Alliance of Automobile Manufacturers

The Intersection of Insurance & Autonomous Vehicles

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AVs & Advanced Driver Assist Systems (ADAS)
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1. **Radar**: Detects objects nearby & in “blind zones”
2. **Lane–keeping Cameras**: Measures contrast between road and lines
3. **LIDAR**: Spinning lasers make a 360° real–time “map” around vehicle
4. **Infrared Camera**: Detects objects ahead in the day & night
5. **Visible Light Camera**: Detects & predicts movement of objects
6. **GPS Navigation**: Advanced mapping tells the vehicle where to go
7. **Wheel–mounted Sensors**: Measures velocity relative to close objects
AVs & Advanced Driver Assist Systems (ADAS)

Automation =

- Increased Safety
- Reduced Environmental Impact
- Expanded Roadway Capacity
- Enhanced Mobility
- More Efficient Land Use
<table>
<thead>
<tr>
<th>Year</th>
<th>Fatalities</th>
</tr>
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<tbody>
<tr>
<td>2016</td>
<td>37,461</td>
</tr>
<tr>
<td>2017</td>
<td>37,133</td>
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<tr>
<td>2018</td>
<td>36,560</td>
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94% of traffic fatalities in the given years were due to human error. 

Source: National Highway Safety Administration (NHTSA) Crash Stats Note 2017, 2018, 2019
Current AV landscape (October 2019)
Federal Guidance on State/Federal Roles

Clear Delineation of Responsibilities

- States should **NOT** codify the FAVP
- FAVP maintained traditional roles
  - Federal government (DOT, NHTSA):
    - Controls **design**, **construction**, and **performance** of vehicle
    - Federal government regulates **the vehicle**
  - State governments:
    - Controls **insurance**, licensing, registration, and law enforcement
    - State governments regulate **the driver**
So, If states have jurisdiction over the regulation of insurance for AVs, what’s next?
States Should “Pump the Brakes” on AVs & Insurance

• AV technology is in its infancy still

• First uses will be commercial applications:
  • Fleets
  • Last mile
  • Closed campuses
  • Ride-sharing
  • Geo-fenced areas
  • ....NOT personal passenger vehicle ownership

• Commercial Insurance vs PPI
Insurance Orgs Agree

“Despite the hype, it will be decades before an autonomous car functions without some sort of operator, if we ever reach that point.”

-Jimi Grande, Senior Vice President of Government Affairs
National Association of Mutual Insurance Companies

“I think insurers are right now very much in “learn about this” mode, “learn everything that they can” mode. You’re talking about changing the nature of the driving risk, so that’s going to be a very significant change for the auto insurance industry.”

- Bob Passmore, Senior Director of Personal Lines
Property Casualty Insurers Association of America
Not enough driver data? Not so fast...
Not enough driver data? Not so fast...

- Safe Driver monitoring programs provide plenty of real-time driver data directly to insurance companies.

- Many applications
  - Dongle (OBD II Port)
  - Sensors placed within vehicle
  - Smart-phone apps

- Automakers are lending a helping hand already
  - General Motors
  - Hyundai
  - Honda
Real-world Benefits of ADAS – Forward Collision Warning

*Source – Insurance Institute of Highway Safety (IIHS) & Highway Loss Data Institute (HLDI) study on ADAS and Automated Technologies (June 2019)
Real-world Benefits of ADAS – Lane Departure Warnings & Blind Spot Detection

*Source – Insurance Institute of Highway Safety (IIHS) & Highway Loss Data Institute (HLDI) study on ADAS and Automated Technologies (June 2019)
Real-world Benefits of ADAS – Rear Automatic Braking

*Source – Insurance Institute of Highway Safety (IIHS) & Highway Loss Data Institute (HLDI) study on ADAS and Automated Technologies (June 2019)
Real-world Benefits of ADAS & AVs

• Vehicles with ADAS, and eventually AVs, will have an impact on drivers

• While more advanced technology may lead to a more expensive repairs
  • However, consumers have not indicated that having a safer vehicle is a deterrent

• Concerns with over-reliance on technology from Insurers
  • IIHS surveys of vehicle owners with ADAS actually reported SAFER driving habits

• The time will come when AVs and personal vehicle insurance policies will need addressing, but now is not the time.