



PGT BULLETIN

Key Issues Facing the Trucking Industry

JULY 2024

The PGT Bulletin addresses current issues within the trucking industry that impacts PGT Holdings, our customers and the supply chain. PGT closely monitors these concerns and works to implement innovative solutions for our customers, advancing transportation through the Future of Flatbed®.

Insurance. The trucking industry continues to experience increasing insurance rates, due in part to the rise in nuclear verdicts. A nuclear verdict is defined as a court decision of \$10 million or more, typically from a severe accident or injury lawsuit involving large trucks and motor carriers. These rulings have been trending upward since 2013 (excluding the pandemic period when courts were shutdown). According to a study by the U.S. Chamber of Commerce Institute for Legal Reform, the overall mean nuclear verdict from 2013-2022 was \$89 million.

[The Devastating Impact of “Nuclear Verdicts” on the Trucking Industry](#)

[Study: “Nuclear” Verdict Numbers, Threat to Trucking Continue Apace](#)

Motor carriers are a prime target for litigation, and trucking companies are now faced with the impact of such high-cost rulings. Insurance premiums continue to increase despite a two-year decrease in the number of fatalities and injuries resulting from crashes involving large trucks. Carriers are forced to adjust their operating plans to accommodate higher insurance rates, which means they have less money for continued safety improvements and new equipment. Legal reform is needed to curtail the significant upward trajectory of nuclear verdicts and insurance premiums.

Motor Carrier Operating Costs. According to the American Transportation Research Institute (ATRI), the cost per mile to operate a truck increased 29.0% between 2020-2023. Insurance premiums grew by 12.5% in the past year, driven by more expensive equipment and litigation with nuclear verdicts. These rising costs, combined with a soft freight market, make it even more difficult for carriers to succeed, often resulting in higher driver turnover.

[New ATRI Research: Industry Costs Increased More Than 6 Percent During Freight Recession](#)

The economy continues to be a concern for the trucking industry, which was listed as the number one issue in ATRI’s annual Top Industry Issues list in 2023. Forecasts for the second half of 2024 remain stagnant, fueled by the uncertainty of the upcoming election cycle.

PGTTRUCKING.COM

FUTURE OF FLATBED®

PGT Growth. Despite economic uncertainty and rising operating costs, PGT continues to grow, making strategic investments across the country to better support our customers and fleet of Proud Professional Drivers. With new terminals in Ghent, Kentucky, and Spartanburg, South Carolina, PGT expanded our presence in the South, creating a regional operations base to service our core customers and expand our driver fleet.

PGT also opened a sales office in Monterrey Nuevo León, Mexico, to enhance our cross-border solutions. PGT's customers with southbound and northbound needs in Mexico can count on PGT's international presence and decades of transportation expertise to safely move their cargo. As one of four flatbed carriers providing volume shipments in and out of Mexico, PGT has operated out of Laredo, TX, for 29 years, moving more than 4,000 cross-border loads annually. Our new PGT Laredo facility is opening in Q3 2024, which will expand our international operations and provide modern driver amenities.

Artificial Intelligence (AI). AI influences our personal lives, businesses and industries by transforming the way we live today. However, AI has already been making a positive impact in the trucking industry for several years. Fleets have been using AI to optimize complicated processes, improve safety standards and enhance vehicle performance. By using AI models, trucking companies can quickly analyze large amounts of data to efficiently plan routes and dispatch trucks, allowing personnel to focus on customer service and driver support.

Carriers can also utilize AI-powered safety and maintenance systems to reduce potential incidents over the road. Just like everyday motor vehicles, heavy duty trucks are equipped with collision mitigation systems, including automatic braking and lane departure warnings. Truck manufacturers and maintenance facilities use AI to predict potential service failures, helping carriers schedule proactive repairs before there are costly and dangerous breakdowns over the road.

[PGT Trucking Opens New Facilities in KY and SC to Broaden Operational Reach](#)

[PGT Trucking Adds Executive Appointments](#)

[PGT Trucking Opens Office in Monterrey Nuevo Leon, Mexico](#)

[How Will AI Impact the Trucking Industry](#)

[A New Wave of AI is Coming to Trucking](#)

PGT TRUCKING NEWS

For the second year in a row, PGT was named a Top 20 Best Fleets to Drive For® by CarriersEdge, affirming our commitment to our Proud Professional Drivers.

[PGT Trucking Named to the 2024 Best Fleets to Drive For® Top 20](#)