

TRUCKING INDUSTRY DISRUPTORS

WHY ARE RATES SO HIGH?

Workforce Shortages and High Wages for Drivers

- The average age of truck drivers is 52, while the average age of all U.S. workers is 42. The industry is having a hard time attracting younger generations into the profession, creating a shortage.
- The shortage of drivers has led to a rise in wages in the last several years, with most carriers giving 3 - 4 pay increases during the 2018 fiscal year.

Elevated Insurance Costs

- Insurance claims have increased in frequency and severity over the last several years and until recently premiums paid to the insurance carriers have not kept pace.
- Now, insurance premiums have skyrocketed, with some carriers quoting premiums of \$25,000 per truck.

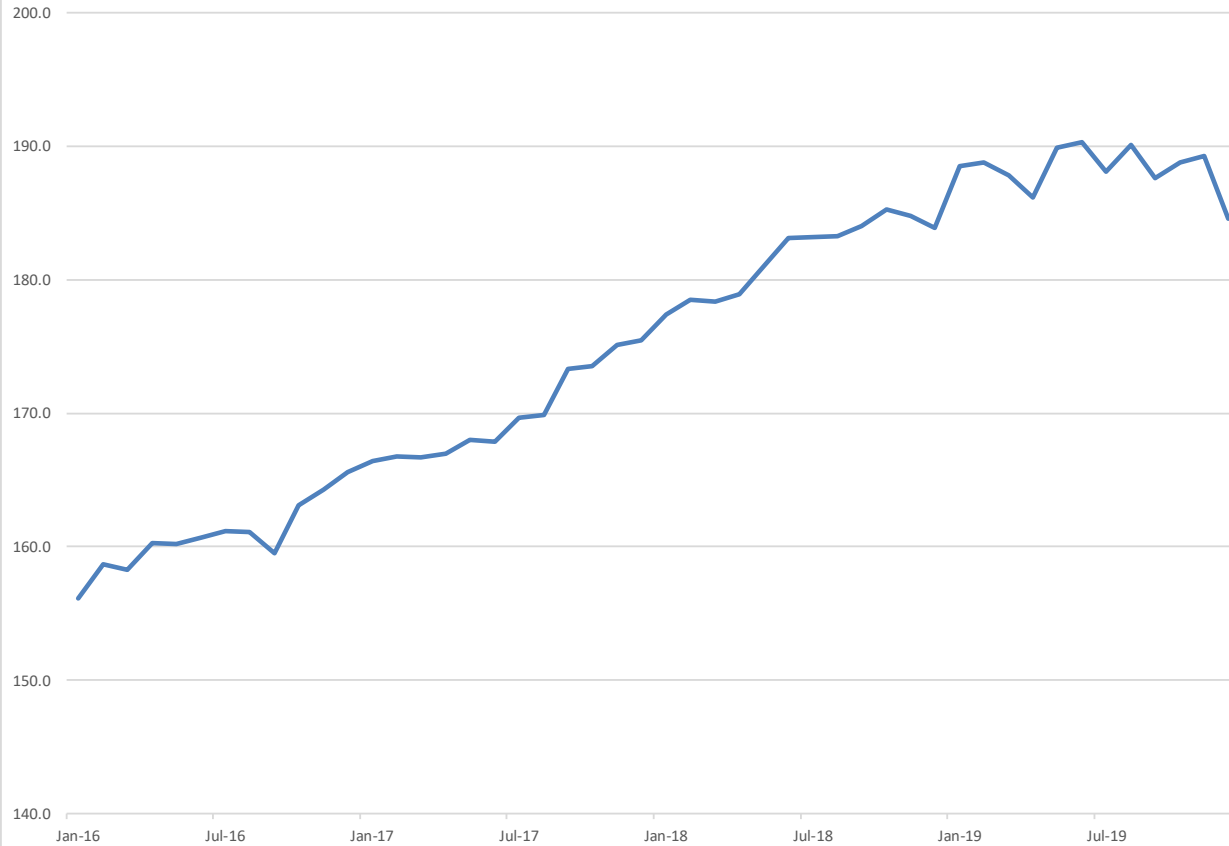
Regulatory Pressures

- The Drug and Alcohol Clearinghouse became effective in January 2020 and requires carriers to report driver drug and alcohol violations to the U.S. Department of Transportation.
- This mandate, coupled with an increase in random drug testing to 50% of all drivers, is expected to pull an estimated 300K drivers off the road.



TRUCKING INDUSTRY INDICES

US Bureau of Labor Statistics LTL Freight Index

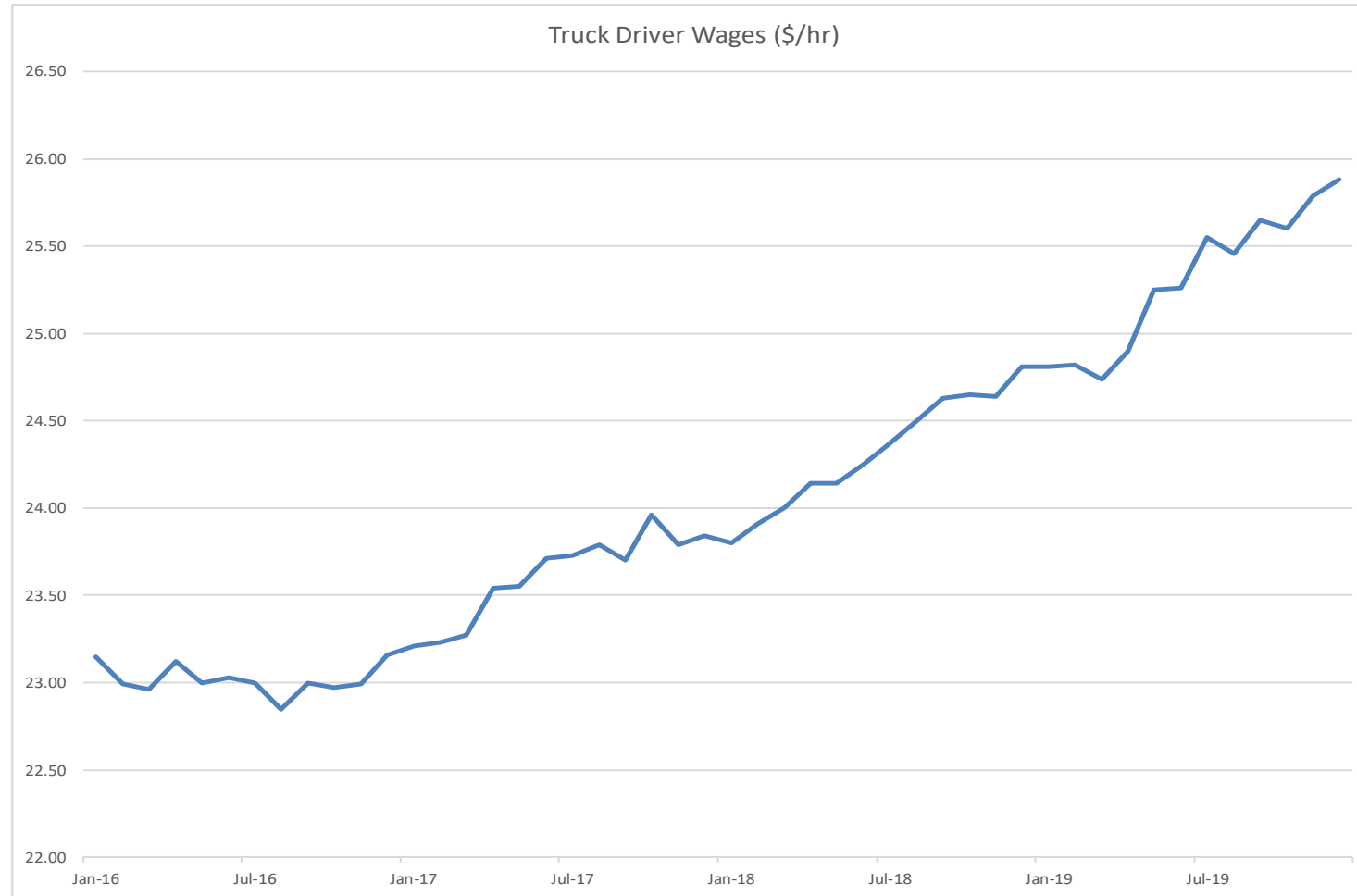


Cass Truckload Freight Index



Current LTL and TL market indices remain elevated over 2016 levels.

TRUCK DRIVER WAGES



Wages have steadily increased in a compressed timeframe.