

### Are We at Level 2 or Level 3?

- New vehicles are being developed with the goal of reaching Level 3 autonomy.
- There is disagreement as to what actually constitutes "Level 3" technology.

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### **Todd A. Croftchik**

Managing Counsel – Product Liability Toyota Motor North America, Inc.

Where are we now?

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### **Dustin A. Lane**

Corporate Counsel – Automotive Product Liability Volkswagen Group of America, Inc.

Where are we going?

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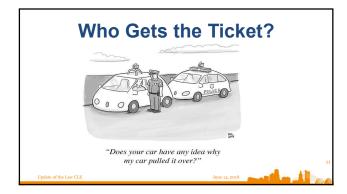
 The Al Traffic Jam Pilot system of the new <u>A8</u> is the market's first SAE Level 3 autonomous system and will initially be offered in European A8 models

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## H. Grant Law Partner Shook, Hardy & Bacon L.L.P. Legal Challenges Ahead

### Volume, Volume, Volume Waymo 62,000 Pacifica minivans from Fiat Chrysler 20,000 I Pace SUVs from Jaguar The industry 10 million self-driving cars by 2020



# Who Foots the Bill? Nameplate manufacturer Supplier Owner (with right of indemnity) Operator (with right of indemnity) No fault? Punitive damages

### **Practical Litigation Issues**

- How will auto litigation change?
  - Defendants: Who will be named?
  - Theories: Negligence or product liability?
  - Risk Benefit v. Consumer Expectations
  - Evidence: How does "black box" data impact discovery and potential for settlement?

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### Impact on Insurance

- · Declining crash rates
- · Declining crash severity
- Skyrocketing repair costs
- Shift from Owner to Manufacturer?
- Manufacturer indemnity

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### Cary Silverman Partner, Public Policy Group Shook, Hardy & Bacon L.L.P.



### **Public Policy Implications**

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Snapshot: The Regulatory Landscape
Traditional State v. Federal Roles
State Regulation of AVs     How many states have acted?     What have they done?
Federal Activity     What has NHTSA done?     What how does the pending federal legislation impact liability?
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### The Road Forward: Concerns

- Will every car accident become a complex product liability lawsuit?
- Will excessive liability delay or discourage innovation and safer products?
- Will constraints on liability become necessary? Is a new system needed?

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### The Road Forward: Solutions?

- Challenge: Lack of consensus on how the liability system should evolve
- · Danger: The wait-and-see approach
- · Next step: Developing a path forward

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THANK YOU				
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