

## Company Data

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# Case Study 6: Certificates of Insurance - Logistics

## The Industry Problem

In the logistics and transportation industry, companies rely on a vast network of third-party carriers, truckers, warehouses, and other service providers. Each of these vendors must maintain certain insurance coverages (like general liability, auto liability, cargo insurance, workers' comp, etc.) to protect both themselves and their clients. The industry problem is **tracking and managing Certificates of Insurance (COIs)** for potentially hundreds or thousands of such vendors. A freight brokerage or 3PL, for example, might have a roster of 500 trucking companies. Each one needs to provide a COI proving active insurance, often with the logistics firm named as a certificate holder or additional insured. Policies expire at different times throughout the year, coverage limits change, insurers cancel policies -- keeping on top of all this is a nightmare if done manually. Historically, many logistics companies used spreadsheets or email calendars to note expiration dates and then chased down renewals by email or fax. The inefficiency is huge: COIs often come in as PDFs that must be reviewed to ensure they meet contractual requirements (correct coverages, limits, endorsements). Humans doing this may miss details. Additionally, when a certificate expires and a new one isn't obtained in time, the company could unknowingly be allowing an uninsured (or underinsured) carrier to move freight -- which is extremely risky. In essence, the problem is *ensuring continuous compliance and coverage* in a very fragmented supply base. Without a centralized system, companies suffer from lapsed certificates, inadequate coverages going unnoticed, and an overall reactive scramble that takes focus away from core operations.

## Regulatory or Operational Risk

The risks from poorly managed COIs in logistics are both operational and legal. If a trucking vendor's insurance lapses unbeknownst to the logistics coordinator and then that truck has a major accident, the logistics company could be on the hook for the damages. Normally, the carrier's insurance would pay -- but if it was expired, the injured party will come after the logistics broker or shipper, leading to potentially multi-million-dollar liability and lawsuits. In fact, *hidden liability* is a big threat: one industry guide emphasizes that ensuring every vendor maintains active insurance is critical to "prevent hidden liability" for the hiring company. There's also contractual risk: many customer contracts require the logistics provider to only use insured carriers. If they inadvertently use one without a valid COI, they could breach contract, jeopardizing client relationships. Another facet is compliance with regulatory bodies or industry standards -- for instance, in certain sectors like chemical or food logistics, regulators or auditors will verify that all third parties have adequate insurance.



If a company can't produce valid COIs on request, they might face fines or lose certifications. Operationally, without current COIs, a company might have to halt using a vendor, causing supply chain delays. For example, if a warehouse's COI expired and you can't confirm coverage, you might have to stop storing goods there until resolved -- causing costly disruption. There's also reputational risk: insurance is a safety net; if a logistics provider is seen as cavalier about safety and insurance, shippers may not trust them with valuable cargo. In summary, the risk is **serious financial exposure, contract breaches, and service disruptions** if an uninsured incident occurs or if coverage compliance isn't verifiable at all times.

### How the Problem Manifests Day-to-Day

In day-to-day operations, managing COIs can feel like a continuous game of whack-a-mole. Every week (if not daily), some vendor's insurance is expiring. An admin or risk manager has to send reminders: "Dear Carrier X, your insurance expires next week, please send us the renewed COI." Often it takes multiple follow-ups -- trucking companies are busy and sometimes not very administrative. People may send partial info or an image from their phone. Once a COI arrives, someone at the logistics firm must open the PDF and **manually review** it: Is the insurer rated well? Are the required coverages present and at the right limits? Is the policy number and date valid? Are we listed as certificate holder? This tedious review is prone to error, especially if the volume is large. If any aspect is wrong (say the auto liability limit is lower than required), now begins a back-and-forth to correct it. Meanwhile, frontline operations need to know if they can dispatch Carrier X or not. Without a clear system, they might not be aware the COI is expired and go ahead, or conversely, they might refuse to use a carrier because they aren't sure if the COI is updated, causing unnecessary capacity issues. A common scenario: a dispatcher is ready to tender a load but has to pause and ask the risk team, "Do we have current insurance for that carrier?" If the team scrambles through email chains to find it, it delays the load assignment. If they can't find it quick, they might drop that carrier, scrambling for another truck -- inefficiency and potentially lost revenue. Additionally, *renewal time* floods: at the end of each month, dozens of policies might expire, creating a big surge of chasing documents and updating records. The process is highly repetitive and offers little visibility; managers might not even have a good dashboard of which vendors are compliant at any given moment. Instead, they operate on trust or crisis management -- discovering a lapse only when a problem occurs (e.g., an accident triggers a check and then they realize the certificate was out of date). Also, storing COIs is messy -- they might live in email attachments, shared drives, or filing cabinets, so retrieving one under audit time pressure is stressful. In short, day-to-day without a good system, staff spend significant time as "insurance hall monitors," and yet still worry they might miss something critical.

### Intelleges' Intervention (Protocol + Workflow + Verification)

Intelleges provides a **Document Collection and Compliance protocol** specifically tuned to recurring requirements like Certificates of Insurance. For a logistics firm, Intelleges essentially becomes a *COI tracking and automation engine*. When a new vendor is onboarded, the platform's **supplier onboarding workflow** requires them to upload an initial COI meeting the company's standards. Intelleges captures all the metadata: carrier name, insurer, policy dates, coverage types and limits, etc. Then it sets a **tickler** for renewal based on the expiry date. As that date approaches, Intelleges automatically sends out reminders to the vendor -- at 30 days out, 15 days, 7 days, etc. -- politely requesting an updated COI. This is done via email with a secure link where the vendor can upload the new certificate directly into the system. This *automation* offloads the chasing from company staff to the platform. Once a new COI is uploaded, Intelleges can perform an **AI-assisted or rules-based review**: it reads the PDF (using OCR if needed) to confirm required clauses. For example, it can verify the policy expiration date is a year out, check that "YourCompany, Inc." is listed as



a certificate holder or additional insured, and that coverage limits meet the minimum (e.g., \ \$1M auto liability). If everything checks out, the system marks the vendor as compliant. If something's off, it flags it for human review or even sends the vendor a notice, "We received your COI but it appears the coverage is insufficient -- please contact us." All COIs are stored in a centralized repository under each vendor's profile, readily accessible. Intelleges also **integrates with insurance broker databases or APIs** when possible -- for instance, some insurance providers have systems to verify a policy's validity. Intelleges can cross-verify policy numbers against those databases for authenticity (reducing risk of fraudulent or outdated docs). The **live verification** extends to alerting if a policy is cancelled mid-term; some insurers send cancellation notices -- Intelleges could capture that if integrated, immediately warning that a vendor may no longer be insured. Furthermore, the platform provides a **dashboard for compliance status**: at a glance, risk managers see that, say, 480 out of 500 carriers are current (green) and 20 are expired or expiring soon (red/yellow). This lets them focus on the exceptions rather than managing everyone equally. The system can also produce on-demand **audit-ready reports** showing for each vendor the date of last COI and whether it meets requirements. **Templates** in Intelleges ensure that for each type of vendor (e.g., a warehouse versus a trucking carrier) the specific insurance requirements are configured, so the checks and reminders adapt to those needs (maybe warehouses need property insurance proof, trucks need auto liability, etc.). Finally, all communication is centralized -- vendors no longer send COIs to random emails; they go through Intelleges, ensuring nothing is lost and everything is time-stamped.

## Results & Measurable Impact

By using Intelleges, a logistics company can achieve near **100% compliance in maintaining active COIs** without constant human micromanagement. A mid-sized 3PL that implemented Intelleges reported that **expired certificates dropped by 90%**, essentially only occurring if a vendor was truly unresponsive or out of business. The automated reminders significantly improved timeliness -- vendors often thanked the company for the heads-up and the easy upload process, as opposed to previous frantic calls. The internal labor devoted to COI tracking shrank dramatically: one risk manager who used to spend 2-3 hours a day on COI issues found they only needed perhaps an hour a week to handle exceptions, a *more than 80% reduction in effort*. That translates to cost savings or ability to redeploy that time to other risk management tasks. Importantly, the company gained **real-time visibility**: at any given moment, operations could check Intelleges and confidently confirm a carrier is insured *before* dispatching a load, which gave both operations and leadership peace of mind. This likely prevented scenarios of inadvertently using an uninsured carrier -- a bullet that's hard to measure (since it's an avoided disaster) but potentially company-saving. Additionally, in one instance an insurer's mid-term cancellation of a policy (due to non-payment by the carrier) was caught by Intelleges' integration, and the 3PL immediately paused assignments to that carrier until it was resolved, preventing a near-miss where an uninsured truck would have been used. Another KPI: **audit performance**. The company underwent a client audit where they needed to prove all subcontractors had valid insurance. Using Intelleges, they printed a report showing each subcontractor's policy dates and coverage met requirements, backed by digital copies of each COI. The auditor was satisfied in minutes, whereas previously this might have entailed rifling through files for days. The platform also improved vendor relationships: rather than pestering clients or causing friction, the communications via Intelleges were seen as professional and standard. Some vendors even adopted a more disciplined renewal habit thanks to the consistent reminders. Overall, the risk of **coverage gaps** was virtually eliminated; the logistics firm could confidently assert that at no time were they unknowingly relying on an uninsured provider -- a major risk mitigation that likely also improved their insurance rates and standing with underwriters (since they could demonstrate a robust COI management system). Summed up, Intelleges delivered labor savings, improved compliance to nearly 100%, timely issue resolution, and a stronger safety net against liability.



## Why This Makes Sense for the Industry

In the logistics industry, margins are slim and reliability is king. Managing COIs doesn't directly move freight or generate revenue, but failing to manage them can bring a company down with a single incident. Intelleges addresses this critical "back-office" need with automation, which makes perfect sense because it allows logistics companies to focus on their core operations (moving goods) while **minimizing a significant risk exposure in an efficient way**. The volume of partners in logistics (owners-operators, small carriers, independent contractors) is high, and their insurance status is fluid. A digital solution is essentially required to handle this at scale -- doing it manually is not just costly but increasingly unfeasible, especially as companies expand or have high turnover of vendors. The industry also faces growing client demands: big shippers want proof that their 3PL's carriers are all insured adequately. With Intelleges, a logistics provider can turn COI management into a selling point: "We have a state-of-the-art system that ensures every truck hauling your freight is properly insured at all times." This can differentiate them in a crowded market. Additionally, the trend in risk management is towards **continuous monitoring** and using tech (much like telematics monitor trucks in real time, Intelleges monitors compliance in real time). It aligns with that evolution, bringing a modern approach to what used to be a paper chase. There's also synergy with insurance companies -- a logistics firm with Intelleges likely experiences fewer uninsured claims, making them a better risk, potentially getting better premiums or terms. The **cost of one accident with an uninsured carrier could be catastrophic**, easily in the millions, whereas the cost of Intelleges is marginal in comparison -- an easy ROI argument. Moreover, by ensuring compliance, Intelleges indirectly contributes to safety: carriers who keep their insurance active are likely more responsible overall (since insurers require safety practices), so the pool of carriers remains higher quality. For logistics execs, Intelleges provides **sleep-at-night assurance**: they won't wake up to a nightmare of discovering a lapse only after a lawsuit arrives. In summary, integrating Intelleges is a logical step for an industry that must juggle vast networks and compliance -- it automates a vital but cumbersome task, reduces liability, and fits seamlessly into the operations without disrupting the flow of goods. Logistics is all about keeping things moving smoothly, and Intelleges ensures that *administrative compliance issues don't become roadblocks*, making it a sensible and even necessary innovation for the industry.