Insuring Autonomy
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AGENDA

Innovation & Technology

Current State of the Industry

Travelers Position: Insuring Autonomy
INSURANCE ENABLES INNOVATION

1969
TECHNOLOGY CONTINUES TO PROGRESS

Waymo’s Progress on AVs Seems Reminiscent of Wright Brothers’ Innovation

Daimler Starts Pilot Testing of Self-Driving Mercedes S-class Taxis

Lyft Is Another Step Closer to Driverless Ridesharing

Volkswagen Creates Autonomy Division for Self-Driving Cars

Real Autonomous Cars Hit The Road In Arizona
Miles Driven on Public Roads

2018

Company A: 2K
Company B: 132K
Company C: 353K

1,272K

Miles Per 1 Disengagement

2018

Company A: 150
Company B: 1,900
Company C: 11,100

Source: CA DMV

*Disengagement - any event where a human safety driver has to assume manual control of the vehicle in order to 1. intervene in the interest of safety, or 2. take control because the AV system has failed or disengaged on its own.
UNCERTAINTY IMPEDES PROGRESS

Barriers to Autonomy

- Vehicles need to be able to connect and communicate with other vehicles, roadways, pedestrians, and passengers
- Solutions to complexities like bad weather and unique road conditions
- Standardized regulations for vehicle safety
- Appropriate insurance mechanism to compensate drivers after a collision
- Roads, signs, and signals must be in appropriate condition
- Consumer acceptance of AVs and trustworthiness of the technology

Apple Co-Founder Gives Up On Self Driving Cars

Experts Say We’re Decades Away From Fully-Autonomous Cars

Three in Four Americans Remain Afraid of Fully Self-Driving Vehicles
PREDICTIONS VARY WIDELY

Multiple views on timing and impact on personal auto insurance

Note: High estimate represents a 3% CAGR on industry premiums; low estimate represents Deloitte’s estimate for total market. "Insurers confront the ‘when’ and ‘how’ of uneven transition as mobility preferences and capabilities evolve."
AUTONOMOUS VEHICLE LEGISLATION BY STATE

Provides important context as the technology progresses

Source: IIHS
Insuring Autonomy:
How auto insurance can adapt to changing risks
• The current auto insurance structure can and will serve society’s needs in an AV world

• It is the most effective way to compensate accident victims

• Owners should remain responsible for insurance, and sufficient limits should be available at the vehicle level

• Any AV legal or regulatory structure put forth must include insurance-specific policies

• Standardization of data governance and cybersecurity requirements must be addressed

• The insurance industry must be represented in policymaking and stakeholder forums
• Autonomy will progress
• Safety continues to be paramount
• Consumer education is critical for acceptance and adoption
• None of this will happen overnight
• Auto insurance will continue to play a central role

We have an opportunity to inform the dialogue in a changing environment
THANK YOU