BrokerSafe: De-risking and empowering the logistics and transportation industry

Amid rising freight broker auto liability rates and less competition in the insurance market, compounded by an increase in nuclear verdicts in the US, freight brokers face distinct challenges mitigating safety incidents and protecting their businesses. Seeking to disrupt the current landscape, Marsh partnered with Oliver Wyman to develop BrokerSafe, a cutting-edge broker scoring software that helps you analyze carrier risk factors, support underwriter confidence, and access US-backed capacity freight broker auto liability coverage.

A complex risk landscape for freight brokers

Freight brokers serve as vital intermediaries between cargo owners and truckers, leveraging their vast networks of shippers, assigning loads to truckers, and facilitating the smooth transportation of goods. However, a freight broker's position as the intermediary presents challenges in effectively managing liability and transferring risk, especially if their truckers have not been thoroughly vetted.

The issue of freight broker auto liability has become even more difficult in light of the rise in auto collisions with jury awards of above US$10 million, also known as nuclear verdicts. The increased risk of high jury awards may impact the availability of adequate coverage limits, as insurers may be hesitant to provide the coverage an insured requires or the cost may become financially burdensome for policyholders. Unfortunately, freight brokers can be held liable for the actions of the truckers they work with, which could lead to significant financial and reputational damage.

Key benefits of BrokerSafe

By providing data-driven visibility into freight broker risk, BrokerSafe can help underwriters better understand freight brokers' risk profiles and secure more favorable coverage and pricing for auto liability coverage. The strategic advantages include:

- Safety and incident mitigation: BrokerSafe's proprietary algorithm accounts for a multitude of variables to help evaluate the true, underlying risks you face. By knowing more about your potential exposures and having tools to better vet truckers, you can more efficiently intervene and help mitigate safety incidents stemming from high-risk truckers.

- Visibility and data: BrokerSafe uses data from a top-tier analytics provider to pull information from active or authorized carriers, offering a clearer snapshot of carrier performance and allowing more transparency into a freight broker's risk. These insights can help you make better informed decisions about which truckers you appoint.

- Bespoke underwriting: By utilizing BrokerSafe's proprietary scoring models and data analytics, we can provide underwriters with a clearer and more detailed understanding of potential risk exposures. This helps instill confidence in underwriters, making it easier for you to secure more tailored coverage.

- Competitive pricing: The BrokerSafe platform also provides comprehensive insights that help reveal a freight broker's commitment to holistic risk management and safety practices. This can lead to more favorable terms and pricing for freight broker auto liability coverage, and ultimately more cost-effective protection for your business.

- Improved risk management: BrokerSafe enables you to proactively manage risk by identifying high-risk truckers, which can help enable you to take appropriate measures to mitigate potential safety incidents, as part of a holistic approach to risk management, including other best practices.

A solution with impact for multiple parties

BrokerSafe has the potential to help transform the logistics market and offer greater visibility into the complex challenges inherent to the sector. This positive impact can ripple across the logistics ecosystem, supporting:

Freight brokers

By utilizing BrokerSafe, you can improve your risk profile and enhance your ability to mitigate safety incidents. Equipped with a deeper understanding of the risks associated with the truckers you work with, you can make more informed decisions and effectively communicate risk mitigation strategies with underwriters.

Underwriters

BrokerSafe provides underwriters with a comprehensive and data-driven assessment of the risk exposure of freight brokers. This increased visibility enables them to provide more tailored and accurate coverage that aligns with your individual business needs.

Truckers

BrokerSafe promotes safety and incident mitigation by encouraging you to properly vet truckers and better understand the complex risks you face. This can lead to a safer working environment for truckers and reduce the likelihood of safety incidents.

For more information on how BrokerSafe can help you support underwriter confidence and access freight broker auto liability suited to your unique risk profile, contact your Marsh representative.

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About Marsh

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