

SOARING INSURANCE COSTS FORCE CARRIERS TO SLASH WAGES AND SAFETY INVESTMENTS

In Part I of our latest update, we discussed how rising insurance costs burden trucking companies, forcing carriers to cut wages or investments in equipment/technology. Potential future safety and driver shortage concerns are exacerbated by these cost-cutting measures.

WILL YOUR CARRIER BE HERE THIS YEAR AND THE NEXT?

When looking for a safe carrier or ensuring your carrier will be committed to you this year or in years to come, shippers should consider the following 5 factors:

1 DRIVER TRAINING AND QUALIFICATIONS

Evaluate the carrier's driver training programs and qualifications. Look for carriers that prioritize ongoing training, driver certification, and hiring practices that ensure qualified and experienced drivers.



PTI utilizes a Jobbehaviors, a behavioral assessment to survey candidates. It gauges candidates' safety, performance, and readiness consistency. Disqualifying 50-60% who don't meet our high standards ensures top-tier service. PTI invests more upfront in hiring costs to save on safety and long-term turnover expenses.

2 EQUIPMENT MAINTENANCE

Assess the carrier's commitment to regular maintenance and inspection of their equipment. Well-maintained vehicles are less likely to experience mechanical failures, reducing the risk of accidents.



2.5 YEARS
Average Age of
PTI'S Equipment

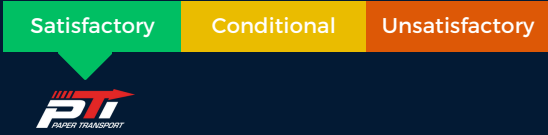
~4%
Below National
Average OOS

3 SAFETY RECORD

Ensuring your carrier's compliance and safety practices is vital. Review the carrier's safety record, including their history of accidents, violations, and compliance with regulations such as the Federal Motor Carrier Safety Administration's (FMCSA) Safety Measurement System (SMS) score and Inspection Selection Score.

SMS Safety Measurement System

FMCSA's SMS rating is an evaluation of a motor carrier's compliance with the safety fitness standard, which is based on data from roadside inspections, investigations, and crash reports. FMCSA may issue one of three safety ratings:



Inspection Selection Score

ISS scores, part of FMCSA's MCMIS, aid law enforcement in prioritizing trucks for inspections. These scores, linked to DOT numbers, prompt mandatory inspections for carriers in "inspect" status, potentially resulting in out-of-service incidents and load failures.



4 SAFETY TECHNOLOGY

Consider carriers, like PTI, that invest in safety technology such as collision avoidance systems, lane departure warnings, onboard cameras, speed governors. These technologies can help prevent accidents and provide valuable data for improving safety practices.



PTI's **Red Rewards** Performance Incentive-Bonus Program is a coaching tool to award drivers an 7-8% additional monthly income by monitoring on speed, hard braking, HOS, accidents, cell phone usage, inspections, MPG, and more.

5 INSURANCE COVERAGE

Ensure that the carrier has quality insurance coverage, including liability and cargo insurance. A carrier with comprehensive insurance coverage demonstrates financial stability and a commitment to protecting both their assets and their customers' cargo.

PTI's commitment to Safety isn't just word-play. It shows in the data and as a result, the company's insurance premium renewed for 2024 at a decreased rate.



Shippers can expect potential capacity challenges, rate fluctuations, and uncertainty in the market due to weak demand, insurance-related issues, and operating challenges faced by many carriers. It's crucial for shippers to stay informed and adapt their strategies accordingly in this evolving environment.

TAKE CONTROL OF YOUR SUPPLY CHAIN

As the transportation landscape continues to evolve, Paper Transport is here to provide stability, consistency, and dependable service to our valued customers. Find out how you can take advantage of PTI's dedicated fleet backhaul capacity, Midwest power zone network, trailer pooling, and 3rd party carrier network.

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