

Insuring Autonomy

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AGENDA

Innovation
&
Technology



Current State
of the
Industry



Travelers
Position:
Insuring
Autonomy



INSURANCE ENABLES INNOVATION



1889



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**

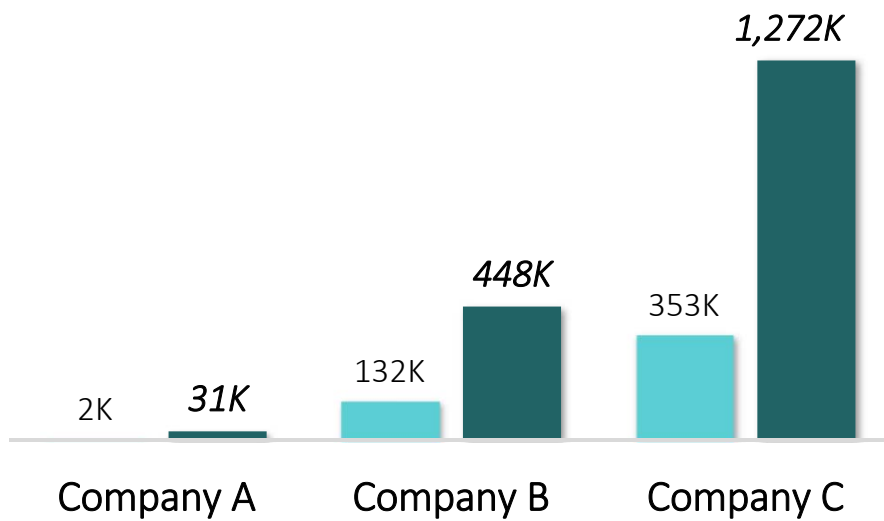
**Volkswagon Creates Autonomy
Division for Self-Driving Cars**

**Real Autonomous Cars
Hit The Road In Arizona**



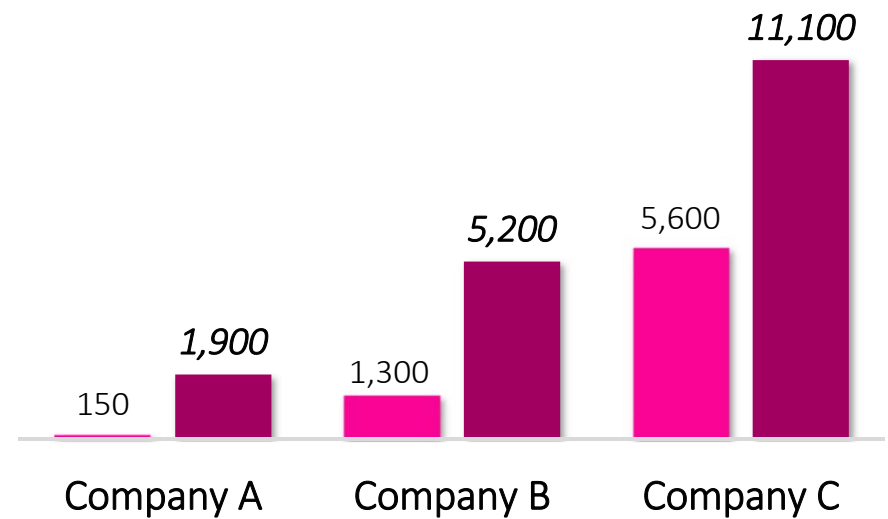
Miles Driven on Public Roads

2018



Miles Per 1 Disengagement

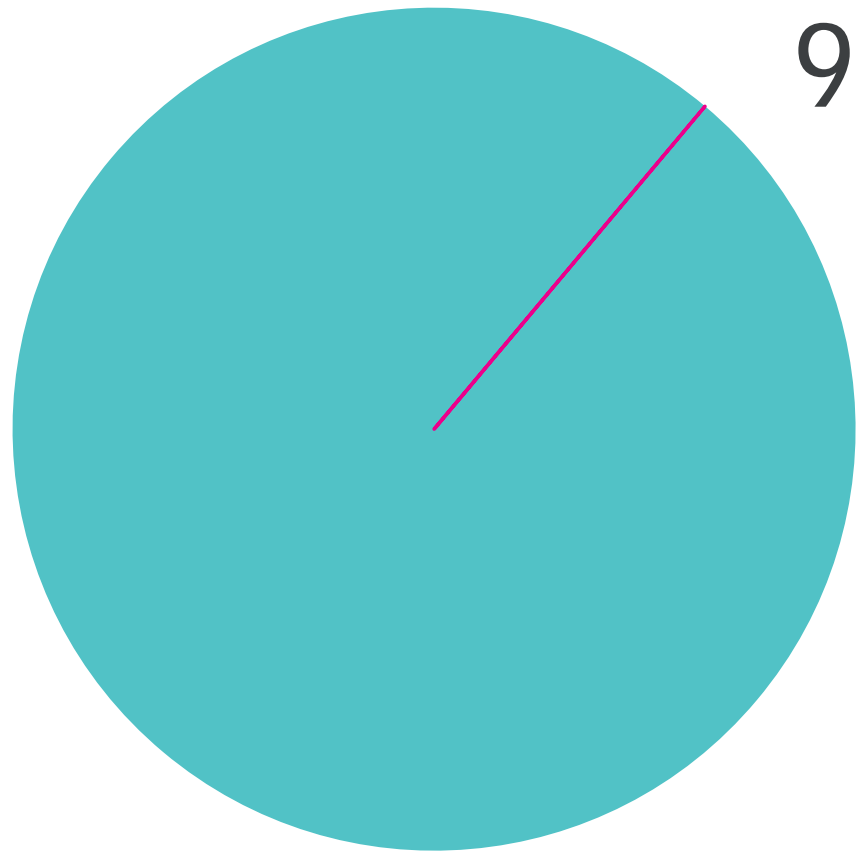
2018



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.



350,200,000,000,000,000



99.9995%

Source: CA DMV, US FHWA





7x

Source: CA DMV, US FHWA



UNCERTAINTY IMPEDES PROGRESS

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

Barriers to Autonomy



Connectivity & Communication

- Vehicles need to be able to connect and communicate with other vehicles, roadways, pedestrians, and passengers

Technology

- Solutions to complexities like bad weather and unique road conditions

Regulation

- Standardized regulations for vehicle safety
- Appropriate insurance mechanism to compensate drivers after a collision

Infrastructure

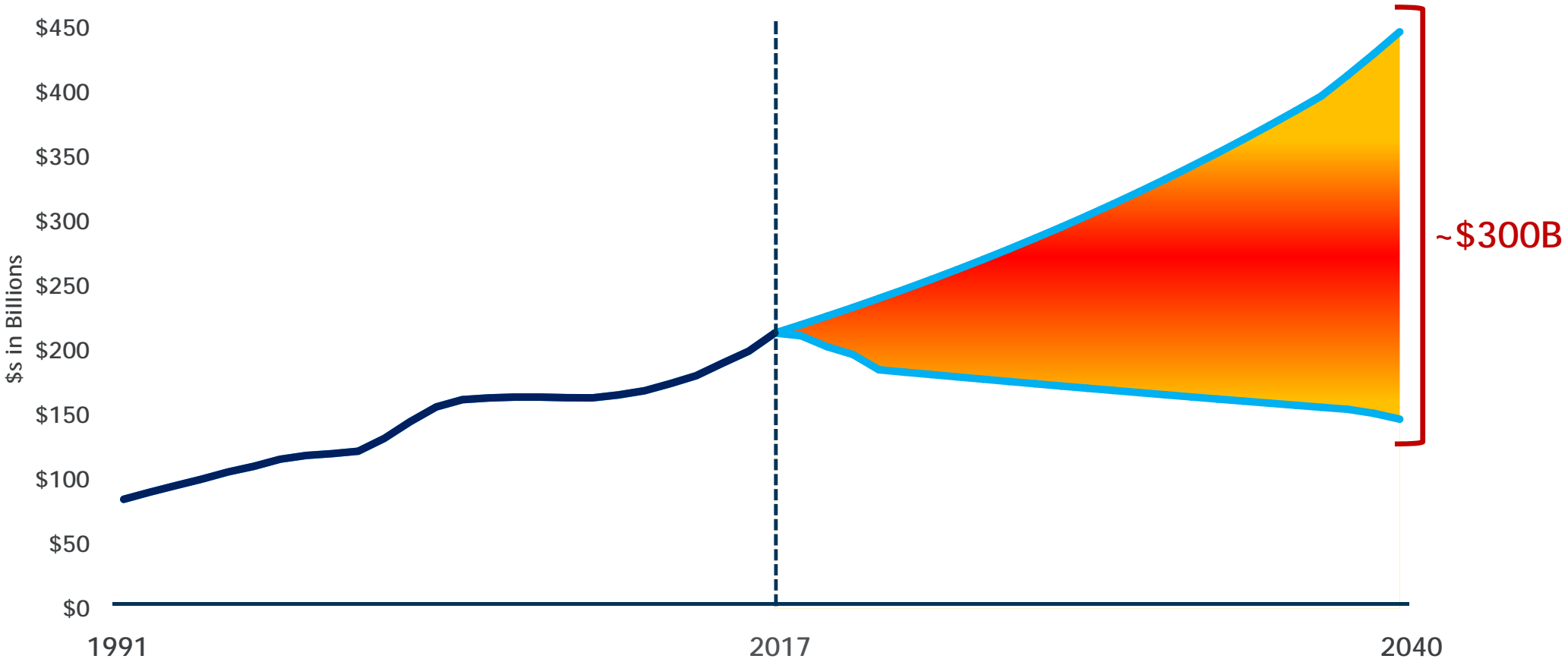
- Roads, signs, and signals must be in appropriate condition

Consumer Receptivity

- Consumer acceptance of AVs and trustworthiness of the technology



PREDICTIONS VARY WIDELY

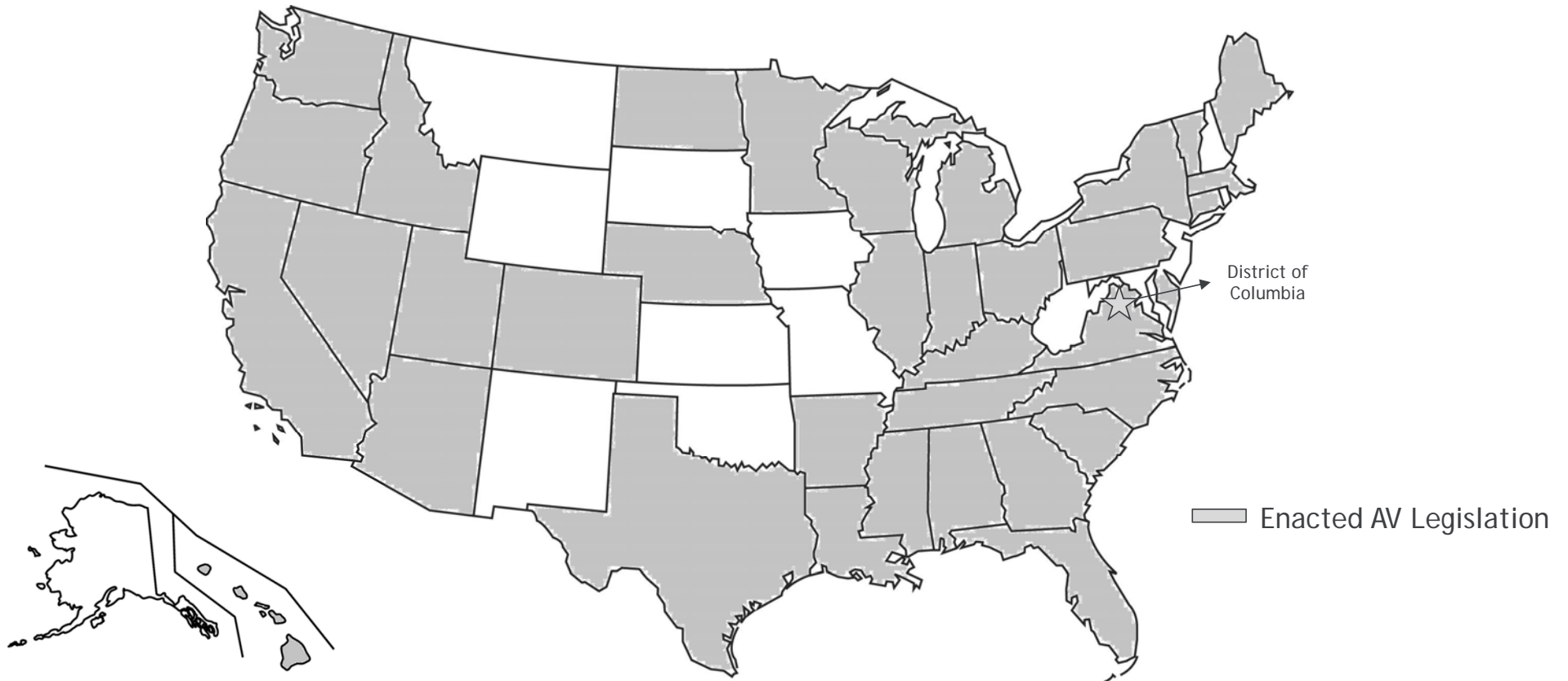


Multiple views on timing and impact on personal auto insurance

Note: High estimate represents a 3% CAGR on industry premiums; low estimate represents Deloitte's estimate for total market (Deloitte, CloserLook, "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



Insuring Autonomy:
How auto insurance can adapt to changing risks



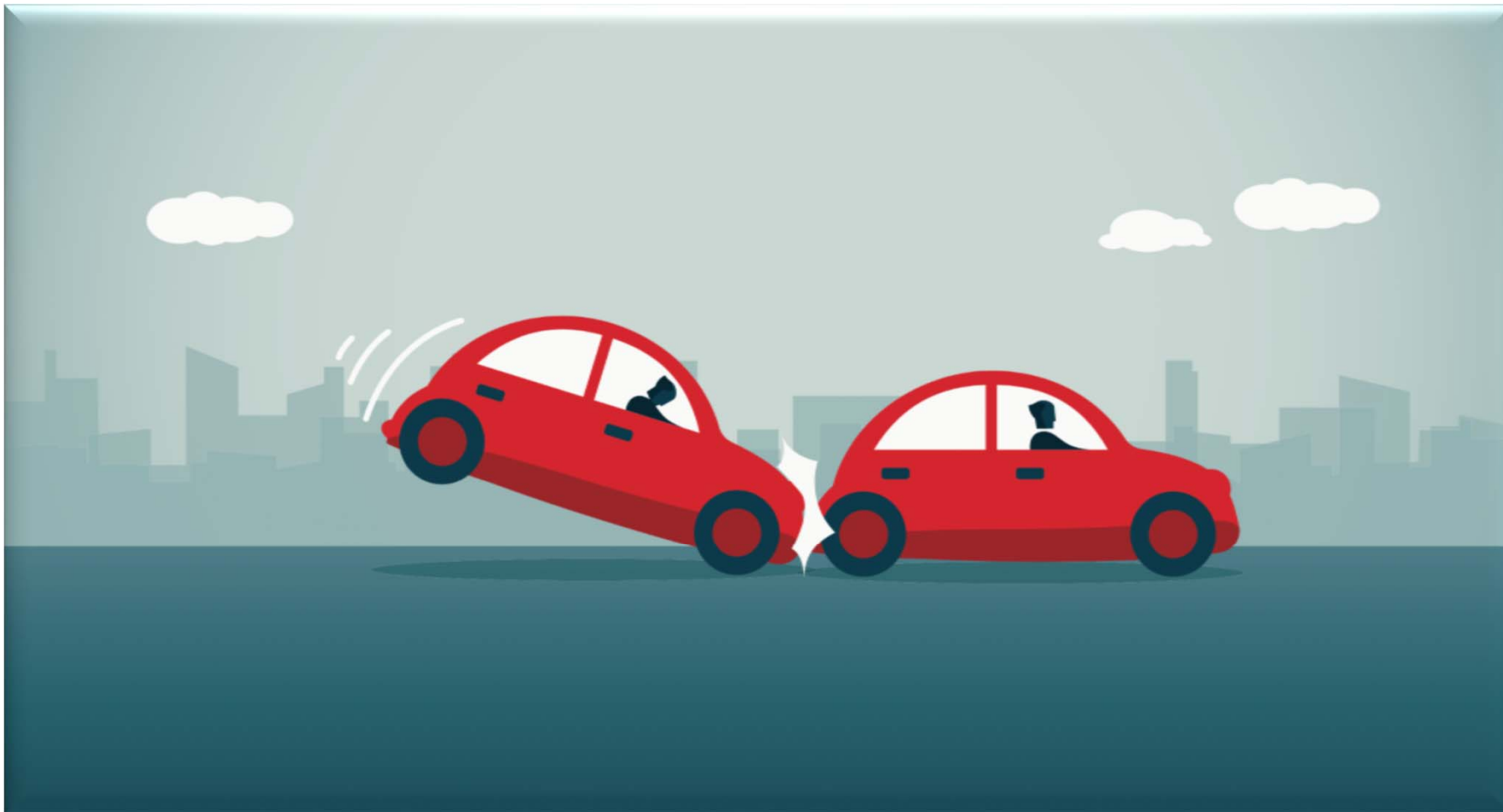


Insuring Autonomy:

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

