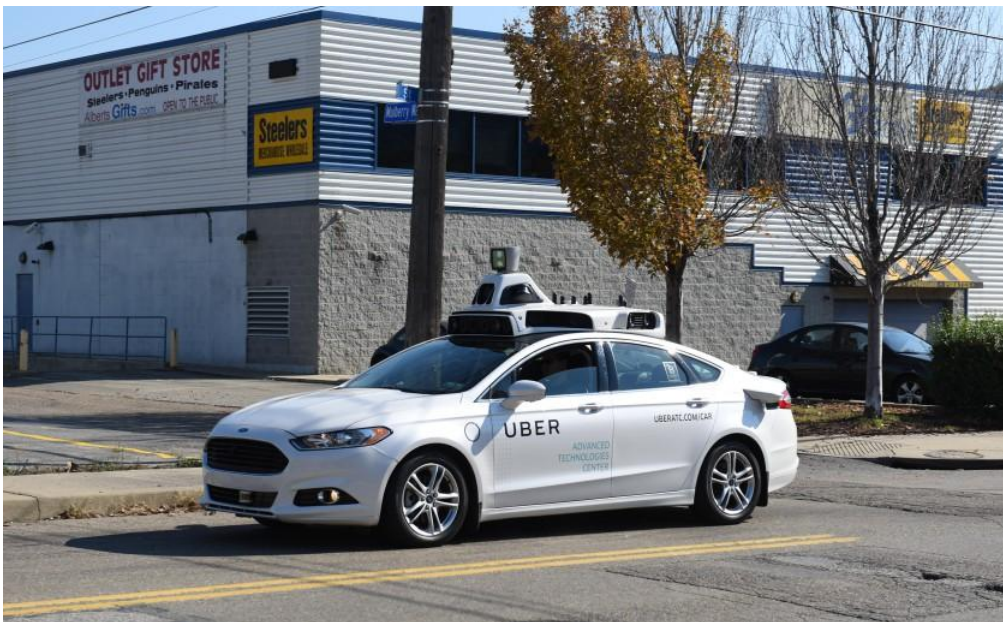


The autonomous vehicle race is heating up. Will it transform auto insurance?

AVs promise safety. But legal and regulatory frameworks are still developing.

By **Clark Mindock** | March 23, 2026



Behind the race to deploy fully automated cars and truck fleets on US roadways is robust competition to build insurance products that are compatible with the future of auto liability, sources told *Insurance Insider US*.

While widespread deployment of robotaxis and autonomous freightliners is still likely years away, the sector is already grappling with big swings between optimism and alarm. Major brokers like Marsh and Aon are penning huge deals on behalf of Uber and Waymo, while courts issue eye-watering verdicts against Tesla.

That whiplash illustrates how the insurance market is likely to endure growing pains as nationwide business opportunities around autonomous vehicles become more competitive and complex. To that point, potential for dramatic shifts in legal liability and claims costs are currently top of mind for brokers and carriers, sources said.

For most American consumers, personal experience with full or near-full autonomous vehicles is still limited. But that's all about to change, which will

accelerate the need for coverage solutions.

On the horizon

Personal autonomous vehicles are expected to reach mass deployment levels around 2030, years behind the expected mass rollout of robotaxis, according to auto sector leaders who participated in future of autonomous driving survey published by McKinsey in January.

That lag is due in part to the cost of the vehicles and economic advantages that robotaxi operations gain from driverless cars compared to those for personal use.

Most industry leaders surveyed by McKinsey said they expected 2025 to be the turning point for mass deployment of robotaxis in North America. They anticipated mass deployment of driverless trucks making hub-to-hub trips to be sometime around 2028 and driverless trucks to make full shipping trips sometime around 2030.

Driving this expansion in the US are major companies like Alphabet's Waymo, Amazon's Zoox, Uber and Tesla - all of which have been expanding outside of trial cities like San Francisco and Phoenix and into new areas like New York or Chicago.

"They're starting to scale immediately," Jillian Slyfield, Aon's global technology, media and communications leader, told *Insurance Insider US*. "And there are other market participants that I think are less well known that will begin to enter the market towards the end of this year and through 2027. What I think you're seeing is the very first part of the scale."

Autonomous driving capabilities are broken down into different levels on a scale of one to five, with three and above describing automation where digital systems monitor the driving environment instead of humans. Level three systems require human attention even though the vehicle can perform most driving tasks on its own, while stage five describes full automation needed for robotaxis.

The expected timeline for the mass deployment of each level is illustrated below.

Expected timeline for deployment of autonomous vehicles



Source: McKinsey & Company

The race to insure the robofleets

The expected growth in the autonomous vehicle market brings about opportunity, as well as significant legal risk and new regulatory obstacles. Already, major brokers and insurers have been testing the waters, placing commercial policies for the fleets being deployed.

Marsh and Skyward's Apollo announced a first-of-its-kind facility earlier this month backing Uber's autonomous fleet, while Aon has placed coverage for Waymo with Starr Indemnity in California, according to company documents.



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Starr, Liberty Mutual, several Lloyds syndicates, Crum & Forster, Mobilias and Intact are understood to be among the leading writers in the space, and sources said they expect others to join in after the business model proves itself viable enough for the number of robotaxis or fleets of autonomous trucks to reach critical mass.

This isn't the first time the worlds of auto liability and underwriting have had to evolve with technological and business advancements.

How the industry adapted to the ascension of ridesharing companies like Uber or Lyft may provide some parallel to what we're seeing today, according to Melissa Daly, managing director of autonomous, mobility and platform risk at Marsh Risk.

"They came out with this new idea, saying anyone can be a taxi driver. And at first no one wanted to write it except a handful of carriers," Daly told *Insurance Insider US* "And then they gained traction. Then more carriers were willing to write it. And here we are today."

Submit tip anonymously

Still, autonomous vehicle fleets present relatively novel regulatory and legal challenges, given that humans aren't behind the wheel.

So far, the most friendly states for regulation of autonomous vehicles includes Arizona, California, Florida, Georgia and Texas, The Autonomous Vehicle Industry Association said in a report last year.

At least 19 states have gotten comfortable enough with the safety risks to pass statutes permitting autonomous vehicle operations. Another 12 states permit testing, while the rest mainly rely on existing state or federal law to govern the use of the vehicles within their borders.

Sources said that they expect that some sort of national framework, or collaborative cross-border framework, will be needed before autonomous trucks that span long distances are able to operate at the scale envisioned by trucking companies.

Obstacles ahead

On the liability and claims costs side, there is a lot less certainty - though sources said they expect autonomous vehicles will drive down costs overall because of safety improvements.

Data suggests as much. A [Waymo study](#) indicated that its autonomous vehicles were involved in 85% fewer accidents involving injuries than human drivers. And insurance claims data from Swiss Re and Waymo showed 88% fewer property-damage claims and 92% fewer bodily-injury claims for Waymo's fleet compared to human-driven taxis, using a benchmark of over 25.4 million miles driven.

But the legal environment that those claims will face is relatively new, and still evolving.

As the legal system catches up, the autonomous vehicle industry clearly hasn't shaken the potential for big verdicts, even if the vehicles improve safety margins.

A Miami jury in September delivered a groundbreaking \$329mn verdict against Tesla after a fatal 2019 autopilot crash, for instance, and the manufacturer has reached several other settlements in similar cases.

Those verdicts would suggest that, even if smaller and more frequent claims losses are dramatically reduced, there is still the possibility of major verdicts. Defendants in those cases will almost always be major corporations instead of individuals who slipped up behind the wheel, raising the question of how juries will react to different companies and how sympathetic corporations might be in court.

In the context of commercial trucking, where defendants are already typically corporations or businesses, sources said that they suspect that the safety improvements will have a dramatic impact on the claims costs from those policies, since autonomous trucks can't do things like fall asleep behind the wheel while trying to meet delivery deadlines.

Lawyers noted that most auto accidents involving humans involve questions of negligence, which generally questions whether a driver exercised the care that a reasonable person would under similar circumstances before causing unintentional injury.

But autonomous vehicles bring in a much wider range of potential at-fault parties, including the company operating the vehicle, the software company that designed the system and the vehicle manufacturer itself.

“There is sure to be a shift in liability and where that falls as we think about the AV ecosystem,” said Marsh’s Daly.

Added to all that is the fact that the vehicles will be operating alongside humans, in messy real-world environments where value judgments will need to be made. Should the autonomous vehicle risk a crash with another car, or veer onto a sidewalk?

The US legal system has just begun to develop the kind of case law and legislation that will guide the autonomous vehicle industry going forward.

“The legal landscape is really unknown,” Ethan Gerber, partner at law firm Abrams Fensterman, told *Insurance Insider US*. “I think a lot of legislation and litigation is going to pop up concerning the interplay of negligence and product liability theories and the multiple layers of liability and coverages that may exist among the various developers, manufacturers and fleet operators.”

Got a tip for us? Reach out confidentially [here](#).

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North America

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Gift article

