AXA UK – Written evidence (AUV0017)

AXA UK:

1. AXA UK (AXA) is part of the AXA Group, a worldwide leader in financial services. AXA Group operates in 64 countries with over 165,000 employees and 103 million customers.

2. AXA has around 11 million customers in the UK and operates through specific operating companies – AXA Insurance, AXA PPP healthcare and AXA Wealth.

3. AXA is a partner in three part-government funded trials of driverless and connected and autonomous vehicles – VENTURER, UK Autodrive and FLOURISH.

Executive summary:

4. In 2014, the Government launched a ‘competition’ to fund three trials designed to help bring driverless cars to UK roads. Since then, further funding has been made available to develop what are called connected and autonomous vehicles (CAVs). In that sense, the conversation around driverless has moved on significantly in the last two years alone – not only will vehicles be able to drive autonomously but the entire eco-system of the road transport network will also change to allow them to communicate with each other and with infrastructure.

5. AXA recognised that such technology would fundamentally disrupt the existing insurance model but also have a potential positive impact on road safety, the environment and those people currently unable to drive. Therefore, the decision was taken to proactively join consortia that were bidding for Government funding. Of the three initial projects funded, AXA was successful in being part of two (VENTURER and UK Autodrive) and one in the second phase (FLOURISH).

6. Through our involvement in these projects, we hope to gain an understanding of the risk modelling that will be necessary to underwrite insurance policies for cars with higher levels of automation by, for example, exploring the issues of where liability will fall during the use of such vehicles. It will also give us advanced notice of safety and assistance features making their way on to the existing car market, enabling us to reflect these aspects in reduced pricing for our customers at an earlier stage.

7. Whilst AXA sees autonomous vehicles as a massive step forward in terms of road safety, motor vehicle accidents will still happen and insurers will need to be able to determine the cause - the driver or the car.

8. Motor insurance has been compulsory in the UK for almost 90 years and it exists to protect road users and pedestrians. That protection is incredibly important when consideration is given to the fact that over 90 per cent of all motor accidents are caused by human error.

9. Driverless technology has the potential to significantly reduce the number of accidents on the roads and the injuries and deaths caused by those accidents. It is thought that the reduction could be as much as 50 per cent and that can only be good news for road safety.

The projects:

VENTURER:
10. VENTURER launched in July 2015 and focuses on the people as well as the technology side of the trials and seeks to understand the blockers and drivers to wide scale adoption of autonomous vehicle (AV) capability.

11. As part of the project AXA has provided input into the trial scenarios as well as producing a comprehensive report (attached) that focuses on the changing nature of liability. One objective of the trials currently being undertaken by the VENTURER consortium is to generate a better understanding of how drivers manage the handover process. Addressing the behavioural and physiological constraints around handover is vital to developing a proposition which meets user expectations and maximises the potential safety benefits of autonomous vehicles.

**UK Autodrive:**

12. UK Autodrive began in November 2015 and will carry out on-road trials in Milton Keynes and Coventry, using cars provided by project partners Ford, Jaguar Land Rover and Tata Motors European Technical Centre. The programme will also trial a fleet of lightweight, self-driving ‘pods’ for use on pavements and other pedestrianised areas.

**FLOURISH:**

13. FLOURISH began in June 2016 and will focus on the user needs of CAVs and the connectivity network, both vehicle to vehicle and vehicle to infrastructure.

14. AXA will examine the legal and insurance raised by increased levels of connectivity. This will include data management and protection as well as the integrity of the system i.e. hacking.

**Other related evidence:**


16. Automated technology has the potential to transform the haulage industry, with very significant implications for the UK’s roads, in terms of safety and congestion, for its environment, businesses and the UK economy as a whole.

17. In commissioning this economic modelling, AXA wanted to discover the financial impacts of introducing driverless haulage fleets. The results confirmed that automated freight will not only be much more efficient and make the roads safer for other users, particularly for those travelling at night, it will also reduce the prices of the end products that we all buy. If logistics can be made cheaper and more efficient, the cost of goods can potentially come down accordingly.

**Conclusion**

18. AXA welcomes the Committee’s inquiry into autonomous vehicles and is more than happy to provide oral evidence or further information should that be of use to the Committee.

20 October 2016