



# **Co-operative Vehicle Infrastructure System: An Insurer's Perspective**

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**DEPN Topic 6 – Risks and Liability**





# Introduction

Thomas Miller:

- Manages mutual insurance companies (Clubs)
- Is not an insurance company nor an insurance broker
- Has strong links into the insurance and reinsurance markets





## **Thomas Miller's Role within CVIS**

- Leads DEPN Topic 6 – Risks and Liability
- Has run risk brainstorming sessions with the CVIS application sub-projects
- Researches the legal liability exposure of the CVIS Actors
- Considers legal solutions to minimise Actors' legal liability exposure
- Researches the benefits of risk sharing pools, ADR and the development of a "Without Prejudice" Restoration Fund





# Insurance-related EU Research

- RESPONSE 2 and RESPONSE 3
- ADVISORS
- AWAKE
- STARDUST
- CVIS
- SAFESPOT



# Relevance of Insurance (1)

- Transfer of risk and its financial consequences
- Provides cover for a wide range of risks, including liability exposure
- Potentially important facilitator for deployment
- Insurers could promote safety-enhancing technology (e.g. from providing a mechanism for the protection of financial investments to reducing car insurance premiums)





## Relevance of Insurance (2)

- Norwich Union
- Advanced Driver Assistance Systems
- Co-operative Vehicle Infrastructure Systems



## Who are the insurable parties?

- Those investing in the project (e.g. banks)
- Those involved in the construction (e.g. builders, engineers)
- The system manufacturers (e.g. for liabilities towards third parties or business interruption insurance)
- Operators and owners (e.g. for property, business interruption and liability policies)
- The end user: the driver (installing the system in his vehicle may reduce his insurance premium)





# Important Issues for Insurers

## (1)

- How will the system benefit insurers?
- Will the system work? Does it have a proven record?
- Are the technical linkages and responsibilities to reduce the technical and legal complexity transparent?
- Who “owns” the risks? The legal framework must be clear so insurers can locate and quantify exposures.







# **Important Issues for Insurers**

## **(2)**

- What contractual alignments are in place as between participating Actors?
- What is the position of the Public Sector?
- Is data certifying high user acceptance available?
- What will it cost to put the system right if it does not work in whole or in part?
- What types of insurance might be needed and are they available?





## **Important Issues for Insurers (3)**

- What are the consequences of the system going down, in whole or in part? (e.g. if insurers have reduced car insurance premiums for vehicle owners but the system is not operating for a week, who will compensate insurers?)





# **Important Issues for Insurers (4)**

- Have pre-agreed investigative processes been developed which can be deployed in the event of any significant system failure (a probable pre-requisite for a well-structured insurance response)?





# **Important Issues for Insurers (5)**

- Are agreed claims protocols in place?
- What are the legal liabilities of the different parties involved?
- Where is the scientific/statistical evidence of safety benefits?
- How can we integrate the new policy into our system?





## Conclusions

- Insurers are vital and major facilitators in the deployment of CVIS as they are in any project of this scale
- Insurers' interest must be captured by illustrating the benefits to them
- Maintain dialogue with insurers through brokers
- Ensure that issues of importance to insurers are addressed within the ambit of the CVIS project



**Thank you for your attention**

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