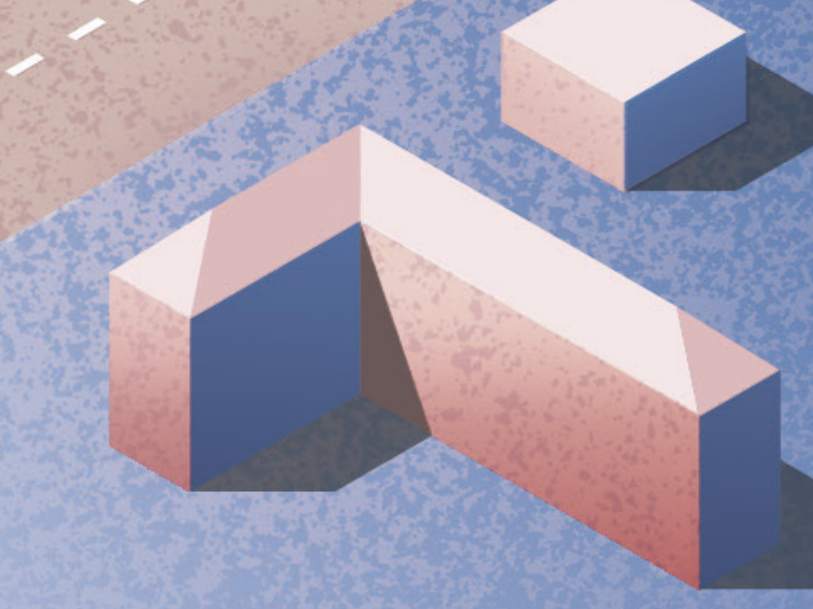
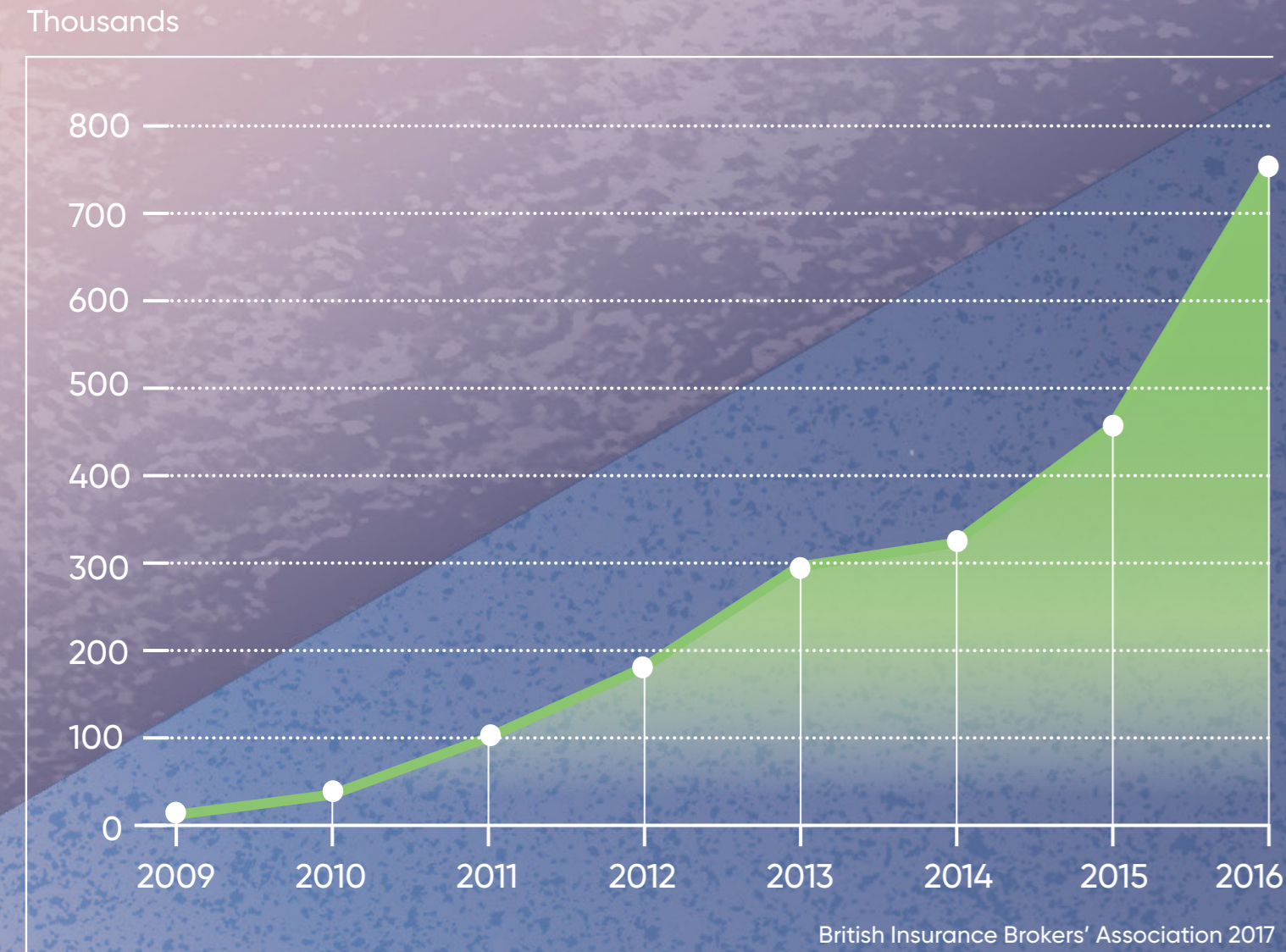


RISE OF TELEMATICS

Telematics insurance, which offers customers personalised policies based on their driving behaviour, has experienced rapid growth over the past few years as motorists look for ways to lower their premiums. Also known as black box insurance, telematics enables providers to track a number of risk factors such as location, mileage and braking to give a more accurate policy price, and can lead to average savings of around £200 a year for younger drivers*

TELEMATICS INSURANCE POLICIES IN THE UK



*According to MoneySupermarket.com

HOW TELEMATICS COULD RESHAPE THE INSURANCE INDUSTRY

01

Movement towards usage-based insurance models is likely to decrease risk and reduce claim numbers and volume



02

Loss rates should decrease markedly



03

Insurance companies could not only monetise risk, but also work with appliance, automobile and other equipment manufacturers to reduce actual risk



04

Opportunity exists to develop and price real-time micro-insurance packages to meet shifting demand

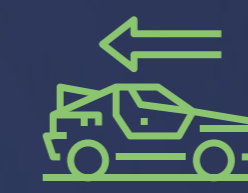


Deloitte Center for Financial Services 2016

EXAMPLES OF DRIVING BEHAVIOUR MEASURED BY TELEMATICS DEVICES



Miles driven



Hard braking



Driving duration



Rate of acceleration



Speed



Driving frequency



Time of day (Peak/off-peak)



GPS data, routes, busy roads

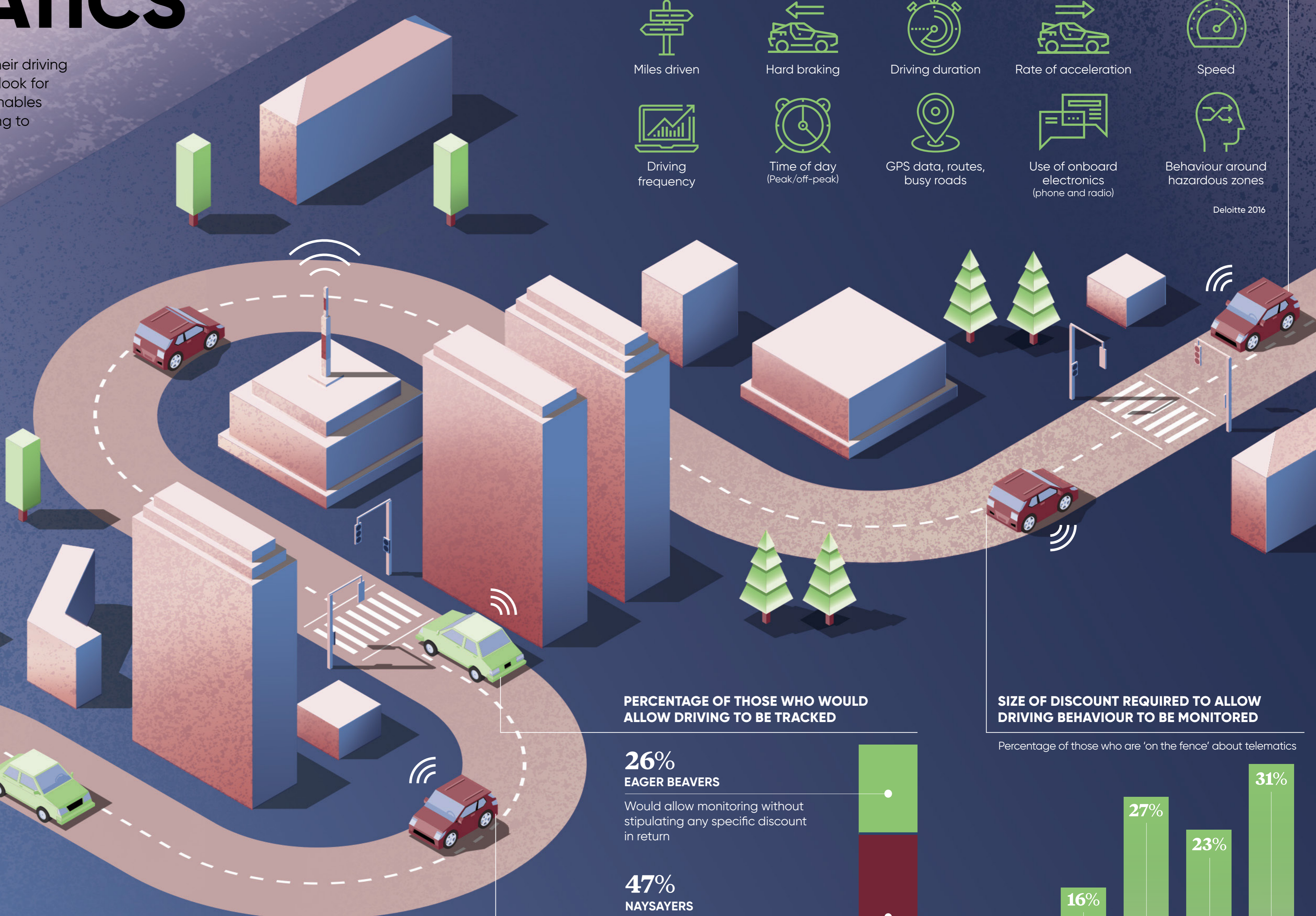


Use of onboard electronics (phone and radio)



Behaviour around hazardous zones

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PERCENTAGE OF THOSE WHO WOULD ALLOW DRIVING TO BE TRACKED

26%
EAGER BEAVERS

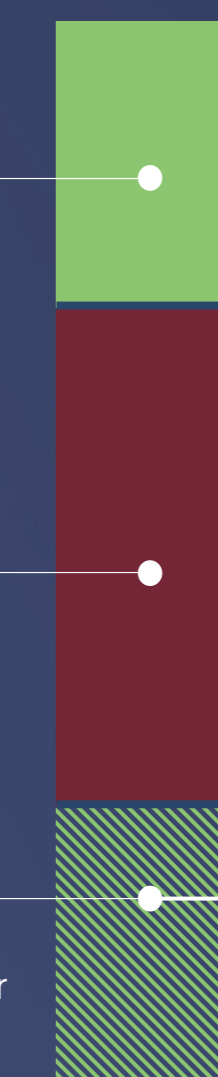
Would allow monitoring without stipulating any specific discount in return

47%
NAYSAYERS

Would not be interested under any circumstances

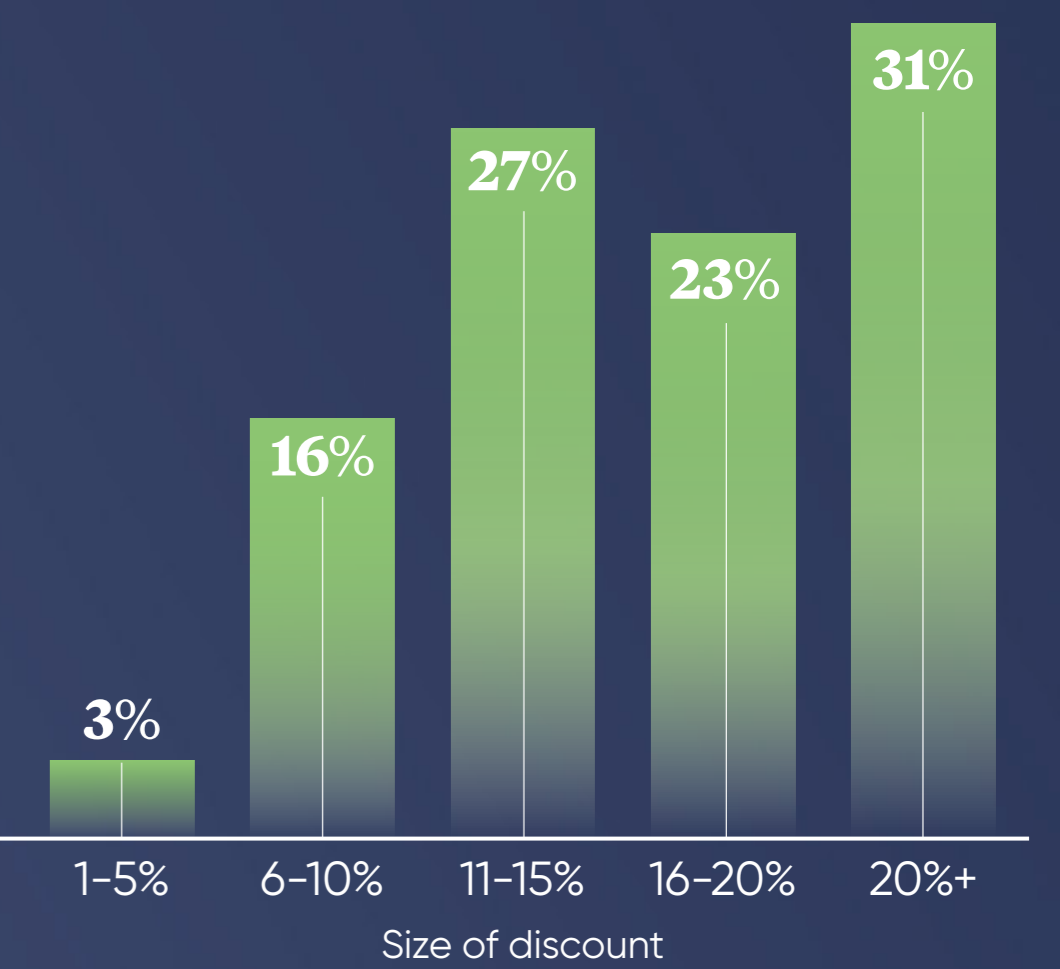
27%
FENCE SITTERS

Might get on board if given a high enough discount to make it worth their while



SIZE OF DISCOUNT REQUIRED TO ALLOW DRIVING BEHAVIOUR TO BE MONITORED

Percentage of those who are 'on the fence' about telematics



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