



REGION: Manitoba

CLAIMS ISSUE: Long-haul trucking

BROKER SPECIALIST: Rempel Insurance

One of the biggest drivers of loss activity in Morris, Manitoba, located just 60 kilometres south of Winnipeg, is not flooding, as one might assume. This is because the community has a ring dike that protects it from overland flooding, and a solid sewer backup system.

"It is a big misunderstanding that [flooding] causes a lot of property damage in our area," says Dale Rempel, president of Rempel Insurance and Insurance Brokers Association of Canada (IBAC) president. "Even with the high waters, we do not see any increase in sewer backup claims."

Rempel adds his brokerage has not had to handle a single flood claim over the last year. The province has implemented certain risk management procedures, including specific building codes and evacuation methods, to protect residents. Additionally, the government covers most flood claims—another reason why the brokerage has experienced so few claims in this area.

Instead, it's long-haul trucking that is one of the biggest drivers of claims in the region, which is home to about 40 long-haul trucking companies and is located about 45 kilometres from the US border, according to Rempel.

The Morris-based brokerage specializes in this niche, and 70% of its business is commercial lines with the remaining 30% personal lines.

"We've become known as experts in trucking business in our area and much of our business comes in through referrals," he says.

There are two main types of losses for truckers: physical damage to trucks, trailers, and cargo where claims can be as high as \$200,000 - \$250,000 and liability, according to Rempel. For the latter, he suggests his clients carry a minimum \$2 million in coverage if they are driving across the Canada-US border, and many clients carry between \$5 million and \$10 million.

"In the US there are certain states that can make a

trucking company responsible for the entire claim if they are found partially at fault," says Rempel. "Further, in the US, residents carry minimal limits on insurance and in some cases the general public is driving without insurance."

He adds that if there is an accident, it oftentimes results in high litigation costs to defend the claim. There have been several cases where "some of our truckers aren't at fault but they tend to be held liable and this is why they have to carry higher liability limits." This is also a reason why liability

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insurance costs are substantially higher when operating in the US, as compared to operating in Canada only.

The brokerage aims to educate trucking clients in the importance of risk management.

"We make sure they're choosing their drivers wisely, reviewing the drivers and doing test drives with them," he says. "Drivers tend to say they have all this experience but you don't really know unless you [test drive] with them."

Premiums have been stable in this area of business, according to Rempel, unless a trucking company has had severe loss ratios. In these instances, the client's premiums can go up substantially.

One of Rempel Insurance's main insurer partners is Manitoba Public Insurance (MPI), which insures a majority of truckers in the province, notes Rempel.

"MPI has improved their product to be comprehensive, along with competitive premiums," he says.