

Transportation Appetite Guide

Canada | Casualty



The AIG transportation department provides risk transfer (insurance) solutions for high quality fleet clients. Our definition of transportation includes: for hire carriers, contract carriers, dedicated fleets, and private fleets. Our strategy is focused on supporting operations with an established safety culture, a sound risk management approach and a demonstrated record of safety and compliance. Our group is committed to delivering value to our brokers and insureds by providing open communication, comprehensive coverage solutions, claims excellence and client risk solutions expertise. We mutually seek beneficial long-term partnerships in which we aim to reduce the total cost of risk for both parties and provide stability in a volatile niche industry.

The AIG Advantage



Customizable Products

Flexible coverage solutions provided to protect our clients and provide them with peace of mind. Our dedicated underwriting team has extensive knowledge of the trucking industry and will work with clients and brokers to design a program that addresses the full range of unique transportation-related exposures.



Claims Account Management:

AIG Claims has dedicated transportation claims experts. Our goal is to get trucks back on the road and earning revenue, while reducing the total cost of a claim occurrence.



Client Risk Solutions

Our representatives work with clients and brokers to address areas of improvement in their risk management approach. We evaluate these exposures and provide recommendations to reduce their risk profile and stay current on the ever evolving, industry-leading safety trends.



Offering

- Auto Liability, Auto Physical Damage coverage.
- Non-owned Auto coverage
- Lessor's Contingent coverage
- Garage Auto coverage
- First party automobile deductibles up to \$100,000
- Cargo coverage
- Warehouseman's Legal*
- Liability coverage*
- Cyber Risk coverage*

*Coverage provided by other departments within AIG Canada



Coverage Capacity

Our strategy is to provide a maximum of \$2M net limits on any transportation opportunity. We can work with our reinsurance partners to find limits of \$5M and \$10M gross capacity on a primary insurance program solution.



Risk Appetite (Sample Classes of Business)

Basic Qualifying Appetite	Target Markets (Appetite)	High Hazard Appetite (Very Selective Basis)
<ul style="list-style-type: none"> • Fleets with over 30 revenue generating power units or more • Satisfactory loss control evaluation • Crash frequency less than 1.5 per million miles and high cost crash frequency less than 0.5 per million miles • Less than 25% of gross revenue derived from load brokering or freight forwarding activities 	<ul style="list-style-type: none"> • General freight trucking • Temperature sensitive freight trucking • Intermodal freight trucking • Flatbed haulers • Speciality over dimensional trucking • Heavy equipment haulers (flatbed and float) • Dimensional lumber, wood products, wood pulp and paper 	<ul style="list-style-type: none"> • Fuel delivery • Specialty hazmat haulers including radioactive material • Log, wood chips, sawdust • Other trucking operations in the woodlands • Pharmaceuticals

Undesirable Risk Appetite

The following list is intended to cover the classes of business that our transportation department at AIG Canada is not interested in providing “guaranteed cost” automobile fleet insurance solutions to undesirable classes of business:

- Taxi, limousine
- Motor coach, tour bus, charter bus, jitney operations
- Couriers, expedited and hot shot freight haulers
- Livestock or bloodstock (high valued breeding or sporting animals) haulers
- Municipal transit or municipal garbage collection accounts
- Waste management, recyclers
- School bus operations
- Sand and gravel haulers
- Household moving and storage
- Car, truck haulers (including drive-away type operations)
- Towing operations
- Hauling of cannabis products
- Non-asset-based load brokering operations
- Fleets with less than 30 revenue generating power units

Note that AIG Canada by virtue of broader corporate and/or historical relationships (i.e., long-term, multi-line or global client relationships) may write or consider writing, on an exception basis, transportation risks that fall outside our underwriting appetite outlined above.

“Guaranteed cost” means insurance programs offering automobile insurance and other casualty lines meeting the following criteria:

- Premiums/rates established before the inception date of the policy which are fixed through the policy term and are not modified by claims occurring during the course of the policy term.
- Substantial risk transfer to AIG through standard insurance contracts and not “fronting” arrangements where claims are largely paid or reimbursed to AIG through funding mechanisms controlled by customers.
- Deductibles and reimbursements are generally under \$100,000 and there is no involvement of a captive arrangement or risk sharing pool.

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