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Turner and Hamrick, LLC is an Independent Insurance Agency serving Alabama and the southeastern United States. Protecting you and your business is our only focus. Enjoy the expertise, commitment, and professionalism that assures you will not only receive the best premiums, but also the finest service throughout your policy year.

2010 VS 2011 INDUSTRY COMBINED LOSS RATIO!!!

Below is the combined ratio results for the top twenty insurance companies that insure trucking within the U.S. The companies are ranked in order of the greatest number of filings to the least.

You will notice that most of the companies have had a significant increase in their combined loss ratio from 2010 to 2011. Northland, Canal, Sentry, Gramercy, Auto Owners, Castlepoint, The Cincinnati, and Wilshire all posted losses in 2011 and most all of the other companies were within 5% of being "in the red". In 2011, the property & casualty industry posted the worst overall combined ratio since 2001 (107%).

WHAT'S NEXT???

It doesn't take a rocket scientist to realize what is coming down the pipe. Both large and small companies have probably been seeing rates and premiums stabilizing or even going up over the past 6-12 months, whether it be on major medical, work comp, commercial liability, or other lines of coverage.

Chances are, this will continue over the next couple of years. This does not necessarily mean that all rates and all lines of coverage are increasing; however, most lines of premium seem to be slowly rising some lines of coverage more than others and some segments of trucking more than others.

Relevantly, insurance companies are underwriting accounts much more carefully now.

TIPS:

- Keep BASIC Scores as low as possible. A couple of alerts can really hurt insurance rates.
- Qualify and hire top-notch drivers and have good guidelines in place. If you are not using PSP, START! A fleet of drivers with good MVRs can really help.
- Make sure your files are compliant. The FMCSA is now certifying State troopers to do audits and they have REALLY stepped up the number of audits they are doing.

Rank	Insurance Company	2010	2011
1	Northland	93.8	108.5
2	Great West	93.7	95.4
3	Canal	138.2	125.8
4	Nat. Cas	nr	nr
5	United Fin...	84.8	85.2
6	Lancer	91.1	96.5
7	Zurich	97.7	99.6
8	Ooida Risk	nr	nr
9	Sentry Select	106.6	109.3
10	Artisan	89.0	96.2
11	Carolina Casualty	nr	nr
12	Gramercy	93.9	125.3
13	Acuity, A Mutual	100.7	99.5
14	Auto Owners	102.6	117.0
15	Progressive County	nr	nr
16	Progressive Cas..	92.9	93.9
17	Castlepoint Florida	103.5	102.7
18	The Cincinnati	101.5	109.4
19	Progressive N	92.9	93.9
20	Wilshire Insurance	118.4	120.6

Source: A.M. Best

Work Comp? Do you need it? What does it do for you? What does it do for Employees?

Let's start with what work comp does for employees. If an employee gets hurt, Workers Compensation will take care of the medical bills to get him or her back to work. Medical bills seem to get more and more outrageous and hard for the small businessman to pay on his own. Once the employee is patched up, then comes the recovery period which can take upwards of a few weeks and potentially years. Workers Compensation will cover this risk by reimbursing the employee for loss of wages, up to the policy limits. All of the benefits and coverage afforded through Workers Compensation protects the employee from being responsible for these expenses at claim time.

Now lets get to the facts. "Do you need it?" As a risk manager I would advise that, if you have an employee, you buy a policy for Workers Compensation to protect your assets and give you peace of mind. Excluding yourself and other officers is your choice and you have to determine if the business will be able to support you if you are not able to work. Each individual employer and/or officer has to make this decision for his or herself.

In Alabama the law states that you are required to have Workers Compensation if employees plus owners equal

five or more. Exception to this number is if you are engaged in building new construction of homes. You are then automatically required to have the coverage.

"What if you contract out labor and the worker does not have a policy and you do?" In this situation, the employer (with the Work Comp policy) would be responsible for the coverage and premium of the contractor. At the end of the policy period, when the Work Comp carrier does the audit, the company will be charged for the contract labor unless the employer can provide a certificate showing the contractor had his own coverage. So, if you are in the practice of contracting out labor...**MAKE SURE YOU GET AND KEEP CERTIFICATES OF WORK COMP COVERAGE.** This will also typically apply to general liability.

If you have any questions please do not hesitate to consult with one of our experienced risk managers here at Turner & Hamrick. We are willing and able to help you make an informed decision to choose which approach is best for you. It's about risk taking and managing the risk to a means and comfort level for each individual. Each of us have a different level of risk.

Definition of Tank Vehicle May Impact Carriers !!!

In May 2011 the Federal Motor Carrier Safety Administration made a seemingly innocuous change to the definition of the term "tank vehicle." The change was cloaked under a rule on Commercial Drivers' License test standards and little noticed at the time. The change is shown below with the bolded words added.

"Tank vehicle means any commercial motor vehicle [CMV] that is designed to transport any liquid or gaseous materials within a tank **or tanks having an individual rated capacity of more than 119 gallons and an aggregate rated capacity of 1,000 gallons or more.** A commercial motor vehicle transporting an empty storage container tank, not designed for transportation, with a rated capacity of 1,000 gallons or more that is temporarily attached to a flatbed trailer is not considered a tank vehicle."

This definition became effective July 8, 2011, and states must adopt it by July 14, 2014. It may provide relief from or add to carriers' burdens.

According to transportation expert David Leidy of R&R Trucking, "The definition change [may] require drivers of CMVs transporting multiple tanks of less than 1000 gallon capacity, including IBC designed for liquids or gaseous materials, to have a 'tank endorsement' on their CDL. It should eliminate the "tank endorsement" for drivers operating CMVs with permanently attached cargo tank or tanks with an aggregate capacity of less than 1000 gallon."

Key Employee: Coleman Ulmer

Turner & Hamrick would like to congratulate Coleman Ulmer for being selected as the employee of the quarter.

Coleman has been working for Turner & Hamrick since April 2011 and is a marketing representative.

He attended University of Alabama from 2006-2009. He later transferred to Troy University in 2009 to major in risk management and insurance. Coleman graduated from Troy University in December 2011, earning his Bachelor of Science in Risk Management and Insurance.

Before working at Turner and Hamrick Coleman worked in the Admissions Office at Troy University. He worked with new students at Troy University and also did campus tours.

Colman said his favorite thing about working at Turner and Hamrick is the atmosphere. When not at work Coleman, enjoys watching and attending Alabama football games. He also enjoys being outdoors, hunting, fishing, and spending time with his girlfriend and his dog.



Client Spotlight:

JIM LAWRENCE TRANSPORTATION

Turner & Hamrick would like to congratulate Jim Lawrence Transportation for being selected as the client spotlight of the quarter.

Jim Lawrence Transportation started out partnered with another company in January of 1999 then converted into their own company in June 2010. Jim Lawrence, the owner, has been in trucking for 36 years. He knows the importance of safety for his drivers and his equipment.

They are involved in a maintenance program with PacLease, which allows their trucks to be checked monthly to insure they are DOT certified. "We've always wanted to be safe," Jim Lawrence said. Lawrence also stressed how important it is to be proactive with the safety of your equipment.

Jim Lawrence Transportation hauls all general commodities. "I made it a point not to specialize in one thing because when one thing goes down you're in a mess," Lawrence said. The company has hauled everything from metal furniture to envelopes.

Jim Lawrence Transportation is a family run and oriented business. Lawrence runs the company with the help of his 3 sons and his wife. Lawrence says that everyone that works for the company is like family.

Turner & Hamrick would like to thank Jim Lawrence Transportation for their business as well as their dedication to safety and service.



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