



Department
for Transport

From the Parliamentary
Under Secretary of State
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Bill Esterson MP
House of Commons
London
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23 April 2024

Dear Bill,

In the recent Committee debate on the Automated Vehicles (AV) Bill, held on 19 March, you expressed concerns that people injured by self-driving vehicles could find it difficult to make a claim for compensation. I am writing to provide further clarity on this matter.

Insurance requirements

The Automated and Electric Vehicles Act 2018 (AEVA) created a compulsory insurance regime to ensure that victims of incidents caused by automated vehicles receive prompt compensation. It achieves this by extending the compulsory motor insurance in the Road Traffic Act 1988 to automated vehicles and assigning insurers first instance liability when an automated vehicle is driving itself.

The AV Bill amends AEVA so that this compulsory insurance regime continues to apply to self-driving vehicles when they are authorised for use as self-driving under the future regulatory scheme. As a result of the provisions in the AV Bill, including the amendments to AEVA, those responsible for an authorised automated vehicle will need to ensure it is covered by appropriate insurance, as follows:

- For a User-in-charge (UIC) vehicle, the user-in-charge will be required to ensure they have appropriate insurance cover.
- For a no-user-in-charge (NUIC) vehicle, we expect the NUIC Operator or the registered keeper will be responsible for holding insurance. Responsibility for the vehicle's insurance can be specified in the NUIC Operator licence.

Motor insurance for authorised automated vehicles will need to cover use when an authorised automated feature is engaged and when the vehicle is driven by a human (if it is intended to ever be driven by a human).

Compensation claims

UIC vehicle: If an accident is caused by a self-driving vehicle when it is driving itself, the motor insurer is liable. If the self-driving vehicle is being driven by a human who was at fault, the same motor insurer will be responsible for settling the claim. This ensures victims will receive compensation from the same insurer, regardless of whether the vehicle was in self-driving mode, or the driver was in control.

When a vehicle is driving itself, a 'user-in-charge' will usually be treated as a victim and will be compensated for any personal injury caused to them. This is true even if they have the minimum type of insurance required by the legislation, rather than comprehensive insurance.

NUIC vehicle: A claimant for an incident caused by an automated vehicle that does not require a user-in-charge would not need to demonstrate if the vehicle was driving itself or not: they would simply claim against the insurer of the policy covering the vehicle and it would be for the insurer to pay compensation.

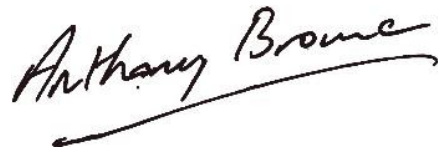
Determining liabilities and access to data

While insurers have first instance liability for paying compensation to victims, they have the right to seek compensation from anyone who contributed to the accident, such as the Authorised Self-Driving Entity (ASDE). For this purpose, insurers will need to determine whether the feature was engaged. This will also indicate if a claimant is a user-in-charge or a driver, which may result in differential treatment according to the insurance policy.

My Department intends to set authorisation requirements to ensure that those who require access to data to determine liabilities have processes to do so. Once again, I thank you for your interest on this issue and for your participation in the debate. Please do not hesitate to get in touch with my office to request further information.

I will place a copy of this letter in the Library of the House.

Yours ever,

A handwritten signature in black ink that reads "Anthony Browne". The signature is written in a cursive style with a long, sweeping underline that extends to the right.

ANTHONY BROWNE MP

MINISTER FOR DECARBONISATION, AVIATION AND TECHNOLOGY