

Driverless cars are coming. When, we don't know for sure but there is no doubt that at some point in the future, most all vehicles on the road will drive themselves and we humans will all become passengers on our highways. There will be some huge benefits from this change once we have migrated fully to the driverless car. Traffic jams should occur less frequently, accident rates will go down, fuel economy will increase, auto insurance rates will go so low as to nearly disappear, and you can say goodbye to that annoying creature known as the back seat driver. But before we can get to this point, our society will have to solve some very sticky legal liability issues.

It is very possible that the technology hurdles that need to be jumped in order for our highways to incorporate driverless cars will be a distant memory before we have solved the liability issues on our roadways. This legal maize may be the chokepoint that delays the future of the driverless highways in America. This is because when you remove the driver from the equation regarding the cause of an accident, you open the door to so many different parties that the uncertain liability exposure could stop the very driverless industry in its tracks. Do you blame the technology designer, the parts manufacturer, the highway system, the auto manufacturer or the car owner or someone else?

At this time, several states are working through these difficult issues independently. Arizona has considered and weighed bills regarding driverless car liability but at this time has put no laws on the books. Last year, California passed a law that directed its State Department of Motor Vehicles to come up with rules by 2015. Florida passed a similar law giving its DMV until 2014 to come up with rules.

The state that has gone the furthest so far in this process is Nevada, which developed a 22 page section of rules that govern driverless vehicles and which licensed Google, Audi and auto parts maker Continental AG to test them on public roads. So far, Nevada doesn't allow self-driving cars for anything but testing. These vehicles must first go through 10,000 hours on closed tracks and the tester has to put up a \$1 million bond to cover any potential liability.

Of course it is difficult to make rules about driverless cars and their potential liability when in fact we don't have them on the road yet. It becomes a bit of a chicken and egg question as there are many issues that will need to be addressed which we don't understand yet simply because we don't have the cars now to help us determine exactly what those future issues might be. But the heavy hand of the auto manufacturers is already deep in the process. Their fear is that if they are stuck with all liabilities from any and all accidents, then the driverless car revolution will

never happen. The Alliance of Automobile Manufacturers was able to work in a provision in the Florida bill which exempts the auto manufacturer from liability if injuries result from a modification of a self-driving vehicle.

In truth, there is great risk in having our states develop a patchwork of different laws. In the end, one overreaching federal law will probably better serve us so that manufacturers and driverless car owners as well as insurance companies can all know that they are working with the same sets of rules in every state. At this time the federal government has been relatively quiet on this topic but with the states beginning to show activity, it is probably only a matter of time before this becomes a national issue that the federal government will address.

Driverless cars should ultimately mean lower car insurance rates for most all consumers. But until that time comes, you need all the help that you can get. Give us a call, toll free, at 877-687-7557 if you would like help in reducing your auto insurance costs.