

A red semi-truck is shown driving away from the viewer on a multi-lane highway. The truck is in sharp focus on the left, while the background of the road and the setting sun create a soft, blurred effect. The sky is a warm orange and yellow. The highway has white dashed lines and green grassy shoulders.

Introduction to Trucking

TRUCKING

Understanding trucking terms is crucial to properly writing a trucker's insurance policies.

WHAT IS A MOTOR CARRIER?

MOTOR CARRIER

Motor carrier means a for-hire motor carrier or a private motor carrier. The term includes, but is not limited to, a motor carrier's agent, officer, or representative; an employee responsible for hiring, supervising, training, assigning, or dispatching a driver; or an employee concerned with the installation, inspection, and maintenance of motor vehicle equipment and/or accessories.

Private Motor Carrier

A private motor carrier transports its own cargo, usually as a part of a business that produces, uses, sells and/or buys the cargo that is being hauled. A private motor carrier transports its own goods and is required to have a USDOT number but does not need operating authority (MC number)

For Hire Motor Carrier

An authorized for-hire motor carrier transports passengers, regulated property or household goods owned by others for compensation. If you are a for-hire carrier, in addition to the USDOT number you will also need to obtain operating authority (MC number).

**WHAT ARE THE DIFFERENT
TYPES OF OPERATIONS?**

INTERSTATE

Interstate commerce is when a motor carrier operates:

- From one state to another state or to a foreign country;
- Between two places within a state, but the route takes the vehicle through another state or foreign country; or
- Between two places within a state, but the cargo came from or will be delivered to another state or foreign country.

INTRASTATE

If motor carrier performs trade, traffic, or transportation exclusively in the business's domicile state, this is considered intrastate commerce.

NOTE: If a motor carrier operates in both intrastate commerce and interstate commerce, it must choose interstate commerce and file for an Operating Authority.

WHAT DOES AN INTERSTATE MOTOR CARRIER NEED TO OPERATE?

The Unified Carrier Registration (UCR)

The Unified Carrier Registration (UCR) Program requires individuals and companies that operate commercial motor vehicles in interstate or international commerce to register their business with Georgia Department of Revenue and pay an annual fee based on the size of their fleet.

The International Registration Plan (IRP)

The IRP is an agreement among states of the US, the District of Columbia and provinces of Canada providing for payment of commercial motor carrier registration fees.

To operate in multiple states or provinces, motor carriers must register in their base jurisdiction (state or province).

International Fuel Tax Agreement (IFTA)



On registering under the International Fuel Tax Agreement, motor carriers can file a single quarterly fuel tax report. This report is used to determine the net tax or refund due to each jurisdiction. The report also helps in redistributing taxes from collecting states to states that it is due.

The International Fuel Tax Agreement (IFTA) is an agreement between tax departments in Canadian provinces and U.S. states, to simplify the reporting of fuel taxes by interstate motor carriers. An operating carrier with IFTA gets an IFTA license and one decal for each qualifying vehicle it operates.

FORM BOC-3

A BOC-3 is a United States federal filing that designates legal agents upon which process may be served. It pertains mostly to individuals or companies in the transportation and logistics industry, and it is often required before certain federal operating authorities can be granted within the United States.

FORM MCS-90

The MCS-90 endorsement attaches to an insurance policy issued to a motor carrier by a standard insurance company. The endorsement constitutes proof that the motor carrier has met the financial requirements of the federal regulations for motor carriers.

Electronic Logging Device (ELD)

This is required for all vehicles manufactured after 2000

An ELECTRONIC LOGGING DEVICE (ELD) is technology used by drivers of commercial motor vehicles (CMVs) to automatically record driving time and Hours of service (HOS) records, plus capture data on the vehicle's engine, movement, and miles driven.

MOST COMMONLY USED EQUIPMENT



TRACTOR

Also known as the Power Unit, this is what is identified in the policy in all cases and what drives the insurance coverage

STRAIGHT TRUCK



This is when the carrying compartment is attached to the power source vs the tractor trailer. This are commonly used for local deliveries.

BIG RIG

This is the tractor-trailer combination, also known as an eighteen-wheeler





DUMP TRUCK

Is a large truck for transporting heavy loads, with a back part that can be raised at one end so that its contents fall out

Most commonly used for sand and gravel



DUMP TRAILER

A semi end dump is a tractor-trailer combination wherein the trailer itself contains the hydraulic hoist. Most commonly used for recycled goods, sand, gravel and garbage

DRY VAN



Is the most common type of freight transportation in the US. Dry van trailers, or enclosed box trailers, could be described simply as a box on wheels with doors in the back.



REEFER

Is the refrigerated unit attached to an insulated trailer to control temperature in loads that require so.

This unit creates concerns in Physical Damage policies as well as in Cargo Policies. Reefer breakdown must be included in the cargo policy of your insurance to ensure coverage in the event of unit malfunction

INTERMODAL



Intermodal freight transport involves the transportation of freight in an intermodal container or vehicle, using multiple modes of transportation (e.g., rail, ship, and truck), without any handling of the freight itself when changing modes.



FLATBED

Is a type of truck which can be either articulated or rigid. As the name suggests, its bodywork is just an entirely flat, level 'bed' with no sides or roof.

LOWBOY



Lowboy is a semi-trailer with two drops in deck height: one right after the gooseneck and one right before the wheels. This allows the deck to be extremely low compared with other trailers.

AUTO HAULER-CAR CARRIER

Is a type of trailer or semi-trailer designed to efficiently transport passenger vehicles via truck.





HOT SHOT

Hot Shot Trailers are utilized using a Pickup, instead of a Semi Truck. They are lighter, and for much smaller LTL loads, instead of your traditional heavy hauling freight trailers.

TANKER



Tanker truck or tanker, is a motor vehicle designed to carry liquefied loads

Double Trailers



Double trailer trucks are essentially a standard tractor trailer with an additional trailer attached. Double trailer trucks are often used when traveling long distances or when larger amounts of cargo must be delivered from one place to another. Certain types of double trailer trucks require special permits to drive, as handling is typically more difficult than a standard tractor trailer.

DRIVER'S LICENSE REQUIREMENTS BY VEHICLE WEIGHT

LIGHT – 0 - 11,000 lbs.



MEDIUM 11,001 – 26,000 lbs.

Class-C CDL



HEAVY 26,001 – 45,000 lbs.

Class-B CDL



SUPER HEAVY + 45,001 lbs.

Class- A CDL



COMMONLY USED TERMS

G.V.W.

Gross Vehicle Weight

This is the vehicle's actual weight with all passengers, drivers and cargo accounted for.

Tare Weight

The weight of an empty car, vehicle, or container that when subtracted from gross weight yields the net weight of cargo or shipment upon which charges can be calculated

| | | | |
|-------------------|---|-----|-------|
| MAX.GROSS. | { | Kg | 20320 |
| TARE | { | Ib | 44800 |
| NET | { | Kg | 2127 |
| CU.CAP. | { | Ib | 4690 |
| | { | Kg | 18193 |
| | { | Ib | 40110 |
| | { | Cbm | 32.5 |
| | { | Cft | 1148 |

LEASED-OWNER OPERATOR

A truck owner operator leases his or her own truck (with driver services) to a motor carrier to transport freight or haul loads for various companies.



KING PIN & FIFTH WHEEL



The king pin is on the trailer and is the part that attaches to the jaws of the fifth wheel on the tractor making the tractor-trailer combination



SLEEPER

Is a compartment attached to the cabin of a truck used for rest or sleeping.



DAYCAB

Is a tractor that does not have a sleeper. It is commonly used to haul containers locally



BOBTAIL

Is when the truck does not have a trailer attached.



DEADHEAD

Is when the truck is moving empty, without a load. Also known as non-revenue miles

HAZARDOUS MATERIALS



A hazardous material is any item or agent (biological, chemical, radiological, and/or physical), which has the potential to cause harm to humans, animals, or the environment, either by itself or through interaction with other factors.

The Federal Motor Carriers Safety Regulations (FMCSR) requires the use of hazard materials placards when shipping hazardous materials cargo and dangerous goods in the United States.

TYPES OF INSURANCE COVERAGE

AUTO LIABILITY

Automobile liability insurance is financial protection for a driver who, while operating a vehicle, harms someone else or their property. Automobile liability insurance only covers injuries or damages to third parties and their property, not to the driver or the driver's property. *Minimum amount required \$750,000.00*

CARGO LIABILITY

Provides liability insurance for truckers who carry the cargo of others and is used in the event that the cargo is destroyed, damaged, stolen, or otherwise declared a loss while in the process of being shipped. *Minimum amount required \$100,000.00, in the case of auto haulers the minimum is \$250,000.00*

NON-TRUCKING LIABILITY / BOBTAIL / DEADHEAD

Non-Trucking Liability, or NTL, is insurance coverage for when you use your truck for non-business purposes. NTL offers you liability coverage for property damage or bodily injury to a third party. Any personal use between your return and next dispatch points will be covered under NTL.

PHYSICAL DAMAGE

Physical Damage is a general term for a group of insurance coverages that protect your vehicle. This general term includes Collision insurance, as well as your choice of full Comprehensive insurance or the more limited Fire and Theft with Combined Additional Coverage (CAC) insurance

COMMERCIAL GENERAL LIABILITY

Commercial General Liability (CGL) is a type of insurance policy that provides coverage to a business for bodily injury, personal injury and property damage caused by the business' operations, products, or injury that occurs on the business' premises.

WORKERS COMPENSATION

Workers' compensation is a form of insurance providing wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue their employer for the tort of negligence.

OCCUPATIONAL ACCIDENT INSURANCE

Occupational accident insurance coverage provides benefits to employees injured or killed in a job-related accident. Some of the common scenarios for this coverage follow:

- Texas and Oklahoma allow an employer to opt out of the state's workers compensation law. Occupational accident insurance is an alternative way to fund the employer's obligation to the employee.
- Some other states allow employers to assume part of the workers compensation risk themselves, subject to state approval. Occupational accident insurance can fund the assumed risk.
- Companies in the trucking industry use occupational accident insurance to provide benefits to owner-operators who are not employees.

SUMMARY

Interstate Carrier: Crosses state lines

Intrastate Carrier: Operates within its home state

Auto Hauler: Can have a tractor trailer or a hot-shot

Dump Truck: Can be a tractor attached to a dumping unit (80,000 G.V.W) or a straight truck with a dumping unit (70,000 G.V.W)

Dry Van: Carries dry goods

Reefer: Carries temperature-controlled goods

US DOT Number: Companies that operate commercial vehicles transporting passengers or hauling cargo in interstate commerce must be registered with the FMCSA and must have a **USDOT Number**.

- Owner Operator: Owns his truck but uses somebody else's authority and insurance
- General Liability: Covers 3rd party in incidents not caused while driving the truck
- Auto Liability: Covers 3rd party in incidents caused while driving the truck
- Physical Damage: Covers damages to own truck
- Cargo Insurance: Cover someone else's property while in transit