November 22, 2016

Nathaniel Beuse
Associate Administrator for Vehicle Safety Research
National Highway Traffic Safety Administration
400 Seventh St. SW
Washington D.C., 20590

RE: Department of Transportation, National Highway Traffic Safety Administration,
Docket No. NHTSA-2016-0090, Request for Comment on “Federal Automated Vehicles Policy”

Dear Mr. Beuse:

As the country’s largest automobile insurer, State Farm appreciates the opportunity to provide input to the National Highway Traffic Safety Administration (“NHTSA”) on the Policy. State Farm has a long history of advocating for the improvement of auto and highway safety for the benefit of its customers and the general public and recognizes NHTSA’s work in seeking to balance innovation and safety considerations. As with NHTSA, State Farm is supportive of automotive technological advancements to the extent they improve auto and highway safety. To this end, State Farm believes the Policy can be further enhanced by refining its positions on data access, creating a commission to study liability and insurance issues to make recommendations to the States, and looking to the automobile insurance industry as a trusted resource in addressing many of the concerns outlined in the document.

By way of background, State Farm insures the most cars in the United States, with over 43 million active automobile insurance policies. Over 65,000 employees and 18,000 agents work to provide service to State Farm policyholders in a number of different ways, including handling tens of thousands of car insurance claims each day. Last year alone, State Farm adjusted over 10 million claims. In addition, State Farm is ranked No. 35 on the 2016 Fortune 500 list of largest companies.

As a proponent of technological advances that will improve automotive safety, State Farm has participated in a number of research opportunities across the country. State Farm is a founding member of the University of Michigan’s Mobility Transformation Center, is a key partner in Stanford University’s Center for Automotive Research, and has a location at the Research Park at the University of Illinois. These endeavors have helped position State Farm as a thought leader on transportation issues. State Farm was a key participant in the National Transportation Safety’s Board’s program on Advanced Driver Assist Technologies held last month and will participate in the January 2017 SAE International Government/Industry Meeting where it will discuss automated vehicle technology.
1. Data Access

In handling over 10 million auto insurance claims each year, State Farm must gather and analyze a number of data points in order to effectively underwrite automobile insurance policies and determine liability and appropriate settlement amounts. In focusing on data access, State Farm notes that it filed comments in May 2016 with NHTSA as it was developing the Policy (see attachment) highlighting the importance of data access in determining the performance of automated vehicle technology. Moreover, such data is critical in determining the facts of a collision and the assessment of liability.

State Farm reiterates the points made in its May 2016 comment letter and believes those points are more relevant in light of the Policy. Specifically, the Policy crafts a narrower approach to data access than what was outlined in NHTSA’s 2013 Preliminary Statement of Policy Concerning Automated Vehicles, which recognized the importance of sharing data with the state in the event of collision. Instead, the Policy recommends that each manufacturer or other entity should develop a plan for sharing its “de-identified” event reconstruction and other relevant data with other manufacturers and other entities. Moreover, the Policy recommends only collecting data associated with events involving: (1) fatalities and personal injuries or (2) damage to the extent that any motor vehicle involved cannot be driven under its own power in the customary manner.

As noted, State Farm relies on data to underwrite insurance risks and determine the facts of a collision and assess liability. This helps ensure that insurance policy pricing appropriately reflects the insurance risks being underwritten and that injured parties are compensated in an adequate, efficient, and fair manner. By limiting data access to manufacturers and “other entities” (defined in the Policy as “any individual or company, that is not a manufacturer, involved with helping to manufacture, design, supply, test, sell, operate or deploy automated vehicles or equipment), it appears that insurers and other appropriately interested parties will not have access to critical information associated with car accidents. This also calls into question the independence with which this data will be analyzed to determine the technology’s effectiveness if manufacturers and suppliers will be the primary groups having access to the information. In other words, not only is insurer data access critical to underwriting risks and adjusting accident claims, but it also serves as a useful verification of the effectiveness of the technology. In regards to recommending collecting data with events involving a car that cannot be driven under its own power, State Farm believes this significantly limits the ability to get a full understanding of the effectiveness of the technology. There are many situations where considerable damage may occur to a car even though it can still drive on its own power, and an
analysis of those types of events are necessary—especially during early stage introduction of higher levels of automated vehicle technology.

Accordingly, State Farm believes NHTSA should look to expand its section on data recording and sharing to ensure insurer access to this information. By so doing, insurers will be better able to underwrite risks, determine liability, and settle claims. In addition, such data access will enable and independent analysis of the effectiveness of the technology.

2. Model State Policy

State Farm appreciates NHTSA’s recognition in the Model State Policy (“State Policy”) of the important role states play with respect to liability and determination insurance issues. The role of insurance and the determination of liability with automated vehicle continues to evolve along with the technology. State Farm believes it is too early in the development of the technology to determine definitively what the insurance and liability landscape will be in the future. Accordingly, State Farm supports the State Policy’s principle that it is “desirable to create a commission to study liability and insurance issues and make recommendations to the States.”

Moreover, State Farm is eager to serve as a participant and resource in the development and operation of such a commission. Notwithstanding State Farm’s participation in the commission, having insurance industry representation, along with other interested parties, should be a priority to ensure that the recommendations are well-designed and numerous views are incorporated.

In conclusion, State Farm appreciates the opportunity to provide NHTSA comments on the Policy and continue to advance the goal of improving auto and highway safety for the benefit of its customers and the general public. State Farm looks forward to continuing to work with NHTSA on the Policy and other automated vehicle issues.

If you have any questions or comments, please contact me at (309) 775-2809 or ryan.gammelgard.nd9v@statefarm.com.

Sincerely,

Ryan Gammelgard, JD, CPCU, CLU, ChFC
Counsel, State Farm
May 6, 2016

Nathaniel Beuse
Associate Administrator for Vehicle Safety Research
National Highway Traffic Safety Administration
400 Seventh St. SW
Washington D.C., 20590

RE: Department of Transportation, National Highway Traffic Safety Administration, Docket No.
NHTSA-2016-0036, Guidelines for the Safe Deployment and Operation of Automated Vehicle
Safety Technologies

Dear Mr. Beuse:

As the country’s largest automobile insurer, State Farm appreciates the opportunity to provide the
National Highway Traffic Safety Administration (NHTSA) input on its planned guidelines for the safe
deployment and operation of automated vehicles. State Farm has a long history of advocating for the
improvement of auto and highway safety for the benefit of its customers and the general public. To the
extent automated vehicles and other technological advancements can enhance auto and highway safety, State Farm is supportive of the technologies and NHTSA’s work in this area.

State Farm insures the most cars in the United States, with over 43 million active automobile insurance
policies. Over 65,000 employees and 18,000 agents work to provide service to State Farm policyholders
in a number of different ways, including handling tens of thousands of car insurance claims each day.
Last year alone, State Farm adjusted over 10 million claims. In handling these claims, State Farm must
gather and analyze a number of data points in order to effectively determine liability and determine
appropriate settlement amounts. As such, the focus of these comments are to provide NHTSA input on
issues associated with data.

In focusing on data, State Farm points to the Department of Transportation/NHTSA 2016 Update to the
Preliminary Statement of Policy Concerning Automated Vehicles, which notes that, “the governing
principles should be that technologies with proven, data supported benefits that would make roads safer
should be encouraged.” State Farm also looks to the original 2013 Preliminary Statement and how it
addresses ensuring that “self-driving test vehicles record information” during crashes. Specifically,
Section D of the Preliminary Statement reads:

- Self-driving test vehicles should record data from the vehicle’s sensors, including sensors
monitoring and diagnosing the performance of the automated vehicle technologies, in the event of a
  crash, or other significant loss of vehicle control. In addition to recording all the information from
the sensors for the vehicle’s automated technologies, the recording should note whether the automated technology system was in control of the vehicle at the time of the crash.

• Any regulation that allows for the operation of self-driving vehicles for testing purposes should also consider ensuring that the vehicle owner make available to the state all data recorded by the vehicle’s event data recorder in the event of a crash.

State Farm cites these positions as critical points to ensuring the availability of these types of data, which will help in determining the performance of automated vehicle technology. In addition, this data is important in determining the facts of a crash and the assessment of liability, which helps ensure that injured parties will be compensated adequately, efficiently, and fairly.

For further reference on this important provision, below is the language in California law from Section 38750 (c)(1)(G) addressing collecting data associated with an automated vehicle crash:

(G) The autonomous vehicle has a separate mechanism, in addition to, and separate from, any other mechanism required by law, to capture and store the autonomous technology sensor data for at least 30 seconds before a collision occurs between the autonomous vehicle and another vehicle, object, or natural person while the vehicle is operating in autonomous mode. The autonomous technology sensor data shall be captured and stored in a read-only format by the mechanism so that the data is retained until extracted from the mechanism by an external device capable of downloading and storing the data. The data shall be preserved for three years after the date of the collision.

In conclusion, State Farm appreciates the opportunity to provide these comments and supports efforts to improve auto and highway safety for the benefit of its customers and the general public. State Farm looks forward to continuing working with NHTSA on the development of the guidelines.

If you have any questions or comments, please contact me at (309) 775-2809 or ryan.gammelgard.nd9v@statefarm.com.

Sincerely,

Ryan Gammelgard, JD, CPCU, CLU
Counsel, State Farm