DRAFT – VIRTUAL CAPITOL HILL BRIEFING RE: AV's

- ➢ NAMIC's membership includes more than 1,500 national, regional, and local insurance companies on main streets across America and many of the country's largest insurers. Our members write more than $357 billion in annual premium and account for more than 56% of auto insurance markets.

- ➢ NAMIC is excited to be part of the important conversations ahead around the continued development and eventual deployment of Automated Vehicles. I emphasize "eventual" because despite what some AV enthusiasts may believe, there are a great many legal, policy, and safety questions that remain to be answered before consumers or insurers are comfortable with these vehicles' presence on the public roads we all share. Given time and data, we are confident that insurers can and will develop products and rates that accurately match the potential risks posed by AV's and address coverage gaps created by their presence on roads; in fact, many of them are already furiously researching and working toward that goal.

- ➢ AV advocates promise faster, better, less expensive, and more environmentally friendly mobility. These are all good things, but NAMIC believes that safety must continue to be the primary and overriding focus in these conversations. While the idea of working, napping, or watching a movie while a car drives itself is enticing – from our perspective the number one benefit to AV's is the potential to enhance safety by reducing the frequency and severity of crashes.

- ➢ American insurers have a long and proud history of promoting road safety – from spearheading the development of seatbelts, airbags, and vehicle testing through the Insurance Institute for Highway Safety to more recent efforts to support distracted driving prohibitions, NAMIC members continue to lead on road safety issues to protect their policyholders from both the physical and financial harms that accompany a vehicle crash.

➢ Insurers are absolutely committed to encouraging the development of technology advancements, particularly those that improve the ability to avoid or lessen injuries and ultimately save lives.

➢ Insurers are uniquely positioned in this conversation – it is our members who will ultimately need to do their own innovation related to many of the critical decisions around AV risk assessment – decisions that will be influenced by actions in Congress, State houses, and regulatory agencies across the country regarding performance and safety standards, data access and ownership, liability issues, registration, licensing, and operational matters.

➢ In order to best fulfill our role of risk identification and classification in this space, it is critical that insurers have access to a robust AV information and data framework that is timely, complete, and useful. The data generated by AV's will also be an important part of authoritatively validating safety with policymakers, regulators, and the public. Increased AV deployment is likely to reduce crashes involving human driver error, but we must acknowledge that it also introduces new and different risk factors.

➢ The development of actuarially sound insurance rates is a rigorous and scientific process involving years of analysis and in-depth reviews by state regulators to ensure compliance with state insurance codes. The new frontier of auto insurance products will not be available overnight, but its development can be significantly accelerated if all relevant stakeholders commit to collaborate in order to accurately assess AV driving risks and opportunities for mitigation.

➢ The insurance industry has continuously proven its commitment to supporting the development and deployment of real auto safety benefits with a paramount focus on the safety of vehicle occupants, occupants of other vehicles, and the public. As an industry that has extensive experience with automobile technology and safety, we look forward to working with Congress and your counterparts in state legislatures on getting the eventual deployment of this game-changing technology right.