



Did you know?

- Physical damage coverage typically pays **the lesser** of actual cash value (ACV) or stated value.
- If insureds do not accurately value their equipment, they may receive well under market value if a claim occurs.



State of the Market



\$35K
INCREASE

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



Sensors and driver assistance

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.

What can you do to help?



Encourage insureds to update their vehicle values at renewal so that they are adequately covered in the event of a claim.



Many carriers will work with us to increase the valuation of the fleet mid-term, so it's important to review your schedule and make sure units are adequately priced.



Verify that insureds have sufficient Trailer Interchange coverage limit to satisfy contractual requirements.



Suggest higher deductibles or aggregate deductible structures to offset higher premiums.



Discuss how valuations will work with the carrier (in conjunction with TPA if applicable) to set expectations with the insured. This may also be impactful in choosing the policy to go forward with.

Resources for valuation



[Commercial Truck Trader](#)



[Black Book](#)