

# [Why Commercial Auto Rates Keep Rising](#)

Commercial Auto rates have been rising for more than a decade. What gives? In my recent Leader's Edge article, [Where Are We Going?](#) I dig deeper to find the answer.

As you would expect, there are several reasons. The greatest one, in my opinion, is distracted driving.

Yes, you have heard that before. However, I did not fully believe until I spoke to an actuary who looked into the data. The fact that commercial auto premium began to climb in 2011 was no accident. Around the time, smartphones were rapidly replacing flip phones, giving Americans something else to do when they were supposed to be doing a different something else.

Another explanation is higher litigation costs. There is no doubt that commercial auto insurers, especially those that cover trucks, get hit with paying some crazy-huge settlements. If you check out my Actuarial Review article, [Tipping the Scales: Measuring the Impact of Social Inflation](#), you'll see that the actual losses from litigation are difficult to measure as a whole.



In my opinion, the insurance industry needs to pony up for a study that proves how much litigation impacts overall severity and, in turn, rate increases.

The reality is, semi-autonomous vehicles, including trucks, can improve safety for many scenarios (for more on that, please read [Moving Parts: ADAS Go For a Ride in Actuarial Review](#)). Cameras can also track an accident to show true fault, but many truck drivers feel they interfere with individual privacy. Most accidents, a trucking expert told me, are not caused by professionally trained truck drivers. Often the fault rests with the other party.

Just how safe semi-autonomous vehicles are and how much autonomous vehicles will be is a matter of debate. I cover that in another article to be published soon. When it comes out, I'll let you know.