



Insuring Autonomy: Autonomous Vehicles and the Insurance Industry

National Conference of Insurance
Legislators

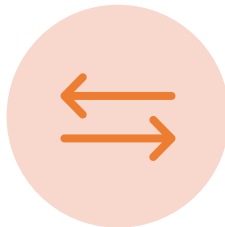
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Paradigm Shift for Auto Insurers



**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?

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