



Synchrologistics Launches Industry-First Claims Index for LTL

Raleigh, NC - Synchrologistics has launched the Synchro LTL Claims Index, the first-ever public claims index for Less-Than-Truckload (LTL) freight, a market-level tool that provides shippers with a standard to judge their own claims experience against a market benchmark for dry LTL shipments. The index allows shippers to be more informed about claims activity with their LTL freight, which has historically been difficult to track and compare.

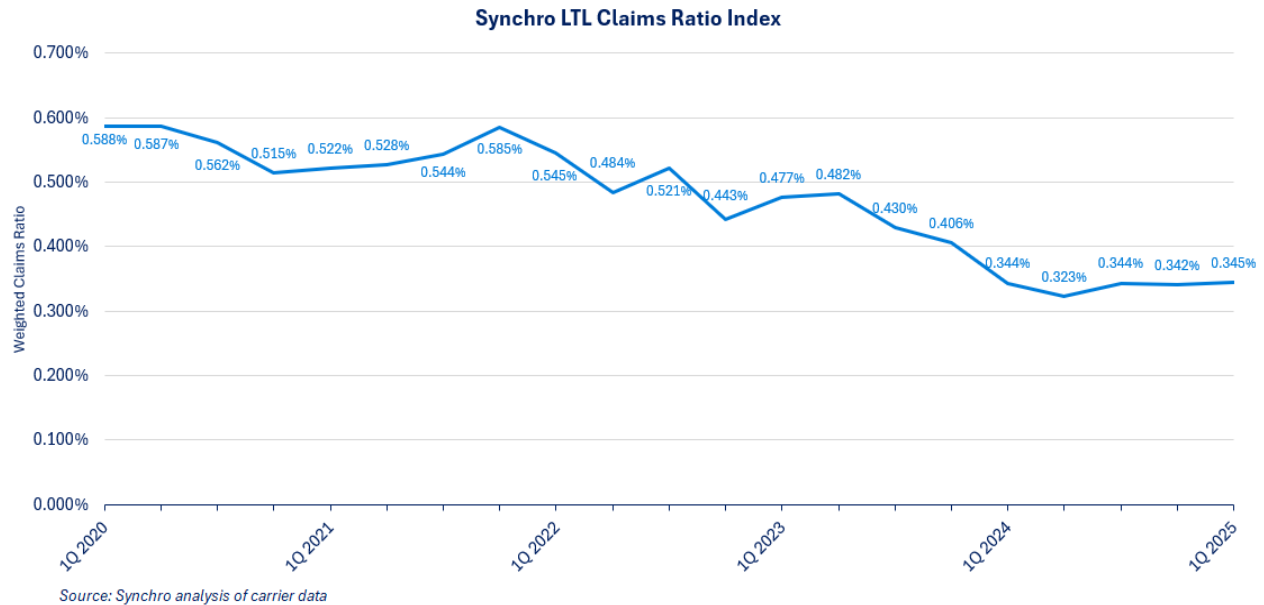
LTL carriers track and report claims using the claims ratio. The claims ratio is the total claims paid (in dollars) divided by carrier revenue. For example, a carrier with a claims ratio of 0.6% on \$250 million in carrier revenue would have paid out \$1.5 million in claims. While many shippers tend to think about claims based on the incidence of claims (example: 2 claims per 100 shipments), from a carrier perspective the claims ratio provides a more comprehensive understanding of the financial impact of claims on their business than an incidence rate.

Synchrologistics gathered data from LTL carriers going back to 2020. The result is a consolidated index showing the overall industry claims ratio, which began at 0.588% in 1Q20 and was at 0.345% in 1Q25. This represents a decrease of nearly 50% in 5 years, or a compound annual growth rate (CAGR) of -9.7%.

Although carriers have reported improvements, surveys and feedback from shippers continue to indicate that claims remain an opaque source of pain. One reason the claims ratio may show improvement for carriers but not translate into an improvement in shipper experience could be due to carrier payouts on claims not keeping pace with LTL carrier revenue growth (5.88% CAGR for the last five years based on the [Bureau of Labor Statistics](#) Producer Price Index for LTL Trucking, which represents overall LTL industry prices). In our carrier sample, the dollar amount of claims paid in Q12025 was actually lower than during Q12020. As a result, the claims ratio could see improvement due to carrier revenue rising while payouts remain flat, negatively impacting the customer's experience.

Despite its limitations, the claims ratio offers insights into how claims activity and payouts are trending over time and serves as one of the few available benchmarks for shippers to assess risk exposure at the market level.

“I’ve been in LTL now for over two decades, and I’ve never seen a consolidated picture of what a normal claims experience is for a shipper,” said Bill Jackson, Founder of Synchrologistics. “The Synchro Claims Index is designed to fill in that gap, and ideally let our customers know whether their claims experience is in line with the market or not.”



How the Index Was Built

To compile the Synchro LTL Claims Index, analysts collected and evaluated historical claims ratio data from a mix of publicly traded and private carriers that account for 40-50% of the total LTL market over the last 5 years. Analysts employed a weighted average methodology to calculate the index, using information gathered from carriers, quarterly filings, and SJ Consulting's public datasets.

The Synchro LTL Claims Index does not necessarily indicate better or worse service quality. A higher claims ratio may indicate that a carrier is more willing to pay claims, depending on their internal policies. A lower ratio may reflect stricter claim processing practices rather than better freight handling. For these reasons, the index is best used as a reference point for observing claims practices across the LTL industry over a period of time rather than as a measure of carrier performance.

Over the past five years, claim ratios in the LTL sector have declined significantly. While a decrease in claims ratios might suggest improved cargo handling practices, alternative reasons also play a role. For example, carriers can tighten factors such as limitations of liability, reporting windows, and documentation requirements to reduce the number of initially reported claims and claim payouts.

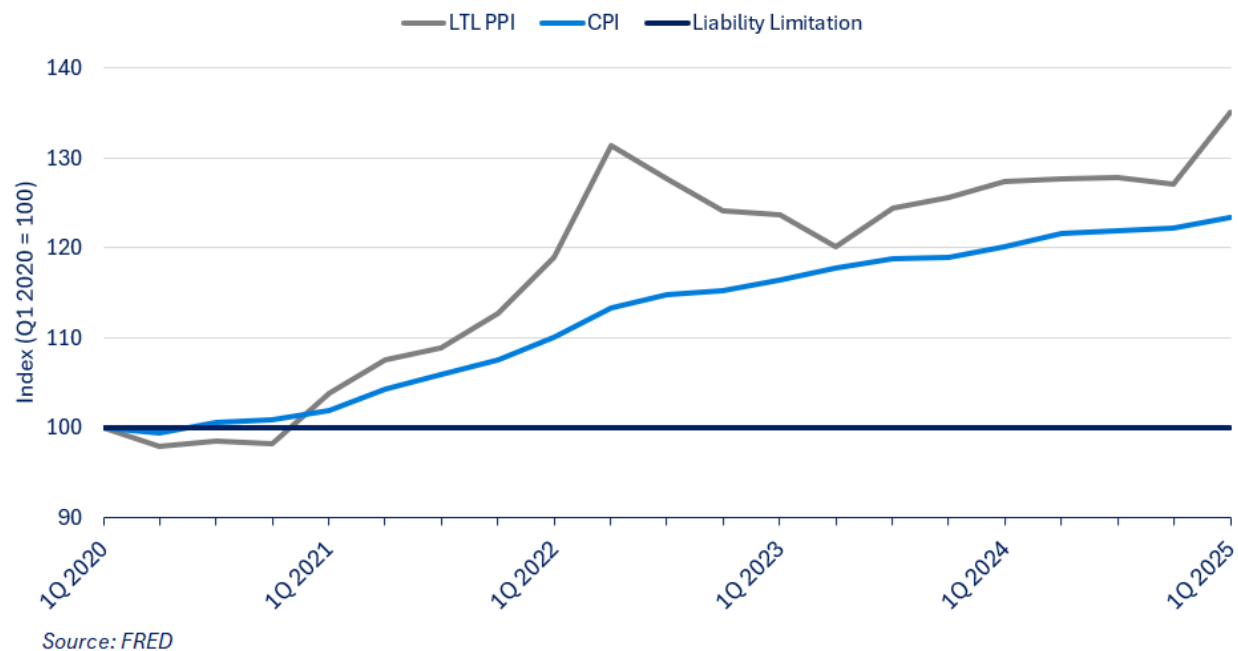
One potentially significant component that may contribute to a flat rate of growth for claim payouts in LTL shipping is the role of limitation of liability. These are predetermined caps that carriers place on how much they will pay for damaged or lost freight. These limits are typically defined in rules tariffs and are often based on a dollar-per-pound formula or a set maximum payout per

shipment. As an example, a shipper's recovery on a lost shipment is often not the value of the freight, but instead the limitation of liability rate times the weight of the shipment (often a lower value than that of the shipment).

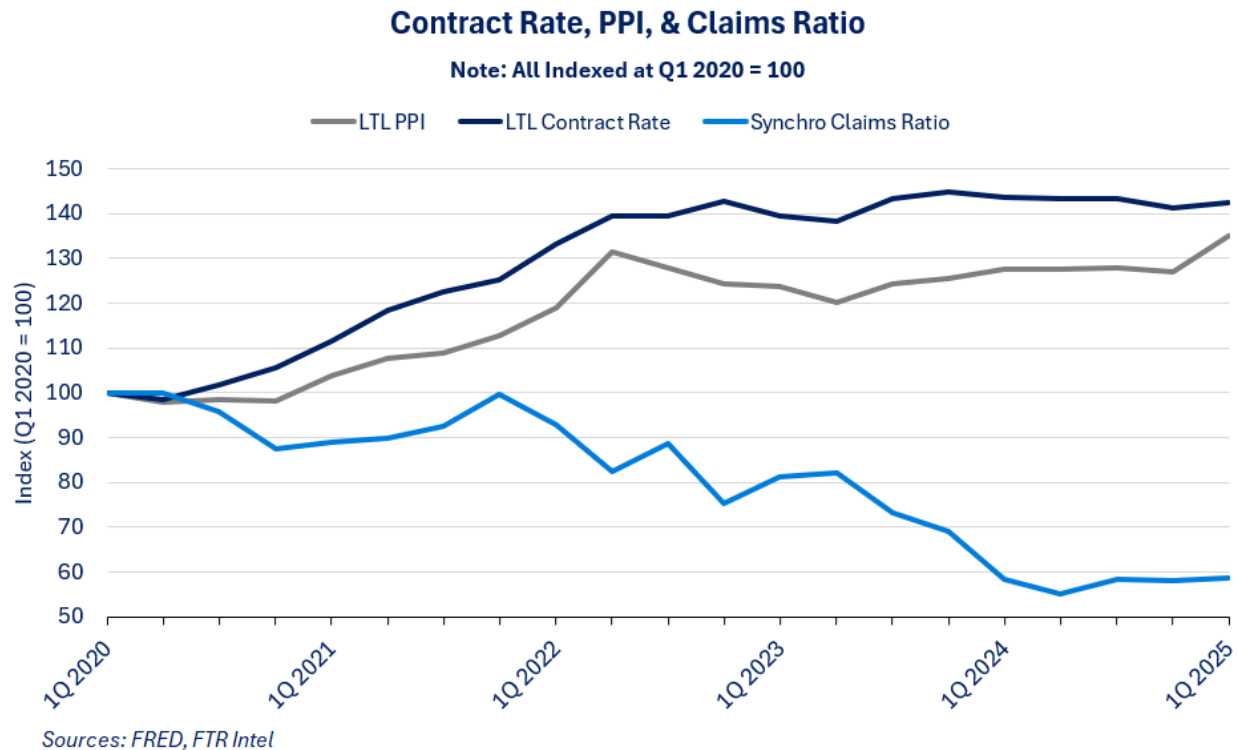
While comprehensive historical tariff data is not publicly available for most carriers, a limited review of available documents shows no changes in published liability limits over the past five years. Meanwhile, the value of goods and LTL pricing have steadily increased with the Consumer Price Index rising 4.2% annually and the LTL Producer Price Index up 5.88% per year since 2020.

PPI, CPI, & Liability Limitation Index

Note: All Indexed at Q1 2020 = 100



To further explore this, Synchrologistics compared the claims ratio to both the FTR Contract Rate Index, which represents LTL contract rate inflation and the LTL Trucking PPI. The chart shows the data is inversely correlated; as contract and overall LTL rates increased, the claims ratio index decreased. While causation cannot be definitively determined, this inverse correlation adds further context to suggest that carriers are not increasing the amounts they pay on claims as fast as they are increasing pricing, even as the underlying shipment values rise due to inflation. When carrier revenues increase due to higher shipping rates and the dollar value of claims paid remains steady, the ratio of claims paid to revenue naturally decreases. The lower growth in liability caps combined with growth in the value of the underlying freight being moved suggests carriers are effectively paying out less in claims as a percentage of freight value.



Analysts believe that inflation is pushing the denominator (revenue) of the claims ratio higher, while the numerator (claims paid) remains relatively flat, causing the overall ratio to decline. However, without access to claims incidence rates, it is difficult to determine whether this data reflects a true reduction in claims.

How the Index Can Be Used

The Synchro LTL Claims Index provides valuable insights for multiple stakeholders across the freight industry.

- Shippers can use the index as a benchmark to evaluate whether their own claims experience is in line with broader market trends. A higher claims ratio is not necessarily a bad thing since it could mean that a carrier is paying more to resolve claims.
- Carriers may use the index to better understand how their claim payout performance compares to the market, especially in the absence of any formal industry standard.
- Advisors and supply chain analysts can incorporate the index into broader evaluations of carrier performance and total landed cost.

By offering a transparent, measurable view of claims trends, the index helps all parties make smarter, more informed decisions.

Industry Impact



The Synchro LTL Claims Index will be updated on a quarterly basis and made available to the public. Ideally, LTL carriers will begin to provide incidence rates in addition to claims ratio data so that more fruitful discussions regarding claims reduction can take place. With the release of this index, Synchrologistics seeks to improve transparency in the LTL freight sector by providing insight into the claims process. By publishing consistent, data-driven insights into claims activity, shippers will gain access to metrics that have historically been unavailable or difficult to compare across carriers.

If you have feedback or would like Synchrologistics to prepare a customized claims analysis for your company, reach out to us at www.synchrologistics.com/synchro-LTL-claims-index/.

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