

**Governor Walker's Steering Committee  
on Autonomous and Connected Vehicle Testing and Deployment**

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**MINUTES**

Meeting #5  
February 28, 2018  
9:00 am – 12:00 noon  
Wisconsin State Capitol  
Room 412 East  
Madison, WI

1. Secretary Ross called the meeting to order at 9:14 a.m. Brad Basten, staff to the committee, called the roll. (attendance list is provided at the end of these minutes)
2. Senator Risser moved to approve the minutes from the January 17th meeting, seconded by Mr. Mellon. The committee approved the motion.
3. Secretary Ross announced that the committee will have a new member, Senator Chris Kapenga, who will be replacing Senator Frank Lasee.
  - a) Additional information on self-driving cars and bicycles was handed out by Senator Risser. Handout will be posted to the committee website.
  - b) Secretary Ross indicated that due to last minute scheduling conflicts, Steve Boyd from Peloton will not be able to present today.
  - c) Rep. Neylon: AB824 and SB695 has passed the house and senate. SB695 is expected to be signed into law. Bill will eliminate following distance requirement for electronically connected trucks.
  - d) Steve Caya reminded the group that parts of these new technologies are being released into public now, e.g., GM Super Cruise in the Cadillac CT6.
  - e) Sec. Ross: We have 4 meetings left. If you have any special requests for speakers, please bring those to Brad Basten.

**4. Presentations**

*Insurance and Connected and Autonomous Vehicle technology*  
Allie McGuire-Korte, American Family's Strategy Department  
American Family Insurance Company, Madison, WI

Intro: There will be disruption to insurance business models and opportunities for innovation. AV features and ride sharing services are changing insurance in several ways, initially in urban areas. AV will increase number of miles being driven. Distracted driving has been increasing but should decline with AV adoption. Highway Loss Data Institute has indicated that various features are reducing accidents. Insurers will need access to testing data that is currently

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being created because there is little historical info available to set rates as AV features are available on new vehicles.

It will be difficult to set rates as much of this technology are optional features when a car is purchased so it is hard to know which cars have these features. Additionally, it is difficult to know how much these features will be used. i.e. Lane Departure is turned off about 40-60% of the time. Front Crash Avoidance assist is one of the mostly widely used features but difficult to predict usage.

Human error is responsible for approximately 94% of accidents. As AVs are more widely adopted, liability will shift to product liability.

Who is liable? Some manufacturers will accept liability if in autonomous mode. Questions remain about what happens when a feature is engaged in bad conditions or where it is not approved. What if the owner has deferred certain maintenance? How much time is needed to engage driver to resume full control of the vehicle? How does this affect driver vs product liability?

Insurers estimate they will need data collection 30 seconds before and 10 seconds after an accident to help assess claims; time of day, location, steering angle, car direction, occupant info, take control message data, V2V, and V2I info. Statement from car needed in addition to statement from driver after accident.

Opportunity for innovation due to tech changes, i.e. Care by Volvo insurance contract, maintenance and concierge service, also "InsureMyTesla" and "BOOK by Cadillac". Comprehensive insurance will still be needed for theft and acts of nature. There could be policies where a person is a member of fleet insurance or cover them no matter how they are being transported. May include coverage for valuable objects or pet if transported by AV.

a. **Lewandowski:** Will products like Care by Volvo bundle be sustainable? Will auto makers be partners in insurance?

**McGuire-Korte:** Industry will be monitoring Volvo's success. Partnering is complex and hard to estimate how companies will partner. Insurance is regulated state by state so solutions will be varied.

**Lewandowski:** What about adding plug in monitor device and giving rebate for good driving? **McGuire-Korte:** Rebating not done today. User based insurance programs like Progressive, monitored for 6 months then give a discount. **Lewandowski:** Laws might be restricting this model? **McGuire-Korte:** I think so. Will follow up. [Answer: [On the topic of whether, or not, it would be possible to charge people for insurance at the beginning of the policy and then return premiums for safe driving behavior, I was reminded about a company called Metromile that I would like to mention. While they don't do quite that, they do](#)

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- f. **Neitzel to Drager:** What data do you collect now? **Drager:** From commercial motor vehicles (CMV) we can get data recorder info but it can vary greatly by model and year; speeds, gear, braking on/off or % braking, %throttle, steering angle, may or may not have this data. Might get 5 or 2.5 sec of data before accident. To get data, we need owners consent or warrant (based on criminal charges). Currently have 15 people in the state who can download vehicle data and a few counties. We still need a person to interpret data and will need to train a lot of people. **Ross:** We sell crash data to insurance companies and traffic data, always looking to improve transfer of this data to be more useful as it can provide revenue for the state.
- g. **Kuglitsch:** Mission to identify registration, insurance issues. In an AV accident who is responsible? Is an accident the responsibility of fleet owner or operator? **McGuire-Korte:** Looking at parallels of other modes. i.e. taking bus or train I take no responsibility for accident. However, if I am responsible for any operation of the vehicle, we need to look at that. May look similar to a non-owner operator like Zip Car combo policy which covers a regular user but non-owner. **Kuglitsch:** In AZ there are AV on road now. What changes if hit by AV now? **McGuire-Korte:** Some states are requiring by law, a company to hold \$1 mill to \$5 mill to be available to test. Now, during testing there is a clear owner. Unclear in future with owner deployment. **Kuglitsch:** So if we allow testing insurance would be covered by testing company. **McGuire-Korte:** Yes
- h. **Lewandowski:** Zip Car, liability of owner vs non-maintained fleet vehicle? **McGuire-Korte:** If "fleet maintained" like a rental, driver would not have liability for mechanical/software failure.
- i. **Vandeloo:** What are the total costs resulting from collision mitigation vs. additional sensor cost and the impact on claims? **McGuire-Korte:** Numbers not fully in for sensor cost. <Refers to slide 3 on lower collision on assistive vehicles. Shows 9% reduction in property damage loss costs> **Vandeloo:** Significant reduction at Schneider. Is this only on these vehicles? **McGuire-Korte:** Highway Loss Data Institute was able to examine each vehicle to see if it had that feature. For American Family, we need asked about each vehicle. Possibly can buy lists with features present. Right now VIN cannot include all features equipped on vehicle. **Vandeloo:** What about driver falling asleep? **McGuire-Korte:** Will share research. **Vandeloo:** Schneider has seen a 60% frequency reduction in rear collisions and 90% lower cost per incident due to Collision Mitigation Assistance. Tesla also expect lower costs. Slides under represents savings by their experience. **Kuglitsch:** Future for insurance for connected or autonomous vehicles? Are there existing state statutes needed to change for new products? **McGuire-**

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**Korte:** Will follow up. [Answer: I have been asking around at AmFam if anyone feels there are any specific statutes that need to be modified as we think about insuring the future of automated vehicles, but so far no one has had anything specific. I will continue to ask and let you know if anything changes. ]

- j. **Mellon:** Concerns about ownership of data by the fleet? If owned by Waymo are Digital Millennium Copyright Act laws violated by getting data? If the owner is a legal corporate entity, are there issues with personal privacy?

**McGuire-Korte:** We understand privacy and data issues must be addressed to adjust claims

- k. **Mellon:** Insurance will increase due to higher usage by disadvantaged groups and extra trips? **McGuire-Korte:** Yes, between now and full adoption, where costs will be much lower overall.

### 5. **Reaction and discussion**

**Sec. Ross:** Reminder that we have space for additional speakers in the remaining future meetings.

### 6. **Final report:**

Will have a working group work with legislators Neylon and Kuglitsch to produce a rough draft for committee review and comments, and to help plan how to use remaining meetings for input on report and additional speakers. Key concern is that we are positioned to accommodate this technology in the state.

**Ross:** Hope to get Peloton rescheduled as they have an interesting presentation.

**Caya:** Addressing the outreach part of the committee mission, March 20, 9 a.m. AmFam, GTiMA, Wisconsin Proving Grounds event brings together discussions regarding current status of this technology. Go to [wiscav.org](http://wiscav.org) for info.

**Lewandowski:** Reviewed the goals listed in E.O. 245. Need to address these points.

**Neylon:** All points are essential. But struggling with designating roads/corridors. Have discussed through fed route. Do we need to ID acceptable roads or restrict roads?

**Ross:** In the WisDOT INFRA grant to USDOT it addresses an AV truck route, from Milw to IL, and Mitchell to the core of the Foxconn project in application. This is for attracting federal \$, but not a certified corridor.

**Cyra:** Advocate for openness to be able to test in variety of conditions. Otherwise would limit testing.

**Kuglitsch:** Be flexible. Every study currently is geofenced and exists with municipal agreements. May need this that other testing areas have in place.

**Lewandowski:** There may be a case where we "don't want it here" due to special situation.

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**Schrader:** Uber wants to map where people want to go. Not seeking designated roads. Want to do business in WI. Pittsburgh is an open area for testing everywhere.

**Drager:** May want to limit certain high-risk areas temporarily instead of ID allowed areas.

**Neylon:** Who could grant restrictions? Political subdivisions? How to opt out or in? Willing to advocate against restrictions at local level.

**Caya:** Manufactures are looking for testing areas. They want clear signals not ambiguous definition. Open to discussing how to attract testing.

**7. Next steps**

- a. Tentative agenda items for March 28, 2018

**Adjourned at 10:17**

MEMBERS ATTENDING

Steven Caya

Steven Cyra

Trooper Tracy Drager

Representative Jason Fields

Kathy Heady (for Mark Hogan)

Representative Mike Kuglitsch

Jeff Lewandowski

Ric Mellon

Sheriff Steven Michek

Will Neitzel

Representative Adam Neylon

Elizabeth Hizmi (for Commissioner Ted Nickel)

Dr. David Noyce

Peter Rafferty

Senator Fred Risser

Secretary Dave Ross, Chair, ex officio

Lisa Schrader

Chris Snyder

Jacob VandeLoo

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