



Statement
of the
National Association of Mutual Insurance Companies
to the
United States House of Representatives
Committee on Energy and Commerce's Subcommittee on
Digital Commerce and Consumer Protection
Hearing on
Self-Driving Cars: Road to Deployment
2123 Rayburn House Office Building
February 14, 2017

Background

NAMIC is the largest property/casualty insurance trade association in the country, with more than 1,400 member companies that represent 40 percent of the total market. NAMIC member companies write nearly \$225 billion in annual premiums, accounting for 43 percent of automobile, 54 percent of homeowners, and 32 percent of the business insurance markets. Through our advocacy programs we promote public policy solutions that benefit NAMIC member companies and the policyholders they serve and foster greater understanding and recognition of the unique alignment of interests between management and policyholders of mutual companies.

NAMIC is the property/casualty insurance industry leader in terms of autonomous vehicles (AVs). The association has recently served on a panel hosted by the National Traffic Highway Safety Administration (NHTSA) on issues relating to state jurisdiction and pre-market approval; served as a Board Member and AV thought leader at Advocates for Highway and Auto Safety; and working with the Insurance Institute for Highway Safety (IIHS) supporting the Virginia Tech Transportation Institute (VTTI) as part of the National Cooperative Highway Research Program. In collaboration with IIHS and VTTI, NAMIC is assessing the impact of automated driving systems on motor vehicle codes and other related domains, and developing guidance and resources to assist with the legal changes that will result from the rollout of connected/automated vehicles.

NAMIC's members are also leaders on AV research and development. NAMIC companies serve as founding members of the Ford and University of Michigan's Mobility Transformation Center, whose test facility, MCity, utilizes a highly advanced, 32-acre outdoor lab to evaluate the capabilities of connectedness of AVs. Additionally, other NAMIC members support the "NW US 33 Smart Mobility Corridor" AV testing facility in conjunction with Honda and The Ohio State University's Transportation Research Center.

The Role of Insurance in the Development of AVs

As with the dawn of the automobile, property/casualty insurance will be essential to the development of AVs. Autonomous vehicle technology has the potential to increase automobile safety while reducing accidents and fatalities on our nation's roads. But despite the litany of expected benefits associated with the fast-developing technology, accidents are inevitable. As the technology is more widely adopted and AVs become more readily available, insurers will need to play the critical role of developing sound risk management practices that ultimately protect operators, manufacturers, and passengers.

The auto insurance industry adds critical value today to the development and deployment of vehicles. The insurance industry continually develops and makes public the best detailed auto

accident data and models¹, which have been continuously improved by the insurance industry's century of leading risk management expertise. Auto insurance providers have proven to have the deepest understanding of all state and local driving regulations and the widest and best understanding of product and general liability. Our work to minimize losses is bolstered by our proven commitment to provide policyholder protection at fair and reasonable rates.

As such, the auto insurance industry will be vital to addressing the many unanswered questions surrounding liability and safety needed for the continued growth in the deployment of AVs, and is already working to test and analyze the safety of existing and developing AV fleets, as well as identifying appropriate standards of safety. Our ability to protect our policyholders is predicated on an appreciation and understanding of liability, particularly, knowing how to determine who is liable in the event of an accident and how liability should be assigned. But in order to answer the unaddressed issues pertaining to liability and safety in the current and evolving regulatory landscape, a basic question must be answered: what regulators and what regulations should govern the testing and driving of these cars?

P/C Insurance Industry Priorities

In this rapidly evolving technological and regulatory environment, NAMIC has several priorities for the property/casualty insurance industry to work in harmony with the development of autonomous vehicles:

- Ensure the development of legal and regulatory clarity for developing issues of liability, data privacy, and safety
- Be an active part of the technical and regulatory evolution towards AVs to ensure that insurers can continue to provide policyholder protection
- Retain appropriate civil and regulatory responsibilities for motor vehicle insurance and liability

Conclusion

In seeking to strike the balance of enabling the continued innovation of AVs while simultaneously ensuring the safety and protection of policyholders, NAMIC is working with legislators and regulators at the federal, state, and local level on the important insurance considerations that are paramount to the development, testing, and use of AVs. We have greatly appreciated the time and consideration of the staff of this Subcommittee in sharing and

¹ Funded by NAMIC and other insurance trades associations, the Insurance Institute for Highway Safety (IIHS), the folks who use crash test dummies in cars, is the independent, nonprofit scientific and educational organization dedicated to reducing the losses from crashes on the nation's roads.

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developing information and policies and we look forward to continuing that very positive relationship.