

Transportation companies – including long-haul trucking fleets, taxi services, driving schools, and towing providers – face a broad range of exposures in relation to their vehicles, facilities, and regulatory obligations. A single incident, like a collision, vehicle breakdown, compliance failure, or facility fire, can create significant financial and reputational consequences.

This guide highlights the main exposures transportation businesses face in four key areas, including automobile liability, automobile physical damage, regulatory and compliance, and property. For each, it outlines the most common risks along with practical controls that can help reduce the chance of a loss or limit its impact. By keeping these exposures and controls in mind, Brokers can help clients better protect their transportation operations and stay resilient when challenges arise.

Automobile Liability

For transportation businesses, auto liability represents the most significant risk exposure. Accidents involving fleet vehicles can result in injury, property damage, regulatory action, and reputational harm.

Exposures

- Collisions causing third-party injury or property damage.
- Liability arising from injuries to passengers being transported.
- An increase in accident risk because of driver fatigue, distraction, or impairment.
- Inadequate driver screening, training, or supervision.
- Cargo-related incidents such as shifting loads, spills, or unsecured equipment.

Controls

- Screen drivers through abstracts, background checks, and medical reviews.
- Provide ongoing training in defensive driving, fatigue management, and hazard awareness.
- Use telematics, GPS, or dashcams to monitor and reinforce safe driving practices.
- Enforce strict load securement and spill prevention procedures.
- Establish formal accident reporting and post-accident review procedures.



Automobile Physical Damage

Vehicles are the core asset of any transportation business. Damage to units can create costly repairs, reduce fleet availability, and interrupt service commitments.

Exposures

- Collision damage to owned vehicles.
- Theft, vandalism, or arson targeting vehicles in public or yard storage.
- Weather-related damage such as hail, flood, or wildfire.
- Mechanical breakdowns requiring major repairs or replacement.
- Damage resulting from poor or inconsistent maintenance practices.

Controls

- Conduct scheduled inspections and preventative maintenance on all vehicles.
- Secure fleets with fencing, cameras, lighting, and controlled access.
- Install anti-theft devices and GPS tracking systems on high-value units.
- Develop contingency plans for severe weather events.
- Maintain detailed service and repair logs to monitor trends and reduce recurrence.

Regulatory Compliance

Transportation businesses operate under strict regulatory frameworks. Non-compliance can result in fines, penalties, service suspensions, or reputational harm that directly affects long-term viability.

Exposures

- Violations of driver licensing or hours-of-service requirements.
- Failure to comply with mandatory vehicle inspections or maintenance standards.
- Incomplete or inaccurate recordkeeping.
- Non-compliance with specialized licensing requirements.
- Repeat infractions leading to regulatory penalties or business restrictions.

Controls

- Implement a compliance management program with scheduled internal audits.
- Maintain accurate, up-to-date driver, vehicle, and regulatory records.
- Provide training on applicable regulations for drivers, dispatchers, and managers.
- Use compliance tracking software or dashboards to monitor obligations.
- Assign accountability within the organization for reporting and corrective actions.

Property

Garages, depots, and offices support the day-to-day operations of transportation businesses. Damage to these facilities can disrupt fleet maintenance, delay service, and increase operating costs.

Exposures

- Fires in garages or maintenance shops originating from the unsafe use of combustibles.
- Exterior fire or explosion risk from bulk fuel storage tanks and dispensing systems.
- Equipment breakdown involving lifts, diagnostic tools, or other shop equipment.
- Theft or vandalism targeting vehicles, parts, or fuel stored on site.
- Limited or outdated fire protection, security, or emergency systems.

Controls

- Establish formal hot work policy that outlines safe practices, designated areas, and clearance from combustibles.
- Inspect and maintain bulk fuel tanks and dispensing systems regularly.
- Conduct preventative maintenance on facility tools and equipment.
- Strengthen site security with fencing, cameras, lighting, and controlled access.
- Install and maintain automatic sprinkler systems, fire alarms, and portable extinguishers.

Summary

Transportation businesses face exposures stemming from the use of their fleets and facilities, in addition to their application of regulatory requirements. A single event can quickly lead to service disruption, financial loss, and reputational harm if not properly controlled. While this guide highlights common risks and practical controls, every transportation operation has unique circumstances that require careful review.

At Echelon, our Technical Risk Services (TRS) team provides insights and resources that support and complement the work of our Broker partners. By working together, we can help clients build more resilient transportation businesses that safeguard people, property, and communities.

[Click here to learn more about our loss prevention strategies.](#)

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