

THE TRUCK STOPS HERE

*Transportation risks get coverage “tune-ups”
and more at Creative Underwriters*



The Transportation Team of Carmel, Indiana-based Creative Underwriters Corp.

Photography by Paul B. Riley



By Elisabeth Boone, CPCU

The worldwide economic meltdown that began in 2007 has left a trail of wreckage in its wake: job losses in the millions, an alarming rise in bank failures, record home foreclosures, bankruptcies of corporate titans like General Motors and Circuit City, local and state governments slashing services.

Amid all these bad tidings and gloomy forecasts, it's hard to be optimistic without sounding like a clueless Pollyanna—especially if you run a managing general agency that specializes in trucking and transportation risks, which have been all but run off the road by a collapse in demand for many of the commodities they carry. Factor in the effects of a prolonged soft market and intense competition, and you'd be hard pressed to find anything to cheer about.

Doug Setters, who heads up Creative Underwriters in suburban Indianapolis, is no Pollyanna. As a veteran specialty underwriter and general agent with more than 30 years'

experience, he's clear about the daunting challenges facing his agency, its carrier partners, and the transportation industry.

"All of us know we are experiencing a deep and protracted soft insurance market simultaneously with the worst financial crisis since the Great Depression," Setters says. "Insurance capacity remains huge, competition is fierce, and we sometimes face pricing that is desperately low. Adjustments to carrier balance sheets that are needed because of the financial crisis, along with inadequate pricing, may soon lead to a tightening of the market. However, we believe that the culture at Creative Underwriters will see us through this difficult period very well."

Setters joined Creative Underwriters right out of college in 1976 and, after serving in a variety of roles, he became president of the agency in 1989. His wife, Darlene (Dar), is the firm's transportation director; she joined Creative in 1999 and has 35 years' experience on both the MGA and carrier sides of the business.

Focus on transportation

It was when Dar came on board, Setters says, that Creative Underwriters shifted its focus from

being a generalist to building a specialty in trucking and transportation. "Before Dar joined the agency, our book was about one-third transportation, one-third commercial property and casualty, and one-third personal lines," Doug says. "Dar's coming to Creative as a transportation expert gave us a special advantage, and we began to pour a lot of resources into that segment. There was clearly a high level of need for a general agency with a trucking focus, and we have dedicated ourselves to meeting that need.

"Today trucking and transportation business accounts for about 90% of our total volume," he says. "Creative Underwriters arranges coverage for local, intermediate, and long-haul trucking risks on both an admitted and a nonadmitted basis. We also market garage liability and garage package as well as 'Main Street USA' property and casualty programs through a network of subproducers."

"We are licensed in 36 states, but we market mainly in the Midwest," Doug explains. "Our experience shows that a small group of well-trained, well-equipped, highly motivated transportation insurance professionals can do well here at the 'Crossroads of America,'" he asserts. "We are a small shop, but when you consider the carriers we represent, our subproducers, and our outsourced functions, there are perhaps thousands of people involved in



Above, in May 2009, Creative Underwriters sponsored its ninth annual trucking insurance seminar in Indianapolis for retail agents and insurance company representatives.



At left, Tommy Ruke of Insurance Business Consultants, Inc., has been the continuing education speaker at Creative Underwriters' conference since its beginning nine years ago.

providing the insurance products and services we offer.”

Including Doug and Dar, Creative Underwriters has 20 employees, of whom five are transportation underwriters and five are transportation underwriter associates, all reporting to Dar as senior transportation underwriter. “All of our transportation underwriters begin by receiving direct mentoring from Dar to learn the transportation insurance business,” Doug says.

Walking the walk

When Doug Setters says he feels a strong commitment to be of real service to his trucking subproducers, he doesn't just talk the talk—he walks the walk. In May 2009, Creative Underwriters sponsored its ninth annual trucking insurance

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President
Creative Underwriters Corp.*

seminar in Indianapolis; and, despite the recession, the event attracted some 185 attendees from the ranks of retail agents and insurance company representatives.

“When we started holding these events, I wanted to provide a seminar for our subproducers that was similar to those that my staff and I have enjoyed as presented by the AAMGA (American Association of Managing General Agents),” Doug explains. “We host a reception on the Sunday evening before the seminar, and Monday is a continuing education day where participants earn eight hours of CE credit. We arrange for filing of the continuing education credit in the home state of each subproducer attendee,” he says.

As in years past, Creative's 2009 trucking insurance seminar was headlined by Tommy Ruke of



Indiana State Police Commercial Vehicle Enforcement Inspector Richard S. Fleming instructs conference attendees about safety inspections to commercial vehicles.

Insurance Business Consultants Inc., an experienced instructor who conducts similar events for the AAMGA. Doug says that a highlight of this year's seminar was a safety inspection demonstration by an Indiana State Police officer using an 18-wheel tractor/trailer brought to the meeting site by an insured. Also, Dan Murray, vice president of the American Transportation Research Institute, provided a statistical overview of the current transportation industry.

Other topics addressed at the seminar were ISO's plans to sunset the Truckers Form and make the transition to the Motor Carrier Coverage Form with proposed endorsements; new initiatives to help the trucking industry simultaneously maximize productivity and safety; updates to the Unified Carrier Registration program since the 2008 seminar; and an

examination of current conditions in the trucking and transportation insurance market. At a breakout session for agents, Creative Underwriters' transportation underwriters offered a refresher course on putting together an effective submission.

"A key element in the success of our seminar is making attendees feel welcome," Doug comments. "Our staff members are on hand to greet everyone, to help with introductions and make everyone feel comfortable. Our trucking seminar is an outstanding forum for bringing our underwriters, company representatives, and producers together to network, learn, and have a good time. Whether an attending producer is an old hand at trucking insurance or new to the business, I want everyone to have a valuable takeaway from our event," Doug says.

Investing in the team

In addition to Creative Underwriters' considerable investment in the annual trucking insurance seminar, Doug also believes Creative must invest in its employees and systems.

"In addition to internal training and mentoring, our staff participates in numerous educational seminars presented by AAMGA as well as courses offered through the Insurance Institute of America," Doug says. "We also support college courses that complement work roles such as accounting and computer technology. I invest the funds for training, and my employees invest their time. I try to support training and education throughout our organization in a spirit of partnership," he declares. "It builds a great chemistry and culture



John Christensen (second from left) who is with Creative Underwriters client PJC Insurance, provided a truck for the conference from one of his insureds, J.L. Shandy Transportation Inc. With him are (from left): Douglas E. Setters, Creative Underwriters President; Robert Reyes, a driver for J.L. Shandy; Dar Setters, Creative Underwriters Transportation Director/Senior Underwriter; and Inspector Fleming.

in our shop and helps us thrive in a very competitive industry.”

As recently as 10 years ago, few experts could envision a day when automation might be adapted to process the complex transactions of MGAs, MGUs, program administrators, and other intermediaries. It was fine for standard policies with filed rates, but how could a computer system be designed to deal with the intricacies of specialty underwriting?

Today that question seems like a quaint anachronism, and intermediaries all around the world are harnessing the power of technology to rate, quote, bind, and issue policies and certificates, process claims, and communicate with retail producers, carriers, and insureds.

Doug Setters is enthusiastic about the technology revolution in the specialty insurance business. “Our

producers reach out to Creative for great service,” he says, “especially in transportation where account service is very demanding. In addition to continually enhancing our technical know-how, we’ve moved to a digital information platform and are completely paperless. The workflow benefits and speed gained have been remarkable. Some producers are now digital partners, and we are e-mailing policy documents,” he comments. “This is the policy document publishing format of the future, and we are already there. This technology gives us more real-time service capability and is great for the ‘I want it now’ customer,” Doug declares.

Bright outlook

Times are tough, both for the trucking and transportation

industries and the professionals who insure them. With 30-plus years in the business, Doug Setters is no stranger to adversity. Fortunately, he thrives on challenges and relishes rising to meet them.

“Like other MGAs, we are right in the middle of the action,” he says. “We work in the always challenging, frustrating, and exciting middle ground between subproducers and insurance carriers. Moving forward, our rewards at Creative Underwriters will be directly proportional to our professionalism, our focus on service, and our will to win.” ■

For more information:

Creative Underwriters Corp.

Web site:

www.creativeunderwriters.com