9th Allianz Motor Day

9th Allianz Motor Day "Automated driving becomes reality". September 22nd, 2021 at the Allianz Center for Technology

Speech Klaus Peter Röhler

Ladies and gentlemen, dear representatives of the press,

Today we are entering the next level of automated and driverless driving. This brings enormous transformation for the European economy, for the European states as well as for the people. And the current decade in particular will be decisive for further success. Today we can only guess what cars will look like in ten years' time and which mobility offers will prevail. However, all experts agree that in the future, vehicles will be differentiated by their functions and no longer by their motorization. New business models are just emerging that will offer new products and services on demand.

And it will become clear who has been best at solving the issue of sustainability with a profitable growth story.

At this year’s IAA Mobility we have seen the current status and progress in automation from a variety of vehicle manufacturers. It has shown to me that the strategy of the European manufacturers, after following a path of reduced complexity, now moving to more and more complex use cases, can well be a great success story.

Ladies and gentlemen, it is the task of an insurance company to make the future of our customers safe. Today, we would like to show you where we are already making contributions to the safe introduction of autonomous driving, but also where we still want to help shape it and which legal and technical framework conditions are needed for this.

We must not focus only on one country – we have to take a European view of driving with automated and autonomous vehicles. In the future, customers will use these vehicles to travel to other countries and cross national borders. To put it simple, we need to make our roads and rules fit for automated vehicles across Europe. Therefore, we see the need for European harmonization, because when crossing borders, these cars need to comply with all relevant road signs, traffic rules and regulations.

The headline of our event today is "Automated Driving becomes reality?" For me, one aspect is particularly

important: the ultimate discipline for the successful introduction of automated and autonomous functions is road safety. Only if the technology is safe and reliable, only if the public trusts and accepts the technology, it can assert itself in the market.

And: if there is one thing we have learned from 50 years of research at the Allianz Center for Technology, it is that road safety can only be achieved through the interdisciplinary interaction of all key stakeholders.

Let me start with the recent developments in the regulatory Frame:

- The UNECE (United Nations Economic Commission for Europe) has in the meantime created the necessary regulations for the approval of automated driving functions. Until the end of this year, we expect drivers in the first vehicle models featuring the Automated Lane Keeping System to be able to hand over control to the vehicle for an extended period of time on motorways.

- With the Law on autonomous driving, the German legislator has gone one step further and has enabled Germany - as the first time for an entire country in the world - to provide the regulatory framework for autonomous – driverless – vehicles. The operation of driverless vehicles is initially possible in predefined local operating areas. For public transport, this applies in particular to so-

called people movers, which travel on defined routes, or to driverless valet parking for cars.

In Germany, the first automated and autonomous systems will thus be attested fitness to drive within a framework of defined conditions. In other words: Soon, we will see more and more computer-drivers – with limited driving experience – coming onto our roads. I think it is quite accurate to speak here of "autonomous novice drivers". Just as human novice drivers constantly receive feedback and learn from practice, the autonomous systems will be improved over time via tested and approved software updates. And the findings must of course be incorporated into further development. This applies to vehicles as well as to infrastructure and the human-machine interface.

The regulations recognize the complexity of the technology in traffic operations and focus on two essential safety aspects:

a) Even with automated driving, the driver must still be sufficiently alert and, if necessary, retake control of the vehicle immediately.
b) With autonomous driving, "technical supervision", e.g. by car manufacturers, is required that can deactivate the vehicle from the outside and enable driving maneuvers in difficult situations. Again, we see human intervention where situations are too complex for the autonomous novice driver. The technical supervisor has to interpret unexpected

traffic situations via camera and sensor data remotely. A conceivable case could be for example enabling the car manually remote to drive through a red traffic light when the light is permanently red due to a malfunction.

No technology is flawless, and we expect that accidents will still occur especially in mixed traffic with other vehicles. This is where we as Allianz have an important role.

Yes: we trust

- in the competence of the companies and authorities involved,
- as well as in our risk assessment,
- and we will offer insurance cover to the "autonomous driving novices".

However, we are only at the beginning of this development and three key challenges have to be solved to enable a stable and reliable insurance regime for autonomous driving:

1. Ongoing feedback & learning path

Manufacturers continue to learn from mistakes in practical use through ongoing feedback. In order to broaden the range of uses of autonomous systems, it is essential that a learning path is followed, just like with a "real" novice driver.

For the results of these feedback processes, we need an European Union-wide exchange of both system and

accident data. Manufacturers, suppliers and, of course, insurers could make their data, especially their accident data, available in such a data room.

In the EU regulation for artificial intelligence proposed in April of this year, the EU Commission also made it clear that cross-border data exchange is desired in autonomous systems with artificial intelligence. We consider such a European data space to be sensible already in the current automation stages. We would participate in it because we believe that together we will learn more quickly from mistakes, avoid personal injury and material damage while increasing society's trust in the systems as a result.

2. Access to car data & data trustee

We need a clear regime for the access to data gathered by the car’s sensors, which takes into account society’s interest that every accident situation can be fully reconstructed – which is crucial to maintain the public's trust in the new technology –, but also the rights of the owner or driver of the car.

In our opinion, the demand for a meaningful recording of accident data can be very well reconciled with the legitimate data protection interests of all parties involved:

The driver or owner of the vehicle has a right of self-determination over the personal data generated in the car. Thus, the vehicle owner or driver must also be able to decide freely to whom they make their data available, under what conditions and for what purpose.

As our proposed solution regarding the storage of these data we favor the model of an independent data trustee, who in future would manage standardized and non-discriminatory data access to the vehicle data for the owner as well as authorized persons in line with all relevant data protection requirements.

This data trustee could then also make anonymized data available for statistical evaluations. Society has an important right to know how often autonomous systems are responsible for injuries to persons or damage to property. Mobility data, for example on traffic loads, could also be available in anonymized form.

3. Liability Regime

The focus for Allianz is, of course, on the safety of the vehicles and victim protection.

In the existing liability system, the injured party of an automated or driverless vehicle can turn to the owner, who is liable for both human and technical errors within the framework of strict liability of the Road Traffic Act. Therefore, from Allianz's point of view, the liability system does not need to be adjusted.

The same applies to cases where the driver is not the owner and causes an accident, e.g. by ignoring an error message.

What is new is the technical supervision needed for driverless vehicles. At Allianz, this will be included in the

motor vehicle liability insurance, just as the driver has been up to now.

Besides the owner the manufacturer can be liable according to product liability legislation in case the system has flaws and causes harm to a third party. However, even in this case the victim of a traffic accident is free to claim against the motor insurer. Allianz could then make a recourse claim against the vehicle manufacturer.

Finally, let me address a new important aspect regarding the liability regime. What about the owners themselves? Just consider the case of owners being injured in their automated driving vehicles. Since such owners cannot make any claims against themselves, they would only have a claim under product liability law against the manufacturer. The injured owner would have to prove a product defect and its causation.

Allianz believes the owners of vehicles must be legally protected in their vehicles if the car caused the accident in automated mode. Allianz can imagine – for example in Germany as a product solution – that, in the future the owner of the vehicle will also be integrated into the protection of the motor vehicle insurance.

Ladies and gentleman, to conclude, I am very confident that solutions to those challenges will be found. Autonomous driving systems can be designed in a way that they will be self-educating and make “autonomous driving novices" real driving professionals. Together with

clear rules for data access and an unambiguous liability regime, this will be the basis for the new world of autonomous driving – with Allianz as a strong partner of our customers!

Thank you for your attention.