



# TRANSPORTATION



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## NOTABLE RATE TRENDS

The transportation industry is facing significant shifts in insurance rates, largely driven by the rise in **nuclear verdicts** – legal rulings where damages exceed \$10 million. These verdicts are becoming larger and more frequent, influenced by societal inflation, increased litigation, and heightened scrutiny of large corporations. For organizations operating fleets, these verdicts directly translate to higher liability premiums and a more challenging insurance market.

Looking ahead in 2025, commercial auto rates are expected to remain high, with physical damage premiums potentially rising 20-25% and auto liability premiums increasing by 10-20%. Overall, transportation operations could see rate hikes of 7-12%, with high-risk operations facing larger increases. However, companies with strong safety records may experience more moderate rate changes.

To address these challenges, many transportation businesses are investing in robust fleet safety programs, enhanced risk control measures, and meticulous claims management and advocacy.



OVERALL,  
TRANSPORTATION  
OPERATIONS COULD SEE

**RATE HIKES OF  
7-12%**

WITH HIGH-RISK OPERATIONS  
FACING LARGER INCREASES.



## EMERGING RISKS

One of the fastest-growing risks in the transportation sector is **cargo theft**. There has been a 46% increase in theft in US ports and warehouses<sup>1</sup>. High-value goods, like food and beverages, electronics, and pharmaceuticals, are primary targets. With motor vehicles covering over 2.9 billion miles annually, the scale of operations provides plenty of opportunities for theft. Emerging technologies, such as GPS tracking and IoT-enabled sensors, are helping reduce these risks; however, organizations must also prioritize driver training, secure parking practices, and comprehensive risk assessments.

**Cybersecurity** is another growing concern as connected vehicles and digital logistics systems become integral to modern transportation. Ensuring robust data protection protocols is critical to prevent breaches that could disrupt operations.

## HOW M3 CAN HELP

M3 helps transportation organizations navigate challenges with customized insurance solutions and risk management strategies. From implementing fleet safety programs to leveraging Total Cost of Risk (TCOR) analytics, we partner with clients to build resilient operations. Ready to take the next step? Contact M3 to explore how we can help protect your business and drive sustainable growth.

**TOTAL COST OF RISK  
BENCHMARKING  
AT M3**

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Uncover dynamic insights that can influence our marketing approach for your program. With BenchmarkPRO, we're on offense for you.

<sup>1</sup> Azar, S. (2024, September 10). *Securing Your Supply Chain: Modern Day Piracy* [Educational event]. Madison International Trade Association event, Madison, WI, United States

