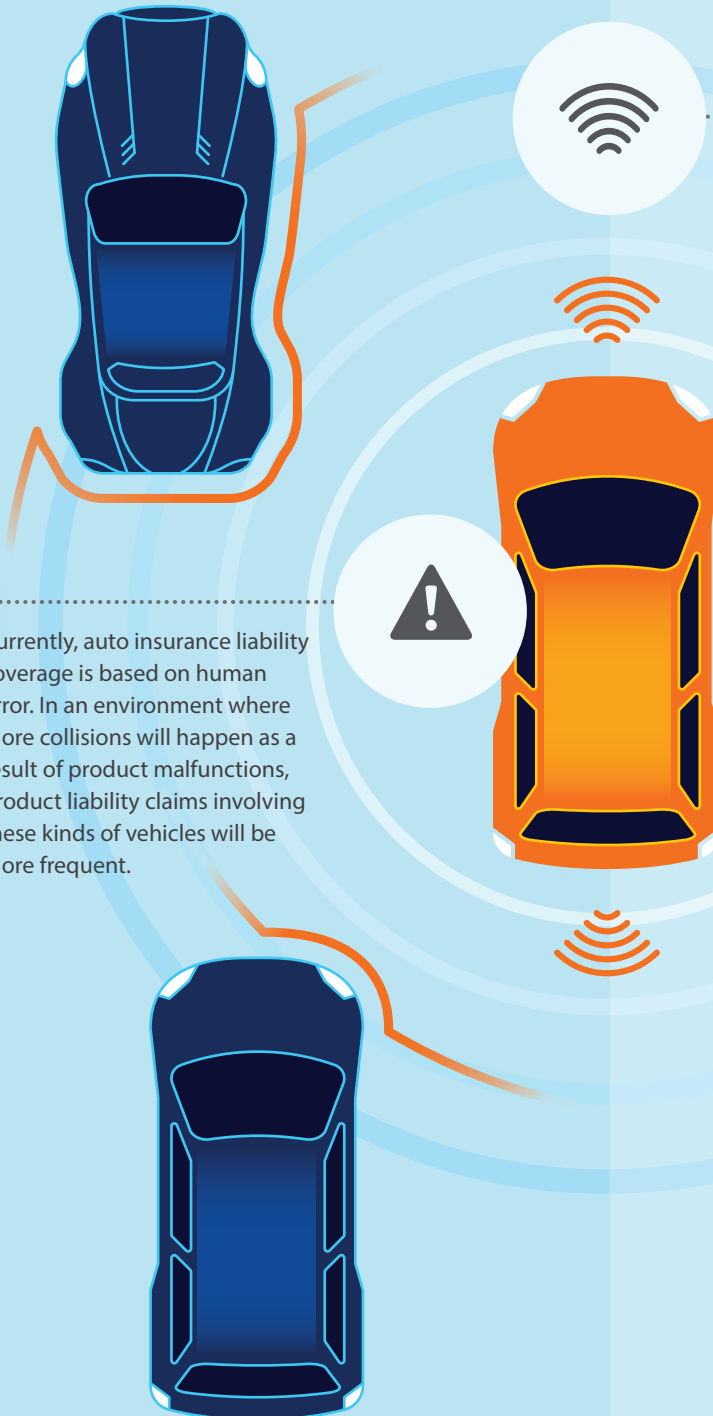


AUTO INSURANCE FOR AUTOMATED VEHICLES: PREPARING FOR THE FUTURE OF MOBILITY

Vehicles with fully automated capabilities are coming to Canada's roads and the current auto insurance and vehicle safety laws need to be updated to reflect this reality.



Several vehicle manufacturers expect to have automated vehicles available for purchase in the early 2020s.

Currently, auto insurance liability coverage is based on human error. In an environment where more collisions will happen as a result of product malfunctions, product liability claims involving these kinds of vehicles will be more frequent.

RECOMMENDATIONS FOR PREPARING FOR AUTOMATED VEHICLES:

- 1 Establish a single insurance policy covering driver negligence and the automated technology to facilitate liability claims.
- 2 Create a legislated data-sharing arrangement with vehicle manufacturers, owners and insurers to help determine the cause of the collision.
- 3 Update the federal vehicle safety standards with technology and cyber security standards.

Technology is evolving rapidly. With rapid change, comes risk. Government, regulators and insurers must work together to put appropriate auto insurance policies and legislation in place.