

State of the Market



The American Trucking Association (ATA) issued a **statement** in March 2025 estimating new truck prices could increase by up to \$35K due to tariffs.



We are also seeing inflationary impacts due to more sensors and driver assistance technologies being implemented in vehicles.

How does this impact insureds?



Higher costs across the board

- If tariffs drive up the cost of repairing units, carriers may need to settle claims at higher amounts.
- Increased claims costs may result in rate increases for insureds.
- Increased equipment prices will impact losses leading to more Trailer Interchange and towing coverage limit increase requests.
- Increases in rate and equipment costs may lead to higher freight rates and cost of goods being transported.



Used vehicle values will increase

 During COVID and supply chain shortages, the used auto market took off. While motor carriers were buying and having their used vehicles insured at higher values, when claims were paid out, they didn't get what they paid for the units.

How does this impact insureds? (continued)



Delayed fleet expansion

- Equipment price increases could prevent insureds from expanding or upgrading their fleets.



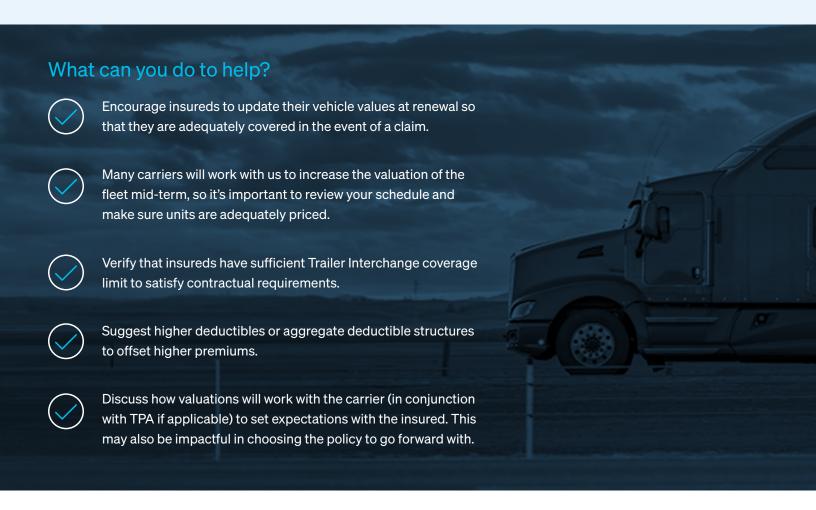
Higher interest rates

- Higher interest rates may leave truckers feeling the pain when financing a new unit.



Coverage restrictions

 In London, we may start to see the introduction of co-insurance, particularly in territories that are historically known for higher loss activity including IL and CA, fleets with 20+ tractor/trailer units, and larger premium volume accounts.



Resources for valuation



