



Informing Progress - Shaping the Future

FOIL UPDATE 2nd February 2024



Recent developments in Automated Vehicles Legislation in UK

The UK has been making significant strides in automated vehicle legislation, which will have a profound impact on the future of insurance. The government is set to bring forward an Automated Vehicles Bill, paving the way for the use of self-driving vehicles. The Automated Vehicles Bill, announced in November 2023, is designed to allow self-driving cars on UK roads, providing an exciting opportunity to increase road safety.

This legislation will establish a new regulatory framework for insurance cover for automated vehicles, with a focus on safety and liability. Under the new legislation, it will now be the responsibility of the company rather than an individual to ensure insurance coverage for automated vehicles. The Bill also outlines the ongoing obligations of developers and operators to keep the vehicles safe and report safety-related data to the authorisation authority.

The Automated Vehicles Bill encompasses a wide range of provisions aimed at regulating the use of automated vehicles and ensuring public safety. These measures cover aspects such as criminal liability, marketing restrictions, permits for automated passenger services, and the adaptation of existing regulatory regimes to accommodate the use of automated vehicles. This bill addresses important aspects such as maintaining appropriate insurance and ensuring proper loading when a vehicle is driving itself, with a focus on a joined-up and collaborative approach across all levels of government.

The impact of this legislation on the future of insurance is substantial – new law will replace direct products liability claims against manufacturers with a requirement that claimants turn to the existing personal auto insurance scheme.

This shift in liability and insurance coverage reflects the evolving nature of risk in the context of automated vehicles. Traditional insurers will need to adapt their underwriting processes and policy forms to address the novel challenges posed by highly automated vehicles. Insurers will need to be

fast and flexible in responding to such changes to effectively address the new and unique risks associated with automated vehicles.

The bill consists of seven parts, each addressing different aspects of automated vehicle regulation.

Part 1: Regulatory scheme for automated vehicles

Part 2: Criminal liability for vehicle use

Part 3: Policing and investigation

Part 4: Marketing restrictions

Part 5: Permits for automated passenger services

Part 6: Adaptation of existing regimes

Part 7: General provision

The bill also introduces the concept of "Authorised Self-Driving Entity (ASDE)" and "User-in-Charge Operator," outlining the roles and responsibilities of these entities in the use and safety of automated vehicles.

Furthermore, the legislation provides for the grant of authorisation of automation features and sets out the principles for ensuring road safety will be improved because of the use of automated vehicles.

The bill also includes measures to ensure that individuals using automated vehicles are immune from prosecution in certain circumstances, while also outlining the ongoing obligations of developers and operators to keep the vehicles safe and report safety-related data to the authorisation authority.

The Automated Vehicles Bill was introduced in the UK on November 8, 2023, and is currently progressing through the various stages in Parliament. It is expected that it will be enacted into law before the end of the current parliamentary session. The specific timeline for its enactment will depend on its progression through the remaining stages in Parliament. The timeline for the bill to become law is as follows:

The bill was introduced in the House of Lords on November 8, 2023.

The next event in the progression of the bill is the Report stage, which is scheduled for February 6, 2024.

The most recent event related to the bill was the Committee stage, which took place on January 15, 2024.

The insurance industry is fully committed to supporting the development of automated vehicles, as they have the potential to improve road safety and revolutionise the transport system. Insurers are working intensively on pilots of autonomous vehicles across the country and are innovating their products to address vital questions of safety and liability.

The introduction of autonomous vehicles is expected to lead to a shift in the insurance model, with manufacturers likely to provide the insurance, and an increase in the trend towards leasing rather than outright purchase of vehicles.

In conclusion therefore the latest developments in the UK's automated vehicles legislation, particularly the Automated Vehicles Bill, will have a significant impact on the insurance industry, with a focus on road safety, liability, and the ever-evolving insurance model.

The development of automated vehicles in the UK is anticipated to increase the rise of vehicle leasing due to the demand for the latest autonomous convenience and technology.

The new U.K. Automated Vehicle Bill setting the framework for self-driving cars and changing liability from owner to manufacturer. This will influence the leasing market as companies will be responsible for the cars that they control.

This publication is intended to provide general guidance only. It is not intended to constitute a definitive or complete statement of the law on any subject and may not reflect recent legal developments. This publication does not constitute legal or professional advice (such as would be given by a solicitors' firm or barrister in private practice) and is not to be used in providing the same. Whilst efforts have been made to ensure that the information in this publication is accurate, all liability (including liability for negligence) for any loss and or damage howsoever arising from the use of this publication or the guidance contained therein, is excluded to the fullest extent permitted by law.