling, but will also help us prepare up-and-coming adjusters with some of the best training in the business.

The change essentially is organizing teams into geographical territories and by experience level, joining a seasoned senior adjuster with both a mid-level and associate adjuster to create a group that can draw on each other’s varied perspectives and strengths.

This approach will lend continuity and allow teams to better understand their assigned region, learning the particular venues, attitudes and typical outcomes, while developing relationships with local attorneys, independent adjusters and other individuals who may hold influence on claims. Canal also believes this approach will yield tremendous learning for our newer adjusters who will benefit from the one-on-one coaching from more experienced team members. Not only will this maximize on-the-job learning, it should also create real long-term continuity for our claims and insured service levels. “In the new team structure, I interact and learn from people with many years of experience. They are a great resource for someone like me, who is just starting out in the industry,” says Lisa McClanahan, an associate adjuster.

But the learning goes both ways - many times the questions and fresh insight can energize more senior adjusters and spark innovation. “Handling claims entails a great deal of problem solving. I enjoy that every claim provides differing levels of complexity in terms of coverage, liability and damage evaluation,” explains Susan Kilgore, senior claims adjuster. “Most claim files present a problem, and it’s our job to offer a solution that is appropriate, timely, and conveyed in a professional manner to all parties involved. When you can come at that problem from multiple angles, that’s when you find the best solution.”

In addition, with each team focused on a specific territory, they become more familiar on its particular details. “Each state has very different laws and specific statutes regarding insurance claims,” explains Joshua Sellers, a mid-level adjuster. “The new structure has helped improve the adjusters’ abilities to negotiate and settle claims more efficiently.”

Ultimately, when the knowledge of the senior and mid-level adjusters is combined with the bright and inquisitive nature of new associates, we believe it will lead to “the best possible outcome” for insureds. In addition, with such a wide range of insureds at Canal, the reorganization should help strengthen these relationships as well. “You can go months without hearing from an insured,” says Dan Huber, associate claims adjuster, “but as soon as you see their name in a new claim, you know exactly who to call, what to expect, and how the conversation will go, because you’ve developed a history with them.” Dan is quick to add, “It’s a great blend of business, personal interaction, and customer service all at once.”
UNDERWRITING WITH A 360 DEGREE APPROACH

The underwriting department is an important linchpin in the coverage process. The risk attributes of each client are carefully reviewed and premiums are determined based on comprehensive evaluations by the underwriters. At Canal, the underwriting teams are organized by client size - Express with 1-4 units, Mid-Fleet with 5-15 units and Fleet with 16 or more units.

“Regardless the scope of business, Canal uses multiple data sources to ensure each client receives a thorough and accurate review,” explains Katie Limback, senior fleet underwriter. “While we certainly look at individual drivers, we’re particularly interested in the overall safety culture of an organization.” Canal reviews the “typical” data most underwriters review - but augments that with additional information to capture a truly comprehensive picture. This includes DOT inspection details, trending of past safety performance, a thorough analysis of a client’s safety program, collaboration with the claims and risk management departments who may have first-hand knowledge about an insured or prospect, to name a few.

Throughout the life of an account - underwriting, risk management and claims maintain an ongoing dialogue. They discuss safety programs, including personnel, equipment, performance incentives and disciplinary programs. While other carriers may rely on third-party assessments, Canal’s in-house risk management department provides an unfettered view of what’s really going on. Discussions include large and complex losses to make sure that claims are resolved fairly and quickly in addition to identifying safety training programs that could prevent or minimize future claims. Such an extensive review from multiple angles assures the client that they’re fairly assessed and informed on claims resolutions and safety recommendations.

“The underwriting process has certainly evolved,” adds DeNan Porterfield, who boasts more than 40 years’ experience as a Canal underwriter and currently serves Mid-Fleet clients. “There are more layers and more detail than ever before - and that’s a great thing for everyone involved. We’re no longer limited to a few snapshots, like past loss experience or hiring practices. Now we can capture patterns over a long period of time and from a variety of perspectives. That leads to the client being sufficiently protected with fair premiums that are more stable.”

In addition to quality quotes, Mischa Sprouse believes clients benefit from the partnership Canal establishes with its select group of appointed agents. In the last 14 years, Sprouse has worked in all three underwriting business units, and currently services Express accounts. She notes that agents feel confident they are delivering adequate coverage and fair premiums.

“Systems and processes may change over the years, but what I’ve seen during my time at Canal is a real dedication to going above-and-beyond and exceeding our service commitments.”

And perhaps Canal’s greatest differentiator? Limback says it is being a transportation-specific carrier. As she explains, “We know the exposure. We understand the claims. We know how to price the business. We respond swiftly. We’re not dabbling in transportation - it’s all that we do.”

Visit Canal at booth #16167 to meet the team and enter our free raffle for a chance to win a $100, $75 or $50 gift card!

This event is FREE if you pre-register online. Tickets are $10 at the door. Contact us at marketing@canal-ins.com if you would like to schedule a meeting. We look forward to seeing you there!