



# Automated Vehicles and Liability

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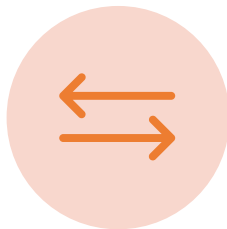
Washington Automated Vehicle  
Liability Subcommittee Meeting  
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# Paradigm Shift for Auto Insurers



**ASSESSING RISK OF  
SYSTEMS RATHER  
THAN DRIVERS**



**SHIFT FROM  
INDIVIDUAL  
OWNERSHIP TO  
SHARED MOBILITY,  
PERSONAL TO  
COMMERCIAL?**



**HOW DOES THIS  
CHANGE HOW  
LIABILITY IS  
DETERMINED?**



**ARE CHANGES TO  
INSURANCE  
REQUIREMENTS  
NEEDED?**



# APCIA's Essential Elements for AV's

- **Safety**

- Requirements that promote public confidence, provide direction for compliance
- FMVSS exceptions should be rare, no exceptions to crash protection standards
- Do not lose focus on today's auto safety challenges

- **Liability Determination**

- Current state-based system will be able to adapt with reasonable access to vehicle data



# APCIA's Essential Elements for AV's

- **Insurance Innovation**
  - Insurers need ability to identify AV equipped vehicles and differentiate between AV systems to develop products and pricing.
- **Insurance Requirements for Automated Vehicles**
  - Severity exposure doesn't change for AV, current requirements do not need to change.
  - Reasonable to establish new and direct insurance requirements for manufacturers due to more frequent manufacturer involvement



# APCIA Data Access and Sharing Principles

- **Identification of ADS equipped vehicles**
  - Attaches at manufacture or retrofitting
  - Sufficient Information to differentiate
  - Reflected in motor vehicle and crash records
- **Data Recording Capability Mandate**
- **Vehicle Owner Authorization of Data Access**
  - Vehicle owner ability to authorize access to vehicle data
  - No consent needed from vehicle/system manufacturer
- **Common Data Recording Requirements**
  - Tracking information that could be obtained by human driver
  - In a usable format for insurers/investigator to establish liability



## AV Liability Issues

- Most accidents are personal auto based on driver fault
- Product liability for vehicle defects, malfunctions are rare
- Federal legislation specifically reserves liability for States
- State legislation has had a light touch
  - Limit liability for manufacturers when vehicles retrofitted or modified, ADS considered “driver” in TN
- Allow current system to adapt, shift to product liability?
  - Could outsize liability on mfg. slow or halt development?
  - Product liability cases are expensive, slow to compensate victims



# AV Liability Alternatives

- Expand existing auto insurance model to cover the ADS
  - UK Automated and Electric Vehicles Act of 2018 - Vehicle owner's insurance liable for AV-caused accidents; insurer right of subrogation vs AV mfg.
- Apply negligence to ADS
  - Nillsson v. Cruise Automation (GM AV subsidiary) alleged ADS was “negligent”
- No fault or compensation funds
  - Problems with fraud in existing no fault programs dim attractiveness.
- Immunity for AV manufacturers
  - Would likely require detailed standards, precertification?



# Questions?

Robert Passmore  
Vice President – Auto & Claims Policy  
[robert.passmore@apci.org](mailto:robert.passmore@apci.org)  
847-553-3612