

## Q&A: LUBA Workers' Comp on the impacts of driverless vehicles

By: [Henrick Karoliszyn, Reporter](#) February 6, 2020



Brian Ricketts

Will self-driving cars affect workers' compensation cases? Brian Ricketts thinks so. As loss control manager at LUBA Workers' Comp for more than a decade, he believes autonomous vehicles and novel car technologies will impact how Louisiana drivers process their insurance claims.

"We believe driverless cars will have insurance just like human-operated vehicles," he said. "Motor vehicle accidents are one of the most common workers' comp claims we see. They account for approximately 40% of workers' compensation fatalities, and car accident claims cost between 80% to 100% more than the average claim due to the frequency of severe injuries."

That means LUBA Workers' Comp will more than likely take on several of these cases. The Baton Rouge-based organization, founded in 1991, is one of Louisiana's largest organizations of its kind with operations in Texas, Arkansas and Mississippi. Its widespread independent insurance agencies cover more than 157,000 workers across 4,000 policies and has more than \$80 million in direct written premiums. They're known for claims management, loss prevention and underwriting.

### **What types of cases does LUBA Workers' Comp deal with?**

LUBA insures a wide range of businesses which means we see a lot of different needs. No two businesses are exactly alike so we really focus on custom accident prevention solutions; specific ways to keep employees safe at that specific job site or business.

### **How will workers' comp cases be affected by autonomous vehicles?**

When you're talking about technology that impacts the way business is done or products are delivered there will always be an impact on workers' comp. We focus on how those technological advancements can be used to increase safety and prevent accidents. A new study from the National Council on Compensation Insurance confirmed self-driving cars will reduce fatalities and severe injuries. That's to be expected, particularly with companies that have large company fleets.

### **Do you think the NCCI study is accurate for most drivers?**

Anytime you can eliminate the possibility of human error you have the potential to drastically reduce workers' comp claims. However, in this case, you're introducing the possibility for the technology to fail which would be equally as risky. It will all come down to what this technologically ultimately looks like and it could take quite some time for widespread adoption in fleet vehicles and maybe even longer for consumer applications.

### **What should drivers know about insurance claims when it comes to driverless vehicles?**

Many of the driverless cars currently being tested have a back-up human operator. Currently, the federal government offers voluntary safety guidelines for the 80+ car and technology companies working on self-driving vehicles. The National Transportation Safety Board has an updated safety policy; however, the federal government has not set out regulations for the technology. So, as of right now, there is a lot of self-regulation.

### **How can the economy be impacted by autonomous cars?**

Like any significant switch to automation we've seen in the history of this country, the impact could be significant. Nearly one-third of jobs in the United States require some driving so this could impact a substantial portion of the workforce, and consequently, the workers' comp system.

### **How can drivers can prepare for a roadway with driverless cars here in Louisiana?**

I think it will be quite some time before we see driverless vehicles dominating the roadway, so the effects of that trend are primarily speculative at this point. What we do know is that distracted driving as an epidemic that is very present today, and with the average cost of accidents involving a motor vehicle being significantly higher here in Louisiana than in the rest of the country, this is a hazard that can't be ignored. We are a regional workers' comp carrier and in some cases have seen costs related to motor vehicle accidents almost double compared to accidents in neighboring states. Utilizing everyday technology that's readily available on the market is something all businesses that employ drivers should seriously consider. Some examples of this technology include forward collision warning systems, an auto-braking feature and devices that can disable cell phones while the car is in use.

### **How will autonomous cars affect industries reliant on drivers in Louisiana?**

We have a large transportation industry here in Louisiana because of the products we produce. Autonomous cars will change the way fleets are managed by businesses, and like with most technologies, new jobs could be created as a result. What that ultimately means for the overall cost of workers' comp costs to a business will vary, but a likely upside will be the decline of auto accident injuries.

### **How can driverless cars alter the amount of accident claims in workers' compensation cases? Are any regulations forthcoming?**

Again, a lot of this is speculative at this point, but if cars are ultimately driverless that could drastically reduce automobile accident related claims for businesses. As I previously mentioned, currently the federal government offers voluntary safety guidelines for the automobile and technology companies working on self-driving vehicles. So, as of right now, there is a lot of self-regulation.

### **Are autonomous cars something we should really need to be concerned about?**

At this point, the use of driverless cars on a large scale and by everyday businesses is still something of the future. However, the use of autonomous systems, such as forward collision warning systems and auto-braking, has become very common. That technology has been estimated to reduce front-to-rear crashes by 56%. Anything that can counter the effects of distracted driving should be taken seriously.

### **What else should those in the region know about driverless cars?**

Technology is evolving much faster than it was 10 years ago, and when it comes to safety we are always looking for ways to use that to the business owner's advantage. Our team at LUBA continues to look at trends to ensure we're ready when our policyholders determine the need for adoption of new technologies. Our safety experts are here to help business owners improve operations and protect lives.