

Outlook 2026

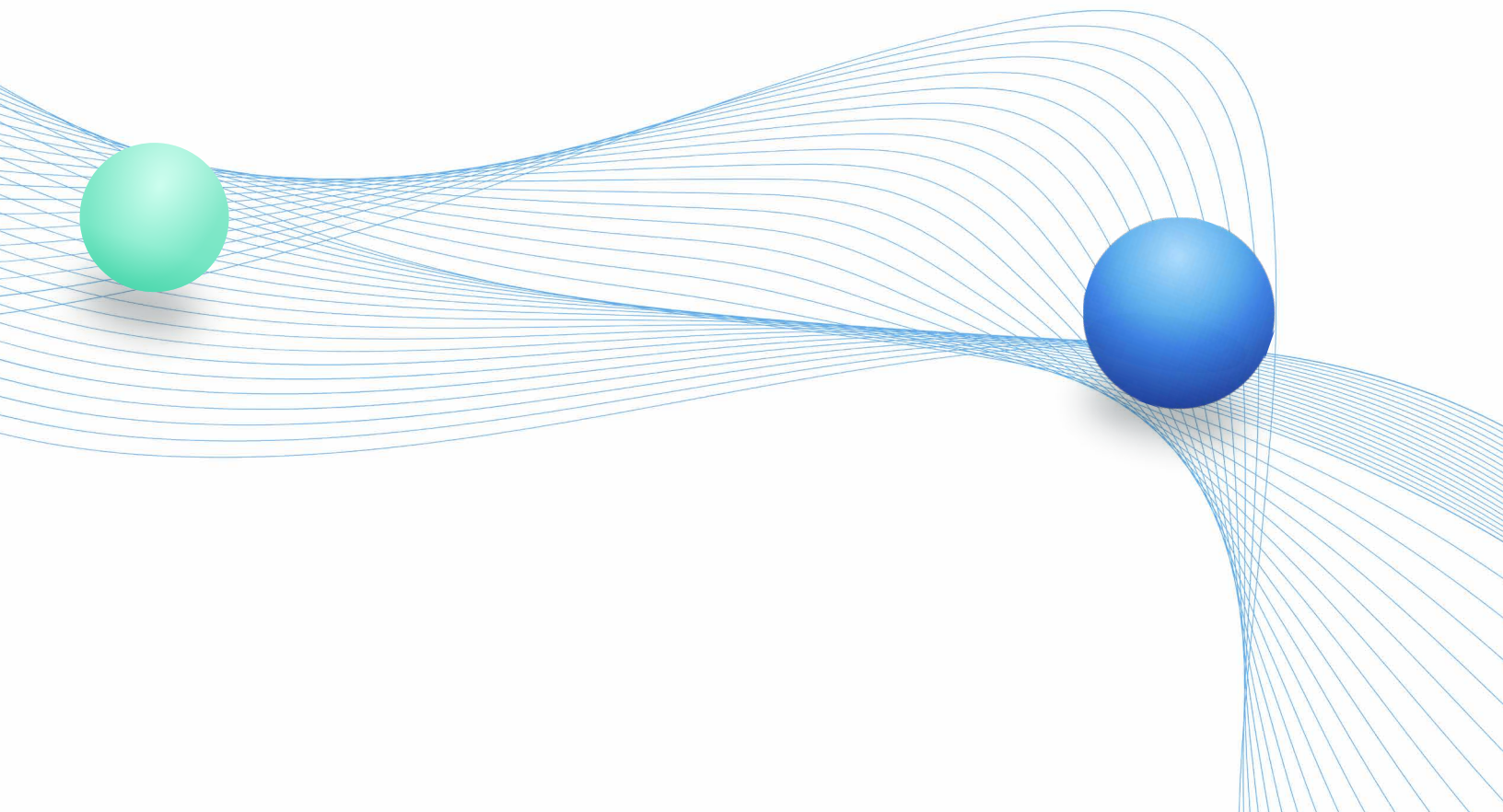
Transportation

As cost and retention challenges persist, embracing technological innovation and accelerated risk maturity can be differentiators.



What to Expect in 2026

Between rising costs, ongoing trade discussions and the influence of litigation on insurance premiums, transportation companies will continue to face financial pressures in 2026. At the same time, workforce shortages and driver wellbeing remain ongoing priorities for the industry. While these challenges are significant, they also highlight the importance of strengthening operational resiliency. By embracing advancing technologies and focusing on where your organization falls on the risk maturity curve, transportation carriers can better position themselves to stay competitive and uncover new opportunities in a changing landscape.



Profitability

Data-driven insurance strategies can help offset rising costs and profitability threats.

As operating costs and insurance premiums continue to rise alongside unpredictable global trade and market dynamics, fleet operators will need to remain vigilant and flexible in their approach to safeguarding profitability from a wide range of threats.

Transportation carriers across all industry segments have already been hit hard by growing cost pressures and decreasing margins over the past two years, particularly around vehicle payments and driver benefits programs.¹ These challenges are likely to be exacerbated by fluctuating prices on goods and other commodities in response to shifting U.S. tariff policies, as well as widespread geopolitical volatility.

In June 2025, the average cost of core goods in the country saw its highest monthly increase in nearly three years,² and economists anticipate prices will continue to climb throughout 2026. This could further threaten profitability across the logistics value chain as carriers navigate declining shipping rates and an overcapacity of vehicles. [Long-haul trucking](#), [last-mile delivery](#), [auto dealerships](#) and [moving and storage companies](#) will be disproportionately impacted.

At the same time, fleet operators must also contend with rising insurance premiums as growing litigation and widespread legal abuse increase claims costs. More specifically, motor carriers are increasingly finding

themselves the targets of various mass tort disputes, often backed by powerful, capital-rich litigation finance companies. Auto liability and excess liability premiums have gone up by double digits as a result.³

More than half of transportation companies said rising operating and labor costs are the biggest threat to their profitability.⁴

Given these challenges, it's no surprise that rising operating and labor costs were noted as the biggest threat to profitability by more than half of transportation companies responding to the HUB International 2026 Profitability & Resiliency Executive Survey.⁴

However, there has been some progress made in stemming some predatory litigation trends. In one recent instance, the Texas Supreme Court overturned a \$100 million jury verdict against Werner Trucking that was a result of a fatal 2014 crash and subsequent negligence lawsuit.⁵ Across the country, several states are pursuing legislation to stabilize insurance costs for businesses. In Georgia, for example, lawmakers passed tort reform that specifically tackles the adverse impacts recent litigation trends have had on the trucking sector.⁶

Profitability

Transportation operators that invest in safety and compliance through telematics, [driver training](#) and incentive programs, while also controlling repair and maintenance costs, will be better positioned with banks, shippers and transportation brokers that are implementing stricter requirements. These efforts not only strengthen compliance and competitiveness but also improve long-term profitability.

An insurance broker with the right expertise and analytics tools can help support fleet operators in financial planning and capital readiness, and in identifying creative and effective paths to insurance cost savings, including individualized captive insurance and risk financing strategies.

1. American Transportation Research Institute, "[Trucking Profitability Severely Squeezed by High Costs, Low Rates](#)," July 1, 2025.
2. New York Times, "[U.S. Inflation Accelerated in June as Trump's Tariffs Pushed Up Prices](#)," July 16, 2025.
3. Insurance Information Institute, "[New Consumer Guide Exposes Hidden Costs of Legal System Abuse in America](#)," June 16, 2025.
4. The HUB International 2026 Profitability & Resiliency Executive Survey polled 350 industry leaders and executives across North America on the issues facing them on profitability and resilience.
5. FreightWaves.com, "[Werner wins big: Court reverses \\$100 million nuclear verdict](#)," June 27, 2025.
6. Georgia.gov, "[Gov. Kemp Signs Historic Legislation Delivering Commonsense, Meaningful Tort Reform](#)," April 21, 2025.

Low-cost wellness and incentive programs support driver recruitment and retention.

Between historic labor shortages, issues with retention and increasingly concerning trends around driver wellbeing, sustaining a healthy, committed workforce remains one of the biggest challenges for transportation carriers.

A major concern going forward will be the U.S. Department of Transportation's (DOT) sidelining of many non-English speaking drivers.⁷ In the absence of new guidance or requirements, the policy is expected to significantly worsen existing driver shortages, particularly for motor carriers more reliant on immigrant labor.

And as an entire generation of professional drivers enter retirement, fleet operators are struggling to find younger workers to fill their place. With turnover rates frequently exceeding 90% across the industry,⁸ improving recruitment and retention requires thoughtful, data-driven benefits strategies, including prioritizing benefits that a younger generation cares about, like [financial wellness](#), [retirement planning](#) and mental health programs.

Fleet operators need solutions to address both root causes of employee churn and ways to incentivize new and existing workers for long-term job commitment. [Implementing a Total Worker Health \(TWH\) approach](#) is another way to help transportation companies support drivers' physical, mental and emotional wellbeing while addressing common stressors. TWH goes beyond compliance to improve worker experiences and strengthen overall wellness.

Robust benefit packages are not common among many transportation carriers due to the traditionally high cost. But there are creative ways to help fill the gap.

For example, poor health and wellness remains a major factor in losses and excessive turnover among U.S. truck drivers. Long hours on the road often translate to an overreliance on unhealthy foods, limited opportunities for exercise, prolonged social isolation and an increased risk of accidents due to high rates of sleep deprivation.⁹ One solution could include reconfiguring operations to shorten routes and allowing drivers to spend more time at home, thus improving their physical and mental health.

Driver turnover rates have frequently exceeded 90% across the industry.⁸

Transportation companies should also look at how they can leverage a variety of low-cost wellness tools like CDL health scanners or fitness and nutrition apps, as well as data-driven, [performance-based incentive programs](#) powered by advanced in-cabin telematics solutions.

7. TruckNews.com, "[U.S. English language proficiency enforcement bears watching](#)," July 4, 2025.
8. Owner-Operator Independent Drivers Association, "[A Brief Look at the Roots of High Driver Turnover in U.S. Trucking](#)," accessed August 8, 2025.
9. ScienceDirect: Journal of Transport and Health, "[The biosocial health of U.S. long haul truckers](#)," February 2025.

Resiliency

Natural disasters and cyber threats demand innovative risk mitigation and insurance solutions.

The rising frequency and costs of climate-related disasters¹⁰ will continue to represent a major challenge for all segments across the transportation industry.

For trucking fleets, this means better mitigating the safety concerns, shipping delays, compounding costs and myriad other operational impacts of adverse driving conditions.¹¹ Segments particularly vulnerable to on-lot damage from severe weather, such as [auto dealerships](#) and [waste management companies](#), must take steps to prepare for potentially catastrophic risks.

Technology-enabled route optimization and advanced weather modeling can help with identifying and planning the most efficient and resilient transportation strategies to avoid disruptions caused by severe weather or logistical bottlenecks.

Additionally, motor carriers must address the pervasive challenge of preventing cyber-facilitated cargo theft. Cybercriminals have been able to successfully reroute trucks to steal mid-value goods like food, shoes and energy drinks by using artificial intelligence (AI) software or manipulating Federal Motor Carrier Safety Administration (FMCSA) data. Instances of cargo theft rose by a record 27% in 2024 and are projected to increase by another 22% by the end of 2025.¹²

Closing coverage gaps and/or re-evaluating terms with your broker to ensure adequate protection from these threats is critical. Overall, only 57% of respondents to HUB International's 2026 Profitability & Resiliency Executive Survey said they felt confident about mitigating technology and cybersecurity risks.

Improving an organization's risk maturity should include bolstering a fleet's overall cyber hygiene to improve response planning, enhance access controls and patch social engineering vulnerabilities.

Motor carriers must address the pervasive challenge of preventing cyber-facilitated cargo theft.

A broker who offers tools like benchmarking loss data, risk profile assessments and regulatory compliance audits can help transportation operators better understand how they compare with other companies and what steps they can take to improve their overall risk profile.

10. National Centers for Environmental Information, "[Billion-Dollar Weather and Climate Disasters](#)," accessed August 8, 2025.
11. FreightPulse.com, "[The Impact of Weather Conditions on Trucking Industry](#)," January 6, 2025.
12. NICB.org, "[NICB Warns of Increased Cargo Theft in 2025](#)," June 25, 2025.

Technology

Adoption and optimization of emerging tech is non-negotiable.

The [integration of new and emerging technologies](#) in the transportation sector is no longer a differentiator but an imperative, as more fleet operators look to enhance driver safety and wellbeing, improve risk mitigation and reduce claims.

The use of telematics, for example, which has been driven largely by the Electronic Logging Device (ELD) mandate,¹³ is expanding rapidly. With the ability to generate and analyze critical data around driver and vehicle performance, telematics can significantly reduce risks through real-time safety monitoring, distracted driving feedback and predictive route optimization.

Advancements in telematics and digital first notice of loss (FNOL) platforms are quickly evolving and transforming how transportation companies manage assets, safety and claims to be more efficient. When claims incidents occur, integrated FNOL systems can allow immediate reporting, data uploads and accident reconstruction to insurers, which reduces claims costs, speeds up claims resolutions and strengthens fleet safety and risk management.

Dual-facing cameras and in-cab systems are also seeing widespread adoption, most notably among public transit and school bus fleets. These tools can provide the evidence needed to clarify claims and mitigate legal liability in potential litigation scenarios. Other AI-powered tools such as predictive routing offer intelligent, centralized platforms that integrate weather, traffic and road hazards into dispatch decisions and offer a competitive advantage for resilient fleets across all segments of the transportation sector.

With auto insurance rates rising by as much as 20% in Q3 and coverage terms becoming more restrictive, underwriters now expect the use of [critical transportation technology systems](#) when negotiating terms. Moving forward, fleet operators can benefit from working with their insurance broker to better navigate these tools, analyze the data and continuously leverage all relevant insights to implement and maintain advanced risk mitigation processes.

Auto insurance rates rose by as much as 20% in Q3.

Fleet operators must also be mindful that increased technology use heightens their cyber risk. Your broker can help ensure you have adequate [cyber liability coverage](#) when investing in new technology.

13. Federal Motor Carrier Safety Administration, "[Electronic Logging Devices](#)," accessed August 9, 2025.

Moving Your Organization Forward

HUB transportation insurance, risk management and employee benefits specialists are ready to help your organization develop a tailored strategy that will protect the bottom line, support your workforce and build resiliency for 2026.

Here are key areas to prioritize.

Utilize your data.

1

Companies that work with their broker to understand their data and analytics can use that information to mitigate their risk, as well as demonstrate a strong safety performance to carriers that can result in better terms and conditions.

Listen to your drivers.

2

Personalized benefits tailored to the needs of your drivers can improve recruiting and retention. Find ways to connect drivers to benefits beyond health insurance, like providing access to [personal insurance solutions](#) and establishing rewards programs to incentivize good driving behavior.

Invest in technology.

3

Embracing cameras and telematics can improve your company's resiliency for the long haul. And integrating new technologies with traditional claims and first notice of loss system data can increase roadside safety and organizational efficiency.

Be transparent with your broker.

4

Consistent communication with your broker will help identify and mitigate issues before renewal time and position the organization in the best light. Review exposures and insurance needs at least 90 days prior to policy renewal to allow your broker to find the best coverage for your organization's needs.

Transportation Rate Guide – U.S.

HUB International’s rate guidance comprises an analysis of proprietary national survey data and interviews with HUB commercial insurance brokers and risk services consultants who specialize in the transportation industry.

On average, commercial auto, excess liability and umbrella coverages are seeing the largest rate increases as carriers need additional premiums to support increased losses and expenses. Below are projections of rate increases that we anticipate in 2026. Discuss your business exposures with your insurance broker and understand what to expect well in advance of your next renewal.

Coverage	2026 Transportation Rate Guide	Insights
Commercial Automobile: One to nine vehicles	+10% to +20%	<p>Insurers are increasingly focused on geographic exposure, particularly in jurisdictions known for elevated litigation risk. Clients with vehicle concentrations in these regions are likely to face higher rates and reduced insurer appetite.</p> <p>Adoption of telematics is accelerating among fleet operators, and insurers increasingly expect these technologies to be in place for fleets with fewer than 10 vehicles. Their use can help improve risk profiles and, in many cases, offset potential rate increases.</p>
Commercial Automobile: 10 or more vehicles	+5% to +15% or more	<p>Rates are driven by individual loss experience for fleets with more than 10 vehicles as opposed to where they are located. Average loss severity continues to deteriorate, with claim values increasing across all size thresholds. This trend is driven by:</p> <ul style="list-style-type: none"> ○ Higher rates of litigation ○ Escalating legal defense and settlement costs ○ Increasing nuclear verdicts <p>Umbrella and excess carriers are tightening underwriting requirements, often mandating higher primary liability limits for large fleets and, in some cases, for smaller fleets. When higher primary limits or buffer layers are required, overall program costs may increase significantly.</p>
Physical Damage	+10% to +15%	<p>Rate increases remain necessary to offset rising costs tied to labor, new vehicle replacement and technology-enabled parts. Materials inflation is also contributing to higher claims severity, driving up both auto physical damage and broader property damage losses.</p>
Motor Truck Cargo	+5% to +15%	<p>Rising incidents of cargo theft continue to exert upward pressure on rates. While traditional physical theft remains a significant concern, underwriters are increasingly focused on more sophisticated forms of strategic theft, which often intersect with cybersecurity vulnerabilities. Carriers are generally seeking rate increases in response, though they may demonstrate flexibility for insureds with robust risk management protocols in place.</p>
Warehouse Legal Liability	Flat to +10%	<p>Rates in this line are relatively stable due to increased adoption of anti-theft technologies, such as enhanced fraud protection protocols and advanced camera surveillance. The moving and storage industry continues to be prone to more claims activity.</p>

Transportation Rate Guide – U.S.

Coverage	2026 Transportation Rate Guide	Insights
General Liability	Flat to +10%	<p>While geography does play a role, its impact on pricing and capacity for GL is less severe than auto. Capacity remains ample for most GL risks.</p> <p>For public auto risks, clients are experiencing more severe cost pressures where key coverages — once embedded within a standard GL policy — are now being restricted or excluded all together. Assault, battery and sexual misconduct liability are among the most frequently excluded coverages and often require a separate specialty placement.</p>
Workers' Compensation	-5% to +5%	<p>As many insureds expand their operations, growing payrolls are helping to temper upward pressure on rates by broadening the premium base without necessarily increasing loss severity.</p> <p>After several years of steady rate reductions, many insurers are beginning to push back, seeking modest increases — typically in the 1% to 2% range — at renewal.</p> <p>Although claims frequency continues to trend downward across the industry, severity is rising, driven in part by an aging workforce and a higher incidence of complex, co-morbid health conditions.</p>
Umbrella and Excess Liability	+10% to +15%	<p>Rate pressure continues in the umbrella and excess liability space, particularly for accounts with sizeable vehicle fleets or exposures in litigation-prone jurisdictions. There is less capacity for lead layers, and the rate range will vary based on position in the tower.</p> <p>Insurers remain highly cautious and aggressive in their “limits management” strategies, where they offer smaller limits per layer. Insureds are then required to stack multiple excess policies, which significantly increases the total program cost.</p> <p>Particularly in auto, the attachment points for excess coverage have meaningfully increased, leaving clients with gaps between trading primary and excess layers. In response, multi-year, structured buffer layer programs — designed to sit between the primary and excess policies — are becoming more common, especially for clients with large vehicle fleets.</p>
Cyber	Flat to +5%	<p>Claims frequency for ransomware and social engineering losses remained elevated in 2025. Dependent business interruption is also a growing focus area, especially following large-scale third-party outages.</p> <p>The use of AI by cybercriminals is enabling more credible phishing attacks. The cyber market is more disciplined and better capitalized than during the height of the ransomware surge several years ago.</p> <p>Barring a large systematic event, expect small rate increases in 2026 and more cyber exposure in motor truck cargo thefts.</p>

NOTE: *Rate* is typically defined as the amount of money necessary to cover losses and expenses while providing an insurance company with a profit for a unit of exposure. *Exposure* refers to a business' or an individual's susceptibility to various risks encountered daily. Carriers evaluate the level of risk an insured faces in calculating insurance premiums.

HUB Transportation

When you partner with us, you're at the center of a vast network of experts who will help you reach your goals. For more information on how to manage your insurance costs, reduce your risk and take care of your employees, talk to a HUB Transportation insurance specialist.

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