

19 January 2017

Att: Automated Vehicle Team
National Transport Commission
Level 15/628 Bourke Street
MELBOURNE VIC 3000

ONLINE SUBMISSION

SUBMISSION TO NATIONAL GUIDELINES FOR AUTOMATED VEHICLE TRIALS DISCUSSION PAPER

Summary

The Insurance Council of Australia (ICA) is pleased to make this submission to the National Transport Commission's National Guidelines for Automated Vehicle Trials Discussion Paper.

The ICA is the representative body of the general insurance industry in Australia. ICA members provide a range of insurance products across Australia including motor vehicle property insurance and compulsory third party (CTP) personal injury coverage.

The Insurance industry supports the development of automated vehicles in Australia and believes the technology has the potential to dramatically reduce vehicle damage, injury and death resulting from vehicle collisions. Whilst the ICA and our members are interested in all aspects of the NTC's proposed guidelines, for brevity we have limited our submission to the issues of insurance, CTP, and data sharing.

Insurance

The ICA supports insurance provisions being included in national guidelines for automated vehicle trials. To date, automated vehicle trials on Australian roads have been limited, occurred in highly controlled settings and on closed roads. However, as the technology develops and State Governments become more cognisant of the inevitability of automated vehicles on Australian roads, trials of automated vehicles will become more common-place and will inevitably need to take place on public roads and areas congested by pedestrians. It is inevitable that collisions will occur. Therefore, it is imperative organisations conducting trials are adequately insured to cover potential liabilities for damage or injury that may occur.

The ICA is enthusiastic to work with the NTC, various stakeholders and trialing organisations to ensure the insurance industry supports the development and implementation of automated vehicles, as well ensuring that insurance issues do not impede the adoption of this technology.

Compulsory Third Party Insurance & Workers Compensation Insurance

The ICA agrees that existing prescribed CTP insurance may not provide cover for automated vehicles being trialled on Australian roads. Existing CTP schemes require a driver to be 'operating' a vehicle in order to ascertain fault (liability) in the event of a collision. For this reason, to date, most automated vehicle trials have required a driver remain 'in control' of the vehicle. The ICA considers that this requirement is likely to unnecessarily delay development and implementation of automated vehicles in Australia as trials will inevitably be required without a driver maintaining 'control'.

Therefore, the ICA considers trialling organisations must be required to hold appropriate public liability insurance to cover the risk of damage to third party property and injury to third parties. As a minimum, the ICA recommends trialling organisations hold at least \$20 million in public liability insurance, which is a standard liability product for business organisations and sufficiently covers the potential liabilities for all but the more remote risks associated with automated vehicle trials. That said, larger scale trials, involving multiple vehicles on open roads may require higher cover.

It follows that the ICA supports proposed option '3a.', that the guidelines include "appropriate insurance as an essential criterion for any trial." The ICA proposes the guidelines specify words to the effect:

Trialling organisations are to conduct a detailed risk assessment and hold appropriate third party liability insurance for damage to property and injury to cover liability risk associated with the trial.

Consideration should also be given in regard to appropriate workers compensation coverage/insurance to ensure the trialling organisations' employees travelling in or injured by an autonomous vehicle at fault are appropriately covered.

CTP Scheme Design

Although the proposed guideline relates only to automated vehicle trials, it raises important considerations regarding CTP for commercial and private autonomous vehicle implementation.

As raised in the NTC Discussion Paper, existing CTP schemes may not adequately accommodate automated vehicles as the schemes generally require a driver in control of the vehicle. As a result, CTP regulators need to consider how fault can be determined in respect to collisions where no individual has 'control' in a traditional sense.

The ICA understands that the States and Territories are already planning to review their CTP schemes and we invite the NTC to work with the insurance industry and CTP regulators to ensure that any CTP redesign is flexible enough to accommodate autonomous vehicles on Australian roads.

Crash data

The ICA strongly supports the transparent provision of crash data as a requirement in national guidelines for automated vehicle trials, which aligns with our [Submission to the Productivity Commission Inquiry into Data Availability and Use](#). Although the guidelines

propose data sharing with government agencies, the ICA contends that numerous stakeholders, such as insurers, also require access to data in order to adequately support the development and implementation of automated vehicles. For example, in order for insurers to develop products that provide cover for autonomous vehicles on Australian roads, insurers need to understand the technology's risk profile. In particular, insurers require data relating to the frequency and nature of collisions, the conditions and environment in which collisions occur and the extent of damage.

Collation of this data will ensure greater transparency, allowing insurers to understand the risks associated with automated vehicles and develop insurance products covering the technology. Insurers would be in a position to incentivise the development of safer technologies and fail-safe systems through price signals favouring lower risk automated vehicle systems. Further, access to crash data will also be necessary for insurers to determine the cause of a collision as witness statements from drivers may no longer be available.

Inversely, without crash data, insurers will be unable to determine the risk profile of the technology, which will limit the number of insurance products available on the market, leaving those that do exist prohibitively expensive.

Therefore, sharing crash data with insurers will allow insurers to support the development of automated vehicles in Australia – an important factor in risk-based pricing and risk mitigation. We also consider it important that data provision occur in a national standardised format to ensure the data can be readily collated and utilised. The ICA can act as an intermediary for the industry by providing a secure data pool for members – we currently work with both local and State Governments to collate data for a range of other perils, such as flood and fire, on behalf of the insurance industry.

It follows that the ICA supports proposed option '3'; that "guidelines require collection and sharing of crash data as an essential criterion for all automated vehicle trials". We consider that not only should this data be shared with Government agencies, but should also extend to other stakeholders, such as insurers. The ICA can act as an intermediary for the industry by providing a secure data pool for members.

Consultation Questions

Question 5: given the shortcomings of existing CTP schemes, we support the guidelines including appropriate insurance for automated vehicle trials. The ICA considers trialling organisations should conduct a detailed risk assessment and hold appropriate third party liability insurance for damage to property and injury to cover liability risk associated with the trial.

Question 6: The ICA supports the collation of crash data and the sharing of anonymised data with government agencies and insurers. If data collection is prescribed, insurers require data relating to collisions and/or damage to the automated vehicle or other damage including:

- environment, conditions and location of the incident;
- vehicle telematics at the time of the incident;
- cause of the incident; and
- extent of damage to vehicle and/or other property.



If you would like to discuss this submission in further detail, please contact Karl Sullivan, the ICA's General Manager Policy, Risk & Disaster Planning Directorate, on (02) 9253 5121 or via email at ksullivan@insurancecouncil.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to be "RW", with a long horizontal flourish extending to the right.

Robert Whelan
Executive Director and CEO