

Autonomous Vehicle Liability Trends To Watch In 2026

By **Farid Yaghoubtil** (December 12, 2025)

As self-driving cars shift from science fiction to street reality, the law is entering uncharted territory.

That evolution was underscored on Sept. 16, when Tesla Inc. agreed to settle *Maldonado v. Tesla*, a closely watched wrongful-death case in the Superior Court of the State of California, Alameda County, involving the company's Autopilot feature.

The settlement comes on the heels of a major jury verdict against Tesla earlier this year in Florida. And it highlights how rapidly the liability landscape for autonomous vehicles has changed over the course of 2025.

For over a century, traffic statutes and tort doctrines have turned on human conduct, whether a driver was speeding, distracted or reckless. But as vehicles begin to make their own decisions, traditional fault analysis begins to falter.

The central question is deceptively simple yet legally complex: When an AV causes a crash, who is responsible, and what will responsibility look like as automation advances?

Recent developments in AV liability highlight key issues that practitioners and stakeholders should watch closely in 2026.

The Changing Role of the Driver

Until recently, assigning liability in a car accident was one of the most predictable exercises in personal injury law. If a motorist failed to exercise reasonable care, negligence followed.

The notion that a manufacturer, sensor supplier or algorithm could be the driver would have been inconceivable. Now, with advanced driver assistance and automated driving systems, that concept is a reality.

These systems rely on artificial intelligence, machine learning and massive volumes of data from cameras, radar and lidar to perceive surroundings and make split-second judgments. As automation deepens, courts will increasingly confront situations in which responsibility lies not with the person behind the wheel but with the code that guided the car.

Each crash can implicate an entire ecosystem — from automakers and software engineers, to third-party parts vendors and even municipalities that maintain the roads — a trend that is likely to accelerate in the coming year.

An Uneven Legal Landscape

The U.S. still lacks a uniform federal liability framework for AVs. Instead, states have crafted a patchwork of approaches.

California requires that companies testing driverless cars publicly disclose all collisions and



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human interventions, while Arizona and Texas maintain permissive regimes intended to spur innovation.

This inconsistency creates both uncertainty and opportunity. The outcome of a crash can hinge as much on geography as on facts.

Federal agencies, however, are signaling a shift toward greater oversight. In April of this year, the U.S. Department of Transportation and the National Highway Traffic Safety Administration issued an autonomous vehicle framework.

The agencies also amended Standing General Order 2021-01 to expand reporting obligations for vehicles equipped with advanced driver assistance or automated driving systems, effective June 16. The revision lowers the reporting threshold for property damage incidents to \$1,000 and requires broader monthly incident disclosures.[1]

The move reflects regulators' increasing recognition that automated driving data will play a defining role in future litigation, and that a more standardized reporting regime may be the precursor to a broader federal liability structure.

Existing Doctrines, New Questions

In the absence of AV-specific legislation, plaintiffs lawyers have leaned on traditional product liability and negligence theories. They argue that self-driving vehicles and their software are defective when they fail to perform as safely as a reasonable consumer would expect.

Manufacturers, meanwhile, counter that their systems operate within design parameters, and that human drivers remain obligated to intervene in Level 2 and Level 3 automation.

Courts are also seeing claims rooted in misrepresentation and failure to warn, especially where companies have branded partial-automation features with terms like "Autopilot" and "Full Self-Driving."

The marketing language itself becomes evidence. Regulators and plaintiffs alike are asking whether such terms invite drivers to overrely on technology not yet capable of true autonomy.

These arguments have become more pronounced over the past year, and will likely intensify in 2026 and beyond, as manufacturers release increasingly sophisticated systems.

Data remains the most contested issue. Each AV continuously records terabytes of operational data, but manufacturers often classify that information as proprietary.

Victims and investigators must fight to access logs that could show whether sensors detected an obstacle, whether the system commanded braking or whether a driver ignored a takeover alert.

Without standardized disclosure requirements, litigants face a modern version of spoliation battles that turn on control of digital evidence — an issue poised to loom larger as automation expands.

The Tesla Verdict: A Turning Point

In August, a federal jury in the U.S. District Court for the Southern District of Florida in Miami delivered what may prove to be a watershed verdict, in a case concerning a fatal 2019 crash in Key Largo.

The jury in *Benavides v. Tesla* found the company 33% liable and the driver 67% liable after a Model S operating in Autopilot mode struck a parked SUV, killing two people. Jurors awarded roughly \$243 million, including \$200 million in punitive damages.[2]

Evidence introduced at trial revealed that Tesla's own data logs, initially said to be unavailable, showed the system detected the obstacle but failed to react.

The outcome underscores how AV litigation will hinge on access to data and the accuracy of system performance claims. The verdict also signals to automakers that juries are prepared to allocate fault to manufacturers, even when human error is involved.

Tesla has moved for a new trial, arguing that the verdict "flies in the face of the law and common sense." [3] Regardless of the appellate outcome, the decision marks one of the first times an automaker has been held directly responsible for actions taken by a vehicle's automated driving system.

This development, coupled with the recent Maldonado settlement, suggests that AV liability will evolve rapidly in the months and years ahead as more cases reach courts.

What the Verdict and Regulations Mean Going Forward

The Florida verdict, paired with tightening federal oversight, marks the beginning of a new phase for both litigators and companies.

For plaintiffs, it provides a road map: Challenge software design, emphasize misleading marketing and demand transparency of vehicle data.

For defense counsel, it highlights the need to establish clear operational design domains, i.e., the conditions under which the system is intended to operate; maintain robust data-preservation protocols; and ensure that consumer communications align precisely with system capabilities.

Insurance and risk allocation are also shifting. As automation increases, liability may migrate from drivers to manufacturers, insurers and software developers.

Insurance industry analysts anticipate hybrid coverage models that treat manufacturers as primary insurers when their automated driving system is engaged — an evolution that echoes workers' compensation in its effort to streamline recovery and reduce litigation costs.

This trend gained significant attention after the *Benavides* verdict, and is expected to play a central role in how AV liability evolves in 2026.

Courts will likewise have to confront novel evidentiary and procedural questions: how to authenticate AI decision-making logs, how to apportion fault when multiple systems interact and how to weigh compliance with voluntary federal guidelines.

Scholars have proposed strict manufacturer responsibility frameworks that would treat the automaker like a commercial carrier, presumptively liable for crashes involving fully

autonomous modes.

Whether Congress embraces such ideas in the coming year remains uncertain. But the pace of recent developments suggests the debate will intensify.

Data Transparency and Consumer Trust

Perhaps the most consequential reform on the horizon is mandatory data transparency. NHTSA's amended standing general order is a start, but advocates are pushing for aviation-style crash data recorders accessible to investigators and victims alike.

Without consistent access to sensor and control-logic data, claims will continue to devolve into expensive forensic battles. As jury verdicts and settlements increase public visibility into system failures, calls for more robust transparency measures will likely grow louder.

Consumer confidence also hangs in the balance. Recent polling shows that public trust in self-driving technology fell sharply after high-profile crashes.[4]

The Florida verdict, along with ongoing investigations into other Autopilot-related fatalities, could accelerate calls for certification programs or third-party audits verifying safety performance before vehicles reach the road.

These proposals, once aspirational, may become more central to policy discussions in 2026 as AV adoption increases.

The Road Ahead

The promise of autonomous technology remains compelling: fewer crashes, less congestion, greater mobility for the elderly and disabled.

But the legal infrastructure is still catching up. Until federal legislation provides a uniform standard, each courtroom becomes a laboratory for defining digital-era negligence.

The Benavides verdict has already shown that juries are willing to extend fault beyond the driver's seat, and the Maldonado settlement suggests that manufacturers may increasingly face liability for system-level decisions.

For practitioners, the message is clear. Data preservation, regulatory compliance and truthful consumer disclosures are now as critical as engineering precision.

For lawmakers, the challenge will be to balance innovation with accountability, ensuring that the march toward autonomy enhances, rather than endangers, public trust.

As 2026 approaches, the question is no longer just who is at fault in a self-driving car accident, but how the law will adapt to a world where responsibility may lie as much in code as in human conduct.

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[1] Mayer Brown LLP, "DOT and NHTSA Announce Autonomous Vehicle Framework," April 2025.

[2] Associated Press, "Jury Orders Tesla to Pay More Than \$240 Million in Autopilot Crash Case," Aug. 2025.

[3] Business Insider, "Tesla Argues \$242 Million Verdict 'Flies in the Face of the Law and Common Sense,'" Sept. 2025.

[4] Wired, "A New Road Safety Group Targets Self-Driving Cars," April 2025.