Insuring mobility — today and tomorrow

LIABILITY

Light electric vehicles

A wide range of light electric vehicles, such as electric bicycles, segways and electric scooters, have recently taken over some European cities. They can bring great benefits, such as being more affordable and usually more eco-friendly than other vehicles, and they occupy less space on the roads.

However, they also raise questions. One relates to liability for accidents and whether motor third-party liability (MTPL) insurance should be mandatory for such vehicles. Extending the compulsory MTPL insurance system to them seems disproportionate, since they are more akin to bicycles.

The decision on whether to apply compulsory MTPL insurance at EU level to such vehicles should be based on existing type approval rules: compulsory insurance should only apply to those vehicles that can exceed 25 km/h.

Automated vehicles

Liability and insurance are also issues at the heart of the debate around automated vehicles. While these vehicles are expected to make roads safer in the long run, accidents will still happen, especially where both automated and non-automated vehicles share the same space, which will be the situation for many years to come. Here, compulsory insurance is indeed needed, in the same way as it is for traditional vehicles.

There is already a solid regulatory framework in place at European level: the Motor Insurance Directive (MID), complemented by the Product Liability Directive (PLD). The MID obliges a vehicle driver/owner to be insured and guarantees the victim of an accident compensation, even if the driver at fault is uninsured or unidentified, thanks to the existence of motor guarantee funds. The PLD can also play a role, as it establishes strict liability for the manufacturer where it is shown that a defect in a product caused damage.

The existing regulatory framework works well for the vehicles currently on the roads and will work just as well in the future for victims of road traffic accidents involving an automated vehicle. It should therefore be preserved.

DATA

Automated vehicles

For insurers to carry out their core function of providing compensation, they need to have access to any relevant data generated by the vehicles involved before, during and after an accident or incident has occurred. This enables insurers to understand what went wrong and apportion liability correctly.

Furthermore, access to the data from automated vehicles will also help insurers to better understand the risks they present and to insure them accordingly. Indeed, data is even more important to insurers when assessing new risks for which there is little or no historical data.

Connected vehicles

Data is also relevant to connected vehicles. Indeed, the amount of data generated by modern vehicles will only increase in the years to come, creating opportunities for drivers to access a wide range of innovative products and services. These can include insurance specifically tailored to driving style or frequency ("pay how you drive" and "pay as you drive" policies) or that incentivises better driving, notably through driver feedback and/or coaching. This creates not only potential savings for consumers, but also benefits for society as a whole, through improved road safety.

Access to a vehicle's data can also improve insurers' claims-handling, enabling a speedier response after an incident and a faster decision on the claim. The data also allows insurers to provide sophisticated claims-related services, such as theft notification, stolen vehicle recovery and advanced breakdown assistance. However, some safeguards are necessary at EU level in order to ensure consumers — and society more generally — make the most of the opportunities arising from these technological developments.

Drivers must remain in control of their vehicle data and be free to share it with the service providers of their choice, without having to go through the vehicle manufacturer. This can only be achieved through EU regulatory intervention.

Such action should also be sufficiently flexible to allow for future technological innovation. Indeed, such innovation may not only result in new types of data becoming available, but also in existing data becoming available in new formats and/or at new frequencies. This would, in turn, allow insurers to continue developing new applications and services, while stimulating competition and improving consumer choice.

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