

13 Ways to Reduce Your Truck Insurance Premiums

1. DOT Compliance

An important factor in determining truck insurance premiums is a trucking company's adherence to DOT regulations. As such, many truck insurance companies will take into consideration the company's DOT safety rating, roadside vehicle and driver out-of-service violations, driver moving violations, CSA Basic scores, DOT-recordable accidents and results from past DOT compliance reviews. Of course, truck insurance companies will also take into consideration whether the company has ever been penalized for noncompliance with DOT regulations when determining truck insurance premiums.

2. Safety Programs

While adherence to DOT standards is important, a large number of truck insurance companies will consider it a bare minimum requirement for large and small trucking companies, as well as owner-operators to have written safety policies and procedures regarding drug and alcohol testing, vehicle inspection and safety training, among other subjects including an incentive program. Larger trucking companies should have full-fledged safety programs supervised by dedicated and knowledgeable employees. Especially in the case of a larger trucking company, the development of such a safety program and the trucking company's continued adherence to that program, along with the management's knowledge of and adherence to safety regulations is very important and plays a vital role in determining truck insurance premiums.

3. Age

Statistically, older drivers tend to be involved in fewer accidents than younger drivers and, therefore, pay smaller truck insurance premiums. However, for drivers above a certain age, this trend begins to reverse, resulting in increasing truck insurance premiums. Also, age is usually considered separately from experience, resulting frequently in higher truck insurance premiums even for experienced younger drivers.

4. Experience

Generally, drivers with greater experience with the same or similar equipment pay lower truck insurance premiums. The more time a driver spends with a particular type of truck, the more familiar he or she tends to become with the truck's abilities and handling in various terrains and weather conditions. Keep in mind that a reduction in truck insurance premiums due to experience requires that the driver's experience be experience with the same or similar equipment, not just experience in general. If, for example, a driver switches his or her equipment from a tractor-

trailer to a straight truck, prior experience may not be considered transferable and the driver may be forced to pay higher truck insurance premiums.

5. Employment

Also, the more experience a driver has with particular routes, customers and the commodities he or she is hauling, the lower his or her truck insurance premiums tend to be. Drivers who are new to particular routes and traffic patterns and, therefore, must learn them while on the road are more likely to be involved in an accident than a driver who is already familiar with his or her route, resulting in higher truck insurance premiums. This trend, furthermore, applies both to drivers employed by a particular company and to owner-operators. Therefore, in the case of the latter, owner-operators operating on contract generally pay lower truck insurance premiums than those working with brokered loads.

6. Driving Record

Driver records play an extremely important role in determining truck insurance premiums. Records show that drivers with past moving violations are more likely to experience more moving violations and even accidents than drivers with no moving violations. This applies not only to violations acquired while on the job, but also to violations in a personal vehicle. Consequently, a driving record with more moving violations will generally result in higher truck insurance premiums.

7. Accidents

Accidents, even more so than one's driving record, are pivotal in determining a driver's truck insurance premiums. Again, statistically, drivers who have been involved in one or more accidents are more likely to be involved in another accident. Thus, accidents generally result in higher truck insurance premiums.

8. Number of Years in Operation

Just as a new driver, or even a driver new to a particular area or route, is under pressures that a more experienced driver is not; new trucking companies are burdened by certain necessities involved in the startup and management of a new operation. Thus, the number of years a trucking company has been in operation can correlate directly with truck insurance premiums. As a company ages, developing a safety program and a good safety record, truck insurance premiums may decrease.

9. The Area of Travel

The area in which a driver operates can also affect the truck insurance premiums he or she will pay. Factors such as the level of traffic congestion, crime, the quality of the roads and, as mentioned previously, the amount of experience the driver has had in the particular area in which he or she currently operates all have

an affect on the truck insurance premiums he or she may pay. As a general rule, however, setting aside the driver's experience, routes which take a driver through more urban areas tend to result in higher truck insurance premiums and routes through rural areas tend to result in lower truck insurance premiums.

10. Commodities Hauled

Another aspect of truck insurance premiums to consider is cargo insurance, which protects the interests of the owner of the cargo being hauled. The insurance premium for cargo insurance depends not only on the value of the cargo, but also on the particular type of cargo. Of course, higher value cargo results in higher insurance premiums. However, since different types of cargo are vulnerable to all sorts of different dangers, including theft, temperature, and even time spent on the road, the cargo insurance premiums may be quite specifically linked to the type of cargo being hauled.

11. Equipment Being Operated

Next, consider the equipment a driver is operating, yet another important factor in determining the truck insurance premiums he or she will pay. An older truck or a truck in poor condition may be more susceptible to being involved in an accident and therefore may cause a driver to pay higher truck insurance premiums. On the other hand, a driver of a newer truck, equipped with the latest modern computerized conveniences, may also pay higher truck insurance premiums as a result of the high replacement costs involved with such equipment.

12. Deductibles

A truck insurance deductible is the amount of money you yourself are financially liable for in the case of a claim. In case of a \$4,000 claim, for example, by a driver with a \$1,000 deductible, the truck insurance company will pay only \$3,000. Higher truck insurance deductibles usually result in lower truck insurance premiums. Therefore, since truck insurance is really only intended as a fallback for exceptional cases in which the driver would typically be unable to pay for any damages incurred, it is usually in the driver's best interest to consider the highest possible truck insurance deductible he or she can afford.

13. Insurance Agent

Not all agents or brokers have the same access to insurance carriers. Nor do they have the same relationships with the market with respect to pricing. Selecting a broker who has the proper expertise in the transportation industry can play a vital role in obtaining the best markets available for each respective client.