

California Department of Insurance

Public Hearing on Autonomous Vehicle (AV) Insurance Issues

Ensuring appropriate insurance coverage for AVs in the near and distant future

September 15, 2014

10:00 am – 12:30 pm

The Tech Museum of Innovation
 “New Venture Hall”
 201 South Market Street
 San Jose, CA 95113

Streaming video of the hearing available at <http://www.insurance.ca.gov>

10:00 am – 10:05 am	Commissioner’s Opening Remarks
10:05 am – 10:35 am	Autonomous Vehicles Now and the Road Ahead
10:05 am – 10:10 am	Alain Kornhauser Professor, Operations Research and Financial Engineering, Princeton University
10:10 am – 10:15 am	Bernard Soriano / Brian Soublet Deputy Director / Chief Counsel and Deputy Director, California DMV
10:15 am – 10:35 am	Question & Answer Session
Issues:	Current and Future State of AV Technology: • Implications for frequency and severity of vehicle crashes? • Impact on associated costs and their distribution? • Effects on the insurance industry? DMV Rulemaking Implementing California’s AV Bill (SB 1298): • Determining liability for traffic violations and awarding violation points? • Allowing AVs to operate without a licensed driver at the wheel? • Earliest date AVs could be available to the public? • Earliest date driverless AVs could be available to the public?
10:35 am – 12:05 pm	Insuring Autonomous Vehicles in the Short and Long Term
10:35 am – 10:40 am	Robert Peterson Director, Center for Insurance Law and Regulation Professor of Law, Santa Clara University School of Law
10:40 am – 10:45 am	Hilary Rowen Partner, Sedgwick LLP
10:45 am – 10:50 am	Michael Stienstra Chairman, Casualty Actuarial Society Task Force on Automated Vehicles AVP, Actuary, QBE the Americas

10:50 am – 10:55 am	Cathy Schwamberger Associate General Counsel, State Farm
10:55 am – 11:00 am	Matthew Gilbert CA Auto Product Manager, Nationwide Insurance
11:00 am – 11:05 am	Richard Holober Executive Director, Consumer Federation of California
11:05 am – 12:05 pm	Question & Answer Session

Issues:**Short-Term Insurance Issues:**

- If a developer has a driverless AV ready to market to consumers as early as 2015, will an insurance product be available? Will the insurance product be Private Passenger Auto (PPA) or something else?
- Is it workable to rate AVs under Proposition 103's auto rating factor framework, which requires insurers to take into account driver safety record and years driving experience, so long as a licensed driver must be in the driver's seat and ready to take control of the vehicle?
- Must insurers write AVs under Proposition 103's "take all comers" provision requiring insurers to offer a good driver discount policy to all qualified good drivers?
- How do insurers currently rate vehicles with semi-autonomous features like adaptive cruise control, lane assist, parking assist, accident avoidance, and driver fatigue detection?
- How would insurers handle aftermarket products that would allow the consumer to retrofit a vehicle with AV technology?

Long-Term Insurance Issues:

- What type of insurance product will ultimately be most appropriate to cover AVs? PPA? Commercial products liability? Something else? Are there analogous models that would be useful to consider?
- Will California statutes or regulations need to change to accommodate AVs?
- Is there other action CDI should take to accommodate AVs?

General Insurance Issues:

- What is the appropriate use of the data AVs collect? To what extent is this an insurance issue?
- Are there policy exclusions that might limit coverage for accidents involving AVs?
- Are California's minimum liability insurance requirements for private passenger vehicles appropriate for AVs?
- How would a driverless AV present proof of insurance?

12:05 pm – 12:25 pm	Public Comment
12:25 pm – 12:30 pm	Commissioner's Closing Remarks
