Insuring Autonomy: Autonomous Vehicles and the Insurance Industry

National Conference of Insurance Legislators

July 16, 2026

Paradigm Shift for Auto Insurers

ASSESSING RISK OF SYSTEMS RATHER THAN DRIVERS

SHIFT TO SHARED MOBILITY AND COMMERCIAL OWNERSHIP?

HOW DOES THIS CHANGE HOW LIABILITY IS DETERMINED?

ARE CHANGES TO INSURANCE REQUIREMENTS NEEDED?

APCIA Automotive Innovation and Automated Vehicles Policy

Policy Goal

- The insurance industry has an essential role to play in encouraging the safe and efficient introduction of advanced vehicle technology.
- To do so, insurers must have the ability to innovate and develop services, products and pricing to support the new automotive technologies.

Guiding Principles: Safety

- Keep focus on today's safety challenges — distracted and impaired driving.
- Establish clear safety standards for vehicle automation on public roads.
- Set separate standards by automation level, plus public education on proper use.
- Keep exceptions to existing safety laws rare — only for fully autonomous systems.
- No exceptions for collision-protection standards.
- Harden automated and connected vehicles against cyber-attack; protect user privacy.

Guiding Principles: Innovation

- Insurers need to be able identify which advanced driving systems and software a vehicle carries.
- Develop consistent terminology for naming these system components.
- Access to this data is essential for developing products, underwriting and regulatory approval.
- Vehicle owner control of data, ability to authorize data sharing for rating, underwriting and claims.
- Give insurers flexibility to cover — or decline — and adjust underwriting to the risk.

Guiding Principles: Insurance Requirements

- Continue to be regulated at the state level.
- Minimum Limits are a public policy issue for states, insurance requirements for vehicles used for the same purpose as starting point.
- Separate and specific insurance requirement for ADS manufactures that applies when an automated driving system (L4/L5) is engaged.

Guiding Principles: Determining Liability

- After a crash, it will be essential to determine which automated system was engaged and how the vehicle was operating.
- Automated systems should record and reproduce that operating data, like a driver's recollection.
- Make crash data, images and video available to regulators, insurers and involved parties on reasonable terms.
- Our state-based liability system can adapt, with reasonable data access; APCIA opposes blanket mfg. immunity or strict owner/mfg. liability.

ADS Liability Challenges

- The traditional fault-based model—premised on human driver negligence—becomes difficult to apply.
- Uncertainty could make it more difficult for crash victims to obtain compensation.
- Should remain at the state level.

ADS Liability – Range of Approaches

- 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
  - Nilsson 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.
- Strict Liability/Immunity/Limitations for ADS manufacturers
  - Utah SB 292

Questions?

Robert Passmore

robert.passmore@apci.org
847-553-3612