February 3, 2020

The Honorable Deb Fischer  The Honorable Tammy Duckworth
Chair Special  Ranking Member
Senate Subcommittee on Transportation  Senate Subcommittee on Transportation
Chair and Safety Ranking Member
454 Russell Senate Office Building  524 Hart Senate Office Building
Washington, DC 20510 Washington, DC 20510

Dear Chair Fischer and Ranking Member Duckworth:

The American Property Casualty Insurance Association (APCIA) commends the Committee for holding today’s hearing entitled “Keep on Truckin’: Stakeholder Perspectives on Trucking in America.”

APCIA represents nearly 60 percent of the U.S. property casualty insurance and reinsurance market, with the broadest cross-section of home, auto, and business insurers of any national trade association. APCIA members protect families, communities, and businesses in the U.S. and across the globe. More specifically, APCIA members write approximately 70 percent of the commercial auto insurance coverage in the United States, which includes commercial trucking. As such, our members have a strong interest in today’s hearing.

APCIA and the property casualty insurance industry have long prioritized the importance of highway safety. The industry remains actively engaged in advancing technology to make commercial and personal vehicles safer, supporting policies to reduce distracted and impaired driving (including cannabis-related impairment), and improving and modernizing the nation’s infrastructure to ensure the safety of our roads and highways.

The industry actively participates in the leading commercial and personal auto and highway safety organizations, including The Governors Highway Safety Association, Advocates for Highway and Auto Safety, the Insurance Institute for Highway Safety (IIHS), and the Federal Motor Carrier Safety Administration’s Our Roads, Our Safety partnership. Our industry is committed to enhancing safety on the nation’s roads, including promoting safe driving for large trucks and buses, and reducing injuries and deaths.
Unfortunately, the frequency and economic severity of crashes remains high. Several factors seem to be combining and magnifying their individual impacts. Among the most disturbing is the increasing frequency of distracted driving related to smartphone use. Other contributing factors include a deteriorating highway infrastructure, road congestion, and ‘distracted walking,’ with individuals literally walking into moving vehicles.

At the same time, costs related to crashes continue to increase. Some increased costs – such as those associated with repairing advanced safety technology systems on modern vehicles – help save lives and reduce injuries.

Other factors such as medical inflation, exploiting the judicial system, and lawsuit abuse do not serve such noble purposes. As recently reported by the Wall Street Journal, lawsuit abuse is nearing a crisis and is forcing some trucking operators to shut down. 1

In 2019, APCIA surveyed our members on the most worrisome liability trends. APCIA members ranked transportation liability and legal costs as the second most worrisome sector in terms of increasing frequency and severity among various product categories (second only to increases in construction liability costs). Currently, APCIA is undertaking a more comprehensive analysis, aimed at determining some of the causes for the negative trends in this sector.

Commercial trucking operations play a vital role in the U.S. economy by ensuring that products reach the shelves of retailers, goods arrive at the consumer’s door-step, and parts and supplies reach manufacturers. Artificially increasing costs to trucking companies through abusive litigation practices will not only directly impact those companies, it will cause repercussions for the broader economy. We urge the Committee to consider the costs of abusive litigation on the trucking sector and look forward to working with the Committee and truckers to address this problem.

As noted, APCIA also believes that mitigation will play a crucial role in reversing these trends and, most importantly, save lives and reduce injuries and damage that negatively impact consumers and business. Consequently, we are also very supportive of the Committee’s examination of efforts to make America’s roads and vehicles safer.

Thank you for the opportunity to present our views.

Sincerely,

Nathaniel F. Wienecke