

# COMMERCIAL PROPERTY & FLEET INSPECTION REPORT

Prepared for: LTM Insurance Group | Confidential

Policy Number:	COMM-2024-016	Inspection Date:	November 12, 2024
Policyholder:	Eagle Transport Co	Inspector:	Robert J. Martinez, CPCU
Industry:	Transportation / Freight	Location:	4200 W. Diversey Ave, Chicago, IL 60639
Premium:	\$48,000	Policy Period:	Jun 15, 2024 - Jun 15, 2025
Risk Classification:	HIGH RISK	Claims Count:	5 (YTD)

## 1. EXECUTIVE SUMMARY

Eagle Transport Co operates a fleet of 23 commercial vehicles (18 Class 8 tractor-trailers, 3 box trucks, 2 flatbeds) servicing Midwest freight corridors. This inspection was triggered by the policy's escalating claim frequency: **5 claims filed in the current policy year**, totaling **\$76,000 in losses** against a \$48,000 premium, yielding a **loss ratio of 158.3%**.

The inspection reveals **systemic fleet maintenance deficiencies**, inadequate driver training protocols, and **non-compliance with DOT Hours-of-Service regulations**. The overall risk profile has deteriorated significantly since the last review (March 2024).

## 2. CLAIMS HISTORY (CURRENT POLICY YEAR)

Claim #	Date	Type	Amount	Status	Description
CLM-2024-040	Feb 8, 2024	Auto Accident	\$18,000	Closed	Truck rollover on I-94; driver fatigue cited
CLM-2024-041	Apr 15, 2024	Auto Accident	\$12,000	Closed	Rear-end collision at I-290 interchange
CLM-2024-042	Jun 28, 2024	Auto Accident	\$9,000	Closed	Side-swipe on delivery route, W. Fullerton Ave
CLM-2024-043	Sep 5, 2024	Auto Accident	\$22,000	Open	Multi-vehicle highway incident on I-55
CLM-2024-044	Nov 18, 2024	Property Damage	\$15,000	Open	Cargo spill at loading dock, hazmat cleanup

**Total Incurred Loss: \$76,000 | Loss Ratio: 158.3% | Frequency: 5 claims/year (industry avg: 1.2)**

## 3. INSPECTION FINDINGS

### 3.1 Fleet Condition Assessment

Physical inspection of 14 of 23 vehicles revealed: **4 vehicles with worn brake pads below DOT minimum thickness (3/32")**, 2 vehicles with cracked windshields impairing driver visibility, 3 vehicles with non-functional turn signals or tail lights, and **1 vehicle (Unit #T-017) with a visibly leaking hydraulic brake line** that poses an immediate safety hazard. Unit T-017 was red-tagged and removed from service.

3.2 Driver Records Review

Review of driver records for 15 active CDL holders revealed: **3 drivers with suspended CDL endorsements** (still operating vehicles), 2 drivers with 3+ moving violations in the past 24 months, and **ELD (Electronic Logging Device) data showing 7 Hours-of-Service violations in the past 90 days**. Driver involved in CLM-2024-040 (rollover) had logged 14.5 consecutive driving hours, exceeding the federal 11-hour limit.

3.3 Facility & Cargo Handling

The Chicago depot at 4200 W. Diversey Ave shows signs of deferred maintenance: loading dock #3 has a damaged hydraulic lift (contributing to CLM-2024-044 cargo spill), inadequate spill containment for hazardous materials, and no functioning security cameras on the south lot where 8 vehicles are parked overnight. Fire extinguishers in the maintenance bay were last inspected in January 2023 (17 months overdue).

3.4 Safety Program Evaluation

Eagle Transport's safety program is rated **BELOW STANDARD**. The company lacks: a formal pre-trip inspection checklist (relying on verbal driver confirmation), scheduled preventive maintenance program (maintenance is reactive only), **no documented driver training program for defensive driving or cargo securement**, and no accident review board or root cause analysis process for the 5 incidents this year.

4. RISK ASSESSMENT MATRIX

Risk Factor	Rating	Score	Notes
Fleet Maintenance	CRITICAL	9/10	4 vehicles below DOT brake standards; 1 red-tagged
Driver Compliance	HIGH	8/10	3 suspended CDLs operating; HOS violations
Claims Frequency	CRITICAL	9/10	5 claims in 11 months; 4x industry average
Loss Ratio	CRITICAL	10/10	158.3% - significantly above 80% threshold
Safety Program	HIGH	7/10	No formal training, no PM program, no accident review
Facility Condition	MODERATE	5/10	Deferred maintenance, expired fire equipment
Cargo Handling	HIGH	7/10	Damaged dock lift, inadequate hazmat containment

Composite Risk Score: 55/70 (78.6%) - HIGH RISK

5. UNDERWRITING RECOMMENDATIONS

**Primary Recommendation: DECLINE RENEWAL** unless Eagle Transport demonstrates compliance with all corrective actions within 60 days. The 158.3% loss ratio, systemic maintenance failures, and driver compliance issues present an unacceptable risk profile.

If renewal is considered, mandate the following:

- 1. Immediate repair of all DOT-deficient vehicles and proof of compliance inspection within 30 days
- 2. Suspension of 3 drivers with CDL issues until endorsements are reinstated and verified

3. Implementation of a documented preventive maintenance program with quarterly audits
4. Enrollment of all drivers in a certified defensive driving course within 60 days
5. Installation of forward-facing dashcams on all 23 vehicles within 90 days
6. Premium surcharge of minimum 35% (\$16,800) to \$64,800 reflecting current risk exposure
7. Increased deductible from \$5,000 to \$15,000 per occurrence
8. Quarterly loss control reviews for the first renewal year

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**Inspector:** Robert J. Martinez, CPCU, ARM | **License:** IL-INS-2847 | **Date:** November 12, 2024

**Reviewed by:** Sarah Mitchell, Senior Underwriter, LTM Insurance Group

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