

# Insurance and Automated Vehicles

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Ryan Gammelgard



- **Safety is paramount**
- **Insurer data access is critical**
- **Standards should be set nationally**
- **Administration should remain local**
- **Insurance requirements should be set by the states**
- **Existing liability principles/authorities should apply**
- **Data security/privacy standards must adapt to the reality of AV**
- **Focus on human factors**



# Fallback Control








- **64%** percent of respondents indicated they would be more likely to engage in at least one secondary task when the vehicle is driving itself compared to when they're driving.

(State Farm 2016 and 2018 Automated Vehicle Survey)

- **Think about Level 3**



**Among those with or without ACC or LKA, percentage who said they “frequently” or “sometimes” engage in this behavior while driving.**

	Adaptive Cruise Control 		Lane Keeping Assist 	
	WITH	WITHOUT	WITH	WITHOUT
 <b>Reading or sending text messages</b>	<b>62%</b>	<b>49%</b>	<b>62%</b>	<b>51%</b>
 <b>Interacting with cell phone apps</b>	<b>56%</b>	<b>42%</b>	<b>54%</b>	<b>44%</b>
 <b>Manually entering a phone number</b>	<b>52%</b>	<b>38%</b>	<b>56%</b>	<b>38%</b>
 <b>Holding phone while talking</b>	<b>60%</b>	<b>50%</b>	<b>63%</b>	<b>51%</b>
 <b>Using video chat on cell phone</b>	<b>39%</b>	<b>19%</b>	<b>42%</b>	<b>20%</b>



# PREPARING FOR AUTOMATED VEHICLES: TRAFFIC SAFETY ISSUES FOR STATES

MADE POSSIBLE BY A GRANT FROM  **State Farm**

# IMPACT ON INSURANCE INDUSTRY – Hype

- “Self-Driving Cars Might Kill Auto Insurance as We Know It”  
– Bloomberg, February 2019

v.

- Insuring Autonomous Vehicles and \$81 Billion Opportunity,  
Accenture, 2017





# IMPACT ON INSURANCE INDUSTRY – Reality

- Higher levels of automation will take time for adoption
- Insurance companies have a long history of supporting auto innovation that enhances safety
- Automated vehicles (and other mobility concepts) offer insurance companies new opportunities
- May require changes to insurance policies
- May cause creation of new services
- New partnerships
- Greater reliance on advanced analytics
- Examination of Level 3



# Insurance Defense

- MCity – J.D. Power – Miller Canfield
  - 2018 Report – Consumers are far more likely to settle product liability claims out of court, as long as they feel that there is transparency and fairness in the process
- AUVSI/TRB – Automated Vehicle Symposium – 2019
  - Mock Trial – Focus on Level 3



Questions?

