

# [Driverless Commercial Trucks Wait at the Intersection of Insurance](#)



Driverless commercial trucks are evolving much like their private-passenger counterparts. There are basically two paths. Vehicle manufacturers are either moving to near-autonomous vehicles practically whole cloth or are evolving trucks and cars piece by piece. Both approaches make sense for different markets.

The innovators expect the insurance industry to get on board. Insurers, however, are not exactly excited about covering unknown risks. My Leader's Edge article, [Coming to a Highway Near You](#), explores the intersection of commercial automated vehicles and the business of insuring them.

As the article explains, brokering insurance depends on which path the driverless vehicle is developing. Conventional trucks with some automation — whether fresh off the assembly line or installed aftermarket add ons — are covered by traditional commercial auto policies. The more advanced the technology, the fewer insurance company options are available.

Manufacturers and owners of more advanced autonomous trucks, some of which are practically driverless, are obtaining coverage through technology brokers. This represents a significant shift, where trucks are viewed through the lens of software more than grease and gears.

Another huge challenge is finding insurance companies willing to cover uncharted technology with their eyes half shut.

When I wrote my first driverless vehicle article [six years ago](#), the insurance industry identified concerns yet to be resolved. First, the safety of driverless cars was initially overhyped. The promise that driverless cars would eliminate about 90% of accidents was based on a study that had nothing to do with driverless vehicles. The actuarial community also showed the risks that driverless vehicles introduce, a reality that receives little attention. Manufacturers heretofore have been unwilling to share their data. This does not exactly build trust between the manufacturers and insurers expected to absorb mostly unquantifiable risk.

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Some insurance industry professionals raise concerns that if the insurance industry does not start covering semi or more fully commercial autonomous trucks, manufacturers will, in effect, [self-insure](#). It is already happening. And it is not just Tesla offering coverage to their California drivers.

Commercial trucking manufacturers are doing so as well. Then there is also the question of what insurance will look like as automation puts the burden of liability more on the manufacturer than the driver.

On a personal note, I believe automated commercial trucks and vehicles will continue appearing on American roads at a faster clip than private passenger vehicles. Unless there is a tax break or other financial incentive — or the United States economy rebounds rapidly — most Americans will find semi-autonomous vehicles difficult unaffordable in the near term. I discuss this in my well-received piece, [ADAS Go For a Ride](#).

My article explores these issues in more detail. Hopefully, it will inspire more dialogue between manufacturers and the insurance industry.

P.S. For more information, check out my award-winning piece, [Driverless Utopia](#).

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## [Baribeau Recognized for Actuarial Review Award](#)

Annamarie Geddes Baribeau was recognized June 25 for her thought-provoking editorial content published in [Actuarial Review](#). Her article, [Driverless Utopia](#), won an Excel Award by [Association Media & Publishing](#) (AM&P).



*There's no proof that driverless cars will be safer than mere human beings.*

Entered in competition by the [Casualty Actuarial Society](#) (CAS), the article was the cover story for the May-June 2018 issue of Actuarial Review. It was also the most viewed issue of the year on the

publication's website.

"Written by frequent contributor [Annmarie Geddes Baribeau](#), the article combines engaging graphic elements with thought-provoking editorial content to examine a world caught between available technology and public perception," according to a [CAS announcement](#).

Although the [bronze-awarded](#) article was published about a year ago, its relevance endures amid the push of driverless cars. The piece questions the all-too-common assumption that some 90% of accidents are caused by people. Baribeau's article also demonstrates that driverless cars are not proven to be safer and autonomous vehicles introduce new risks on the road. Her blog, [Driverless Cars Not Proven To Be Safer](#), offers a personal take on driverless cars.

"I thank the editor of Actuarial Review, Elizabeth Smith, and the Casualty Actuarial Society," Baribeau says. "It has been an honor to write the publication's cover stories." She is also grateful to the Association Media & Publishing, which serves the needs of association and nonprofit publishing teams. To read her latest articles about marijuana, commercial auto, climate change, cyber risk and security and more, please click [here](#). To see other articles and marketing samples, please contact [annmarie@insurancecommunicators.com](mailto:annmarie@insurancecommunicators.com).

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## [Driverless Cars Not Proven To Be Safer](#)

There is no proof that driverless cars will be safer than human drivers.

I found myself saying that aloud to a radio ad yesterday. In explaining his support for driverless car experimentation in Michigan, Governor Rick Snyder notes that 94% of accidents are caused by human error. The implied assumption is that driverless cars will be safer.



*There's no proof that driverless cars will be safer than mere human beings.*

That statistic bandied about by driverless car advocates has nothing to do with automated vehicle safety. It derives from 2005 to 2007 data in a study released a decade ago – *before* driverless cars were “a thing.”

This is just one of the critical issues concerning driverless cars I discuss in my most recent article, [Driverless Utopia](#). Besides delving into driverless car safety, the piece also cites new risks driverless cars can introduce, such as vehicular hackability as well as liability issues. As the cover story for the May/June issue of the [Casualty Actuarial Society's Actuarial Review](#), it offers the critical perspective of actuaries. Their rubber-hits-the-road view deserves more attention because actuaries anticipate risk potential when determining insurance rates.

Actuaries who looked into the 93% statistic, which is based on a 2008 National Highway Traffic Safety Administration (NHTSA) study, conclude that 78% of accidents – *not* 93% — are due to human



error. The article dives into the actuarial analysis even more.

## Driverless Reality

We don't know how safe driverless cars are — for several reasons. These are:

- **There is no national clearinghouse tracking data regarding driverless car safety.** Basic information, such as fatalities and accidents related to automated technology, is not publically available in one place. Actuaries want driverless car manufacturers to share data so insurers can anticipate the risk insurers cover. That is not happening.
- **The lack of apples-to-apples comparisons between driverless cars and human-driven conventional vehicles in similar scenarios.** Existing research considers different issues. And the conclusions vary. Further, driverless car experiments are taking place in near perfect driving conditions where accidents are less likely anyway. Also, since automated cars cannot handle inclement weather or a quick Bambi crossing, imperfect humans who take the wheel can still be at fault.
- **The pass off risk between automated systems and human drivers is huge for determining safety and liability.** That point of transition, when automated vehicular technology senses danger and mere humans have to take control is fraught with problems. The first automated vehicle technology fatality in the United States took place in 2016 when a Tesla hit a truck moving across a highway. It appears the driver did not take control of the vehicle soon enough. Getting to the why not only reveals the complexity of fault but the difficulty in determining it. The National Transportation Safety Board and NHTSA conducted separate investigations. One emphasized that the technology did not alert the driver in time. The other stressed that the driver was not responsive enough. (See [my article](#) for more details.) (A similar fatality took place last month in [California](#).) [A fatality in March](#) reportedly occurred because the Uber-affiliated car did not detect the female pedestrian walking at night in Tempe, Arizona. It also appears the back-up driver was distracted. Still under investigation, the video is available [here](#). (Warning: it's quite graphic.)
- **Driverless cars might decide who dies.** [One study](#) shows the cars favor saving younger people rather than the elderly.

Finally, as [my first driverless car article](#) notes, if driverless cars are safer than human drivers, it is likely because the car will be programmed to follow traffic laws - to the letter. Lower the speed and the accidents decline, even when people are driving.

## Parting Thoughts

I'm not against driverless cars. However, I am troubled by rhetoric that presumes driverless cars will be safer without sufficient proof. The logic that driverless cars will be safer because human error is the primary cause of accidents is faulty and misleading.

The safety issue might not matter anyway. In the next 10 to 15 years, I believe the average consumer will be depending on taxi-like automated vehicles, figuring that cars are risky no matter who - or what - is driving them.

And since the cars will be in a constant state of technological improvement for at least the next couple decades, they will be too costly for average consumers to own, insure, maintain and repair. Already, minor fixes, such as replacing a driver's side mirror, cost more than the typical \$500 insurance deductible due to all the connecting sensors.

My hope is Americans and public policy makers will demand greater transparency from technology companies. Automated vehicle technology is just one more area where consumers should know more.