



12 December 2018

National Transport Commission
Level 3/600 Bourke Street
Melbourne VIC 3000

To the National Transport Commission:

Motor Accident Injury Insurance and Automated Vehicles – Discussion Paper

The NRMA supports the consideration of a future prudential framework to regulate liability and capital requirements for automated vehicle insurance.

As technology progresses, insurance will continue to play a pivotal role in helping individuals protect the things they value. For the foreseeable future, where a mixed fleet of automated, semi-automated and non-automated vehicles are on the road together, injuries and damage will continue to occur.

While insurance will remain key to protecting people, such profound anticipated change in road transport will demand that insurance adapts and evolves as the fleet does to meet shifting needs.

Victims of personal injury caused by motor accidents should not be worse off as a consequence of a vehicle being driven by an automated driving system. Future compensation schemes for personal injury arising from a mixed fleet, including different levels of automated driving systems, should be appropriately funded by the parties responsible.

Due to dispersed liability in a connected and automated vehicle future, insurance premiums for individual consumers should be comparatively lower than that of today. While it is appropriate for vehicle owners to fund a scheme for injuries arising from the fault of drivers in the current environment, there are further considerations for a scheme involving complex liability issues, including where the fault lies solely with the vehicle manufacture or other party.

As part of the coordination effort to transition to connected and automated vehicles in Australia, the NRMA submits that liability and capital issues should be explored with the aim of creating an appropriate compensation framework for the future that fully considers connectivity and automation, the regulatory framework, and how best to incentivise all actors to appropriately manage risk.

With the NRMA taking a leadership role on behalf of Members in supporting the mass introduction of connected and automated vehicles in Australia, a number of research and policy papers have been released to progress discussion and bring forward appropriate regulation.

I am pleased to include *Transforming Mobility* for the Commission's information and consideration given its applicable areas of investigation.

In addition to substantive research and policy work, the NRMA joined the NSW Government, HMI Technologies, Telstra, IAG and the Sydney Olympic Park Authority in August 2017 to launch the very first automated shuttle trial in NSW. This followed the NRMA's successful campaign for the establishment of automated vehicle trialling legislation in NSW.



The NRMA believes that a greater number of connected and automated shuttle and vehicle trials will benefit industry knowledge by introducing further learnings, including those that relate to the interaction of automated driving systems and human drivers.

The NRMA thanks the National Transport Commission for the opportunity to comment on the discussion paper.

Should any further information be required, please do not hesitate to contact NRMA Senior Policy and Public Affairs Advisor Robert Giltinan on (02) 9276 7214 or Robert.Giltinan@mynrma.com.au.

Yours faithfully,

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a horizontal line extending to the right.

RACHEL WISEMAN
Chief Investment Officer