

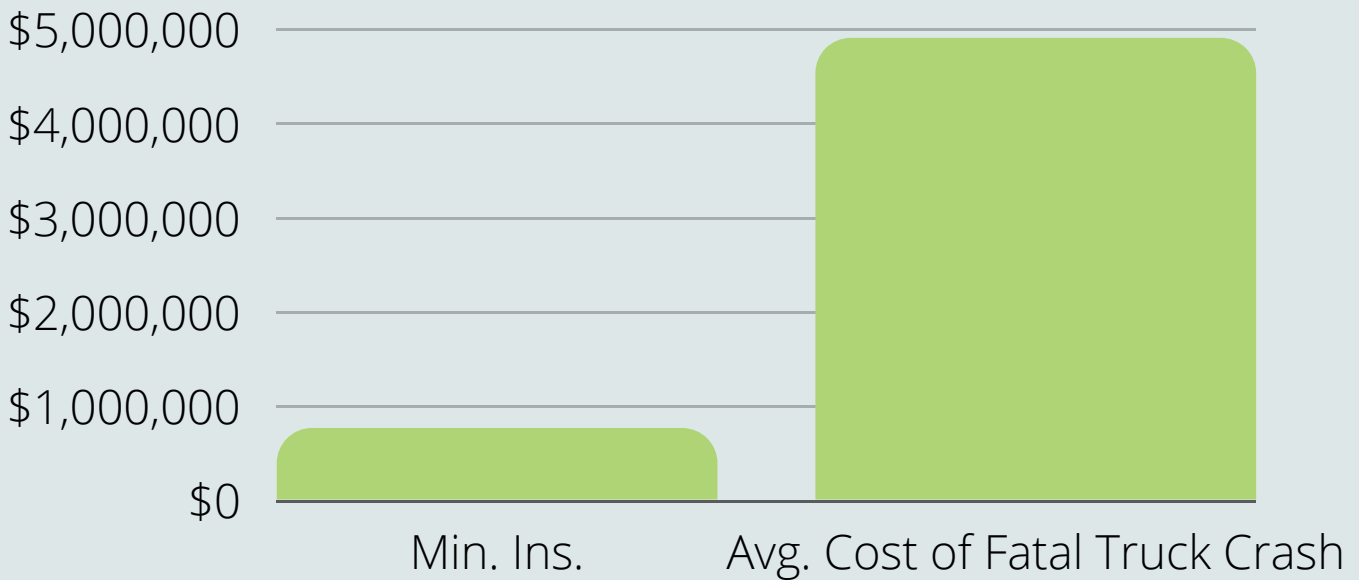


# CMV Minimum Liability Insurance Fact Sheet

All Commercial Motor Vehicles (CMVs) are required to carry minimum liability insurance. When the crash costs exceed the minimum, which routinely happens in fatal crashes, the outstanding costs unjustly fall on unsuspecting crash victims and taxpayers to cover. The current minimum of **\$750,000 per crash** was set in 1980.

Inadequate minimums structurally jeopardize public safety by creating low barriers to entry for carriers and reduces incentive for the insurance industry to play a larger role in motor carrier safety through rigorous underwriting practices. <sup>1</sup>

## Minimum CMV Insurance & Average Direct Cost of Fatal Truck Crashes<sup>2</sup>



### Skyrocketing Costs of Crashes since 1980<sup>3</sup>



When adjusted for inflation, \$750,000 in 1980 is worth **\$2.6M** in 2022 dollars.

Since 1980, medical costs have increased **686%**, making \$750,000 1980 dollars worth **\$5.9M** 2022 dollars.

Truck crash victims were NEVER intended to bear the crushing financial burden of truck crashes. Motor Carriers must pay risk-based, actuarial rates that reflect the magnitude and severity of risks and costs they pose to public safety.





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"The decreasing real value of the current minimum levels of financial responsibility is effectively removing the function of insurance in covering catastrophic crashes." - FMCSA<sup>4</sup>

## Price Changes Since 1980

	1980	2022	% Change
First Class Stamp	\$0.15	\$0.60	300%
Gallon of Milk	\$2.16	\$4.33	100%
New Car	\$7,200	\$47,000	553%
Federal Minimum Wage	\$3.10	\$7.25	134%
Minimum CMV Insurance	\$750,000	\$750,000	0%



It is unsafe and unconscionable to foist this financial burden on unsuspecting crash victims.

Minimum CMV liability insurance must be increased to \$2M or higher and indexed to inflation.

1. FMCSA, Examining the Appropriateness of the Current Financial Responsibility and Security Requirements for Motor Carriers, Brokers, and Freight Forwarders--Report to Congress, April 2014
2. FMCSA's estimate of 2005 costs is here adjusted for inflation to 2021 dollars - Unit Costs of Medium and Heavy Truck Crashes, Federal Motor Carrier Safety Administration (FMCSA), March 2007, <https://web.archive.org/web/20100527084531/http://mcsac.fmcsa.dot.gov/documents/Dec09/UnitCostsTruck%20Crashes2007.pdf>. Insurance Institute for Highway Safety, Comments to the docket, FMCSA-2000-8410-0515; citing Christie, R. and Fabre, J. 1999. Potential for fast-tracking heavy vehicle drivers. Melbourne, Australia: National Road Transport Commission; Blower, D. 1996. The accident experience of younger truck drivers. Ann Arbor, MI: University of Michigan Transportation Research Institute; Frith, W.J. 1994. A case-control study of heavy vehicle drivers' working time and safety. *Proceedings of the 17th Australian Road Research Board Conference*, 17-30. Queensland, Australia: Australian Road Research Board; Stein, H.S. and Jones, I.S. 1988. Crash involvement of large trucks by configuration: a case-control study. *American Journal of Public Health* 78: 491-98.
3. Consumer Price Index, U.S. Bureau of Labor Statistics
4. FMCSA, Examining the Appropriateness of the Current Financial Responsibility and Security Requirements for Motor Carriers, Brokers, and Freight Forwarders--Report to Congress, May 2022