

Telematics: An Evolution in Auto Insurance

Telematics is creating new opportunities in auto insurance – and reflects a broader movement toward “connected consumers” and shifting customer expectations

The auto insurance industry is quickly approaching mass adoption of telematics and usage-based insurance (UBI). Ten major U.S. auto insurers, representing nearly 60% of the market, have already or are planning to introduce telematics solutions by 2014. The challenge every insurer will face is how to develop a strategic response to the new Industry landscape.

Telematics allows insurers to gather data on the driving behavior of policyholders, but its significance goes beyond improved underwriting equations. Telematics reflects a new era of increasingly connected consumers who have evolving expectations on data sharing, transparency and the value generated from their purchases.

Insurers who embrace changing trends to create new competitive advantages will be better positioned to succeed in the marketplace. D-rive is uniquely designed to help auto carriers raise their game and meet the telematics challenge.

Opportunities in Telematics

Insurers who utilize the behavioral data and policyholder connectivity offered by telematics can uncover benefits that accelerate top line growth and improve the bottom line:

Market Share Growth



Market share of UBI policies doubled between 2012 and 2013; insurers who enter telematics early stand to gain a competitive edge, especially among the highest margin segments.



Product Design & Innovation

Insurers gain a wealth of driver data that can produce deep policyholder insights. Identifying needs of niche segments allows for tailored product offerings and pricing models.

Improved Combined Ratio



Utilizing individual driving behavior data can enable insurers to more accurately price policies across all market segments, resulting in improved profitability.



Customer Engagement & Retention

Consumers are increasingly willing to trade data for value; insurers who engage policyholders through driving feedback, social integration and gamification can increase retention.

Getting in the Game

Insurers have several decisions to make to bring an effective telematics-based UBI solution to policyholders.



Data and Data Collection: How will I capture telematics data? How long should I collect data?



Leveraging the Data: How will I accumulate enough data to drive credible risk selection and pricing?



Analytics and Predictive Modeling: Do I want to use the data beyond pricing?

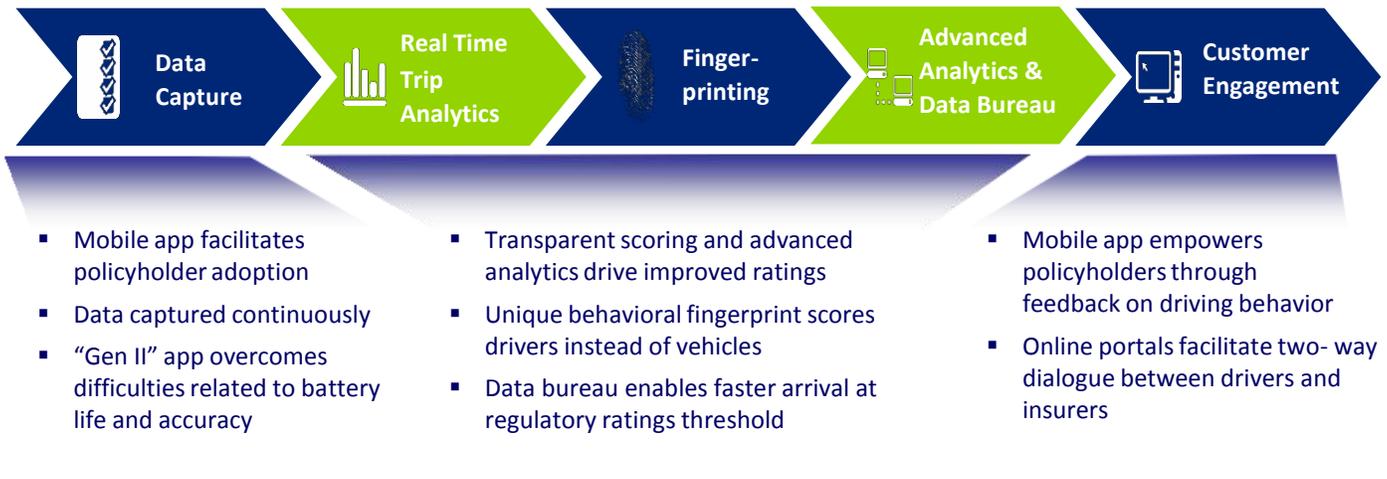


Customer Engagement: What can I offer my policyholders to increase engagement and loyalty?

Introducing: D-rive

D-rive delivers an innovative end-to-end solution for auto insurers

Designed specifically for auto insurers, D-rive is a cloud-based telematics solution that captures, scores and reports on policyholder driving behaviors while engaging drivers through a mobile app and online portal. Insurers are empowered with their own portal – a one-stop shop for advanced analytics and customer service capabilities.



The D-rive Value Proposition

- Speed to market:** Enter the market immediately and amass data quickly from a shared data pool
- Cost effective:** Reduce costs through a low upfront investment, shared data and the use of a mobile app
- Flexible/transparent:** Customize data algorithms to score drivers based on the behaviors most important to you
- End-to-end solution:** Work with Deloitte every step of the way to reduce risk, complexity and costs
- Mobile:** Tap into your policyholders' mobile lifestyle to drive adoption, engagement and retention
- Backed by Deloitte:** Benefit from Deloitte's vast insurance experience that spans technology analytics and regulation

D-rive: The Preferred Telematics Solution for NAMIC Members

In collaboration with Deloitte Consulting, NAMIC is proud to endorse D-rive as the preferred telematics solution for NAMIC members. As a result, NAMIC members receive **preferred pricing** and a **voice in product development** through early access to new features and influence over future enhancements.

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