



Autonomous Vehicles are Reshaping the Transportation Industry

The rise of autonomous vehicle (AV) technology is reshaping how the transportation industry operates and how insurers assess risk. While true “driverless” vehicles remain rare on U.S. roads, advancements in adaptive systems, teleoperations and commercial fleet testing are accelerating. For brokers and insureds alike, the evolving market presents both opportunity and uncertainty.

CONTACT

To learn more about how Amwins can help you place coverage for your clients, reach out to your local Amwins broker.

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Autonomous vs. self-driving

Though often used interchangeably, “autonomous” and “self-driving” aren’t the same. Most vehicles on the road today feature adaptive driving systems like lane departure warnings, collision avoidance or adaptive cruise control, rather than true autonomy.

For insurers, the distinction comes down to the level of autonomy and whether a human driver is in the seat, ready to intervene. At one end of the spectrum is Level 5 autonomy which is full automation without human oversight. Those accounts represent the most limited capacity in today’s market. It is very important for insurers to know the difference as policies will drastically change with driver types.

Teleoperations

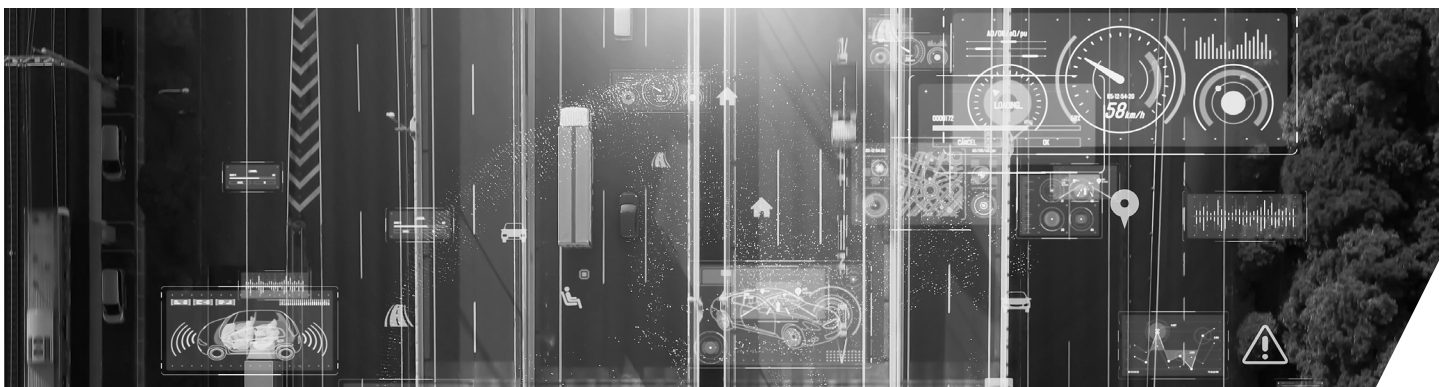
Between human-driven and fully autonomous lies teleoperations, where a remote driver can assume control when conditions demand it. In practice, this means a professional sitting behind a bank of screens with access to steering, acceleration and braking, ready to guide a vehicle to safety during unexpected circumstances like poor weather, construction or navigating low-speed roads.

For underwriters, the presence of teleoperations support can make a difference. Knowing there’s a human capable of stepping in, even remotely, helps insurers better assess the risk and may improve insurability for “driver-out” fleets.

Market capacity and appetite

Capacity in the AV space remains limited. Carriers that remain are experimenting with new approaches, moving away from adapting standard ISO auto forms toward creating more comprehensive, manuscript-style solutions that blend auto liability, products coverage and tech E&O.

This shift reflects the complex reality of insuring AVs, where risk can’t always be neatly assigned to a single line of coverage.



Liability gray area

One of the most pressing questions is where liability falls when accidents occur. Current case law in the U.S. offers little clarity, leaving insurers to treat most incidents as auto liability claims tied to the ownership, maintenance or use of the vehicle.

However, component manufacturers may also come into play. If, for example, a sensor fails and causes a crash, insurers could seek contribution from the supplier. The reality is messy, influenced by factors like contractual agreements, waivers of subrogation and the role of AI. For now, most claims default to auto liability treatment.

Coverage needs vary widely across AV types. Public-use vehicles like robo-taxis, municipal shuttles and low-speed livery solutions typically require higher limits, driven by passenger exposure and municipal mandates. Over-the-road trucking fleets, by contrast, may be governed by FMCSA requirements and contractual obligations.

The market currently leans more heavily toward low-speed and public transit solutions than long-haul trucking, though several major players are pushing development in both spaces.

Data and telematics

While telematics aggregators are integral to today's trucking fleets, most AV developers rely on proprietary data systems. Their sensors, adaptive software and tracking tools are built in-house, reducing reliance on third-party providers. For underwriters, this means less standardized data to review and greater variability between insureds.

Testing and adoption of AVs are concentrated in regions with open roadways and favorable regulatory climates, such as Texas, Arizona and California. Congested areas like those in the Northeast pose greater challenges, particularly for trucking operations. Public-use AV fleets, however, may find better footing in dense urban environments where short-range, low-speed deployments make more sense.

Emerging risks and innovation

The AV industry doesn't exist in a vacuum. Alongside autonomous driving, innovations are emerging in robotics for loading and unloading cargo, electric vehicle charging systems and logistics automation. These developments are shaping a broader ecosystem of efficiency gains, but also new risks to insure.

Economic inflation has had less of a direct impact, but investor sentiment plays a role. A cooling investment climate could slow development. At the same time, driver shortages in the trucking sector continue to spur momentum for AV adoption.

Looking ahead

The future of AV adoption depends heavily on regulation, public acceptance and the ability to scale technology. In the next five to 10 years, the industry will likely see continued deployments, potential IPOs or SPAC activity and regulatory movement from agencies like the FMCSA.

For retailers and insureds, the message is clear, capacity is limited but it will expand. Those who engage early, work with experienced wholesale partners and anticipate regulatory and technological changes will be best positioned to navigate this emerging space.

We help you win

The partnership between insurers and the transportation sector is not just about mitigating risk, it's about collaborating to create safer roads, enhance operational efficiency and help ensure the sustainability of transportation businesses in general.

Amwins is your end-to-end transportation specialist, with comprehensive coverage solutions for short- and long-haul trucking operations, commercial and public auto, aviation, maritime businesses and more. Our comprehensive suite of products is designed to address a broad range of transportation business risks.

Contact your Amwins broker or underwriter today or learn more about our Transportation Industry specialists [here](#).

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