

# Loss Prevention

Take a proactive approach to loss prevention!



## Preventing Cargo Losses

Truck, trailer and cargo theft is a serious problem for the trucking industry. Losses in North America are significant and are rising: Canadian losses are estimated to be more than \$5 billion alone.

Theft losses not only include the cargo, but may also include the loss of the semi-tractor and trailer unit carrying the cargo. Injury to or endangerment of the driver is also possible, as well as the intangible costs attributed to a dissatisfied customer whose property has been stolen and then potentially illegally distributed. In addition to theft-related losses, significant losses can also arise from improper cargo securement and vehicle-related accidents.

Regardless of the size of the fleet, there are numerous measures and best practices that can be implemented to reduce the potential for losses.

### Preventing cargo losses

The first step is to develop and implement a written corporate-wide plan for the prevention of cargo losses. To ensure success, a specific individual must be assigned direct responsibility for implementation and maintenance of the policy and its associated procedures. Procedures should be in place to address the hiring of drivers, testing of drivers, and annual review of qualifications.

### Key loss prevention processes to include in your plan are:

#### Employee:

- Employment records and criminal background checks should be verified for all employees, not just drivers.
- Annual training in theft prevention should be provided.
- Annual professional defensive driving courses should be taken.
- Employees should be aware that theft and dishonesty will not be tolerated.

#### Drivers:

- A minimum age requirement for drivers should be established, such as 25.
- A minimum level of experience should be required.
- At the time of hire, all drivers must provide a current driver abstract along with a completed accident and violation disclosure form. A driver abstract should then be provided annually.
- A road test with a written evaluation should be conducted.
- All drivers should be qualified or provided with the appropriate level of training for the specific type of equipment assigned.
- All qualifications should be kept on file and reviewed annually.
- Implement a bonus or incentive program for drivers that remain accident free.
- Accidents and cargo losses should be reviewed with the purpose of determining the cause and identifying areas that could be improved.





## Terminal / Yard facilities

Most cargo thefts occur when trailers are stolen from a carrier's property.

- Ensure all paperwork is properly secured and not left in full view of third parties.
- Establish a procedure to restrict the access of strangers and / or visitors to the property and have the conditions for entering and leaving the property prominently displayed.
- Install surveillance equipment and / or provide security personnel on site.
- Encourage employees to question any stranger on the property as to what their purpose is and why they are there.
- Ensure the yard is properly secured using chain link fence of nine gauge materials and that is at least eight feet high and topped with barbed wire.
- Provide the terminal and yard with adequate lighting that is designed to light the complete terminal property with few shadows.
- Establish a policy for parking loaded trailers in the yard either adjacent to the loading dock or back to back.
- Use king pin locks on loaded trailers.
- Ensure cargo doors are locked and secured on loaded trailers.
- Private vehicles should be separated from the commercial vehicle parking and loading areas.
- Establish a policy requiring every vehicle to obtain permission to leave the property.
- Frequently conduct yard searches (24 hours/day and 7 days per week) including an inventory of the fleet.

## Cargo

- All drivers should be provided with training in the proper methods and procedures for securing cargo loads, particularly on flat decks or less-than-truckload loads in vans.
- All drivers should be provided with training on the operation of reefer units for temperature controlled loads.
- Do not preload high value cargo and then leave it unattended for extended periods.

## On the road

- Establish an anti-hijacking policy with associated procedures. The policy should include a statement that drivers are not allowed to have any passengers in the vehicle.
- Ensure vehicles are to be locked at all times, using quality locks.
- Require drivers to lock the power unit and remove the keys when the unit is left unattended.
- Drivers should not discuss the freight, its value, or destination with anyone while on route.
- Avoid routes known to have high criminal activity.
- Consider giving loads that are particularly high in value or that contain high target items to team drivers to provide additional security.

## Vehicle fleet

- Ensure drivers are completing pre and post trip vehicle inspections.
- Establish a program for reporting and repairing vehicle defects.
- Inspection, repair and maintenance records should be kept on all equipment.
- Have procedures in place to replace and update the fleet on a regular basis, removing older equipment from service as necessary.

Even the best developed and comprehensive guidelines and policies will require review and adjustment, as terminal, fleet, type of equipment, commodities hauled and number of employees fluctuates. For business owners, the benefits of establishing loss prevention measures will ultimately provide lower employee turn over, higher customer satisfaction and retention due to less cargo thefts, and/or damage, and less downtime due to equipment wear and tear.

**Talk to a Loss Prevention Consultant - your best source for information and advice.**

**Interested in learning more about what you can do to protect your business? Visit [intact.ca/business-loss-prevention](https://intact.ca/business-loss-prevention)**