

Managing hidden risks and costs associated with trucking accidents

From hijackings and theft to damage caused by protest action, the trucking industry is fraught with risks. But the cost of a breakdown or accident extends beyond the cost of repairing or replacing the vehicle alone. According to Morné Stoltz, head of business insurance at MiWay, the true costs and complexity of managing the aftermath of a hijacking or accident can come as a shock to the transport company, particularly if the business is new to the market.



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Many transport companies and fleet owners fail to take into account the full potential costs of loss or damage to vehicles, and are often underinsured when disaster strikes, says MiWay. Companies tend to insure their trucks at retail value, overlooking the fact that they may have a credit shortfall amounting to hundreds of thousands of rands, he says. Or they may neglect to include replacement vehicle cover, putting them out of business for weeks while a vehicle is being repaired.

“Cargo fleets should extend their insurance cover to include trailers and goods in transit, and they must ensure that provision has been made for towing or alternative transport of goods in transit should a vehicle break down”, Stoltz advises. “The cost of a breakdown on a long haul route could extend beyond the cost of towing and repairs – it could include damage to goods in transit and penalties related to perishables expiring before they can be delivered. These factors must be covered within the company’s insurance policy.”

Fully liable

In addition, the transport company may not be aware that it is liable for clean-ups and repairing damage to infrastructure caused by its vehicles during an accident. Stoltz notes: “For example, if a truck transporting hazardous chemicals should overturn, resulting in a chemical spill into a nearby stream, the company is responsible for the rehabilitation of the water supply.”

Should a truck be involved in an accident that results in damage to the road or cargo being spilled on the road, the company becomes responsible for clearing the road and covering the cost of repairs. It is vital that the transport company considers these risks and potential costs, and ensures that its insurance partner takes charge of all costs and clean-up operations as a matter of urgency.”

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