

# 4 ways driverless cars will change the transportation industry

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Having a tech product like Tesla's autopilot or Google's and Uber's self-driving cars in the automotive industry means things are about to take a drastic change. With self-driving technology set to fully , and several states already seeing Uber self-driving cars taking passengers around, the type of change we're going to see will trickle down to every angle of the transportation industry.

Eventually, we'll be witnessing a change that will have an impact on several sub-industries that rely on people driving on the road. With Tesla's direct-to-consumer model, we're already seeing disruption in the car dealership segment.

This article will explore the impact self-driving cars are going to have on the transportation industry and how this will affect other businesses that rely on the automotive industry -- such as insurance, gasoline and the legal professionals who cater to car accident related litigations.

## **1. The cost of insuring a driverless car.**

The biggest area of pay-off for insurance companies is insuring cars and their drivers against accidents. Human error has been reported as the -- a situation that will be totally taken care of by cars that require no human input.

" The higher your risk of getting involved in an auto crash, the higher your premium will be," says Gabriel Levin, a based in Philadelphia. " Since unmanned cars are designed to reduceroad accidentsby taking away the single biggest cause of these road accidents, which are human drivers, then insurance companies would be forced to seriously lower their premiums to stay competitive."

Yes, we should be happy that self-driving cars will help reduce accidents on roads and in effect, lower insurance premiums for owners. However, should an autonomous vehicle be involved in a crash caused by the computer, who then bears the liabilities and how would the party responsible recoup their losses without it trickling down back on the consumers?

A scenario would be when a car manufacturer is made to pay for liabilities and then it increases the cost of their new cars as a result.

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## **2. Auto dealership will take a hit.**

With the likes of Google and Uber on the cutting edge of self-driving car technology, there will be little left for the car dealership industry. When Tesla

came on the market with its direct-to-consumers model, the company was quickly tagged as a niche player. Google and Uber would drive an enormous amount of sales, and they won't be dealing with auto dealers.

When all automakers make the move from gasoline to all-electric cars to stay competitive in an industry whose laws are being written by nimble tech giants, they might also be forced to shed some weight. Cutting ties with the numerous dealers who may not be adding much value to consumers would be their first move.

The auto dealership industry has about a (2015 data).

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### **3. Gasoline will take a back seat.**

Moving from gasoline-powered vehicles to electric cars means gasoline will have an even lesser role to play in transportation in the near future. We'll have to find some better use for our oil.

### **4. Passengers will learn to warm up to autonomous vehicles.**

The first passenger-related challenge would be the driver learning to accept his role as an observing passenger who should be prepared to take over when necessary.

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While driverless cars are designed to ferry passengers to their destinations without input from a human driver, there are instances where humans still

have to take control. For example, the abundance of driverless cars on the road today are still struggling with making sense of driving in a construction zone.

We should be prepared for this era by learning to adapt to a better human-computer relationship.