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RESEARCH REPORT

**Unsettled Issues Facing  
Automated Vehicles and  
Insurance**

Ian R. Williams

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# Unsettled Issues Facing Automated Vehicles and Insurance

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## About the Editor



**Ian R. Williams** is the inaugural Fellow for the Law and Mobility Project at the University of Michigan Law School and serves as the Managing Editor of the *Journal of Law and Mobility*. His current work deals with the relationship between the law and emerging mobility and transportation technologies, with a specific focus on connected and automated vehicles. Williams's other areas of interest include privacy, civil liberties, and civil rights. He is most interested in how an emerging technology affects existing legal, political, and social structures, and the effect governmental use of such technology can have on the rights of individuals and communities. Williams was named a 2019 Internet Law & Policy Foundry Fellow and is a member of the Board of the Michigan Lawyer Chapter of the American Constitution Society. He is licensed to practice in Illinois and the District of Columbia.

Williams received his J.D. from the University of Michigan Law School, where he earned the Irving Stenn, Jr. Award for his leadership and contribution to the law school through extracurricular activities. While at Michigan he served as the Editor-in-Chief of the *Michigan Telecommunications and Technology Law Review* (now the *Michigan Technology Law Review*), and was a proud member of The Headnotes, Michigan Law's premier (and only) a cappella group. As a law student,

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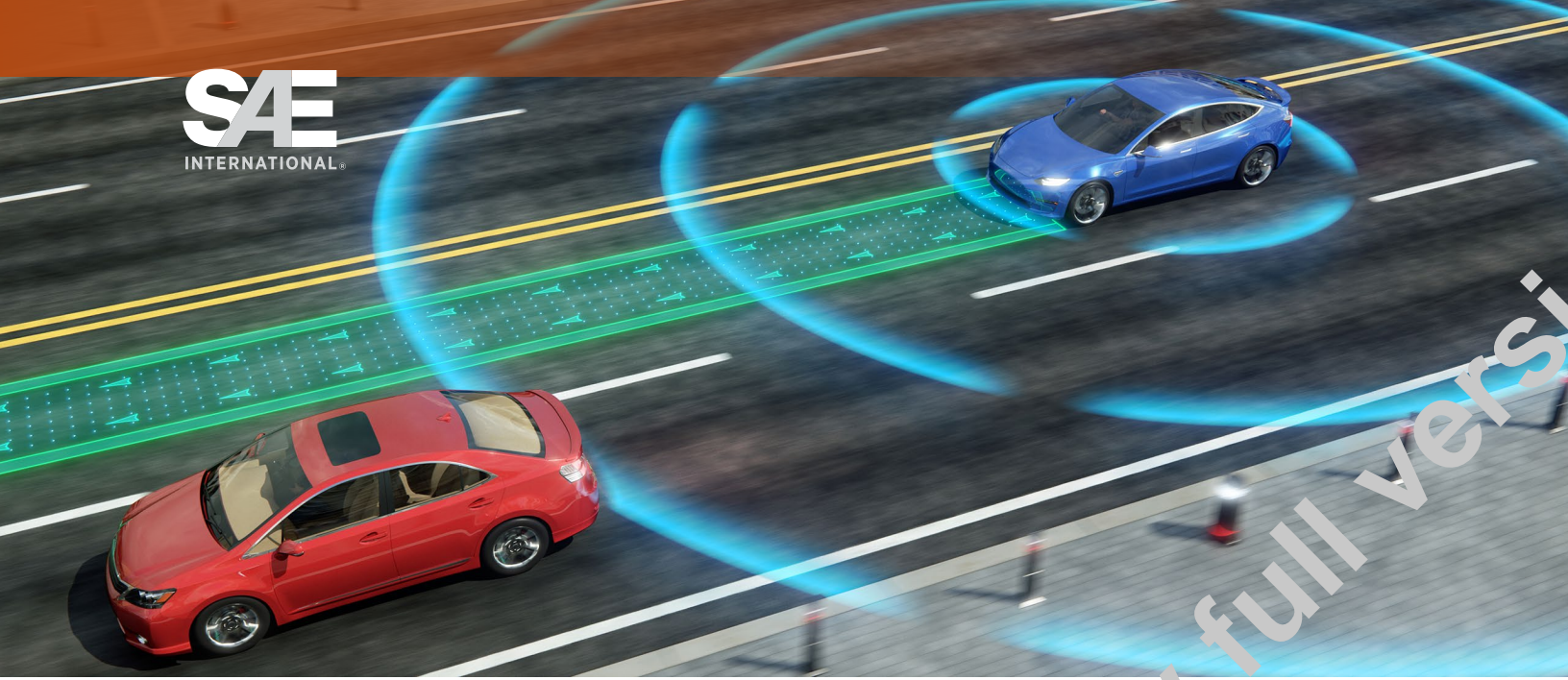
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# Unsettled Issues Facing Automated Vehicles and Insurance

## Abstract

This SAE EDGE Research Report explores how the deployment of automated vehicles (AVs) will affect the insurance industry and the principles of liability that underly the structure of insurance in the US. As we trade human drivers for suites of sensors and computers, who (or what) is responsible when there is a crash? The owner of the vehicle? The automaker that built the vehicle? The programmer that wrote the code? AVs are complicated machines, which in turn means that assigning liability for their failures can be a complex calculation. Insurers have over 100 years of experience and data covering human drivers, but with only a few years' worth of information on AVs (and only on experimental ones at that), how can they properly predict the true risks associated with their deployment? Likewise, without an understanding of the nature and risks of AVs, how can the government agencies that regulate the insurance industry provide proper oversight? Do the challenges AVs present require a total reworking of our insurance and liability systems, or can our current structures be adapted to fit them with minor modifications? How can insurance companies and AV developers work together to overcome these challenges and move toward a wider deployment of the technology while still preserving the core tenants of our current system—namely the proper assignment of liability and the equitable and efficient reimbursement of the injured? This report will explore a number of potential challenges and unsettled topics facing the insurance industry as AVs reach wider deployment and suggest potential solutions to them.

NOTE: SAE EDGE™ Research Reports are intended to identify and illuminate key issues in emerging, but still unsettled, technologies of interest to the mobility industry. The goal of SAE EDGE™ Research Reports is to stimulate discussion and work in the hope of promoting and speeding resolution of identified issues. SAE EDGE™ Research Reports are not intended to resolve the challenges they identify or close any topic to further scrutiny.

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