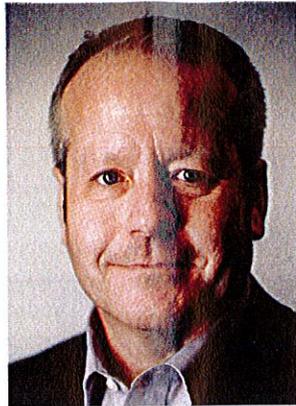


Terence Milford, Director of Risk Management, Jack Cooper Holdings Corp.

Ever wonder how all of those shiny new cars get to the car dealership with zero miles and nary a scratch? More than likely it's because of Jack Cooper, which operates North America's largest fleet of finished-vehicle transporters for General Motors, Ford, Honda, Nissan, and others. CLM Fellow Terry Milford puts the high beams on this unique operation and the risks that come with it.



“Going from the insurance carrier side to the agency side then to the corporate side has helped me see all the sides of a claim,” says Milford.

Q. Tell me more about your operations.

A. Many of our Jack Cooper terminals are at the end of auto manufacturers' plants, so we literally get the brand-new vehicles right off the factory line. You have probably seen our large trailers going down the highway holding nine or 10 cars. We ship about 20 percent of the nation's vehicles via our tractor-trailer rigs; the other roughly 80 percent is shipped by rail car, which we load onto the various railways.

Q. How did you find your way into insurance and risk management?

A. I started as a multi-line claims professional, working that for over five years before becoming a risk manager back in the 1990s for Farmland Industries, an agriculture cooperative based in Kansas City. I stayed there almost four years before moving to the

agency side and becoming a licensed property and casualty agent, where I was still able to use my claims expertise. Four years ago, Jack Cooper was searching for a risk manager and it felt like a great match.

Q. How helpful was that claims experience?

A. Going from the insurance carrier side to the agency side then to the corporate side has helped me see all the sides of a claim. It's so important to know what the claims professional

actually is feeling when they are under the pressure of investigating a claim, and my experience gives me that point of view. If I hadn't been a claims professional and trained on the frontlines, I might not have that compassion or empathy for overburdened claims professionals. That's not to say I don't have to hold them to task on occasion, but I do so knowing that I have sat in their seats.

Q. Can you give a specific example of how a claim affected your perspective?

A. In my late twenties, I had my first fatality claim in which I had to go out in the field and actually deliver the news to a widow and two younger children. At the time, I was almost the same age as the deceased and, at the time, I had two children (we eventually added a third). Having dealt with that and having such a similar perspective really made me understand that someone's life was impacted, that someone lost a loved one, a husband, a father. That was a good lesson to learn, especially in my younger years.

Q. Do you think the world is becoming more or less risky?

A. First I'll say that whether or not the world is riskier or not, I think it's

become more litigious. It just frustrates me to no end to have people pursuing frivolous claims just because they see the deep pockets of a large multistate or multinational employer. So I'd say part of me doesn't think the world is becoming more or less risky, it's just clipping along at the same pace. It's the amount of unnecessary, frivolous litigation that is increasing.

I say that with one caveat, though, and it's a risk that probably won't surprise you or anyone else: the increasing risk of cyberattacks and liability. It is a scary thing to see, and you have to wonder what would happen if cyberattackers would only concentrate their ill-will towards something good instead of trying to sneak ill-gotten gains, the world would be a better place because the number of hackers who are attacking websites and companies to try and defame or steal identities is really exploding. You see it in the media every day, stories of large, national companies that have been hacked and had data stolen. Mahatma Gandhi said, "The world contains enough for every man's need but not for every man's greed." That quote has always stuck with me when it comes to risks like cyberattacks.

CM —Eric Gilkey