

# 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>

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**10:00 am – 10:05 am**      **Commissioner’s Opening Remarks**

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**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?

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**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

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- 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?

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12:05 pm – 12:25 pm      **Public Comment**

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12:25 pm – 12:30 pm      **Commissioner's Closing Remarks**

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