Evolution of Data Use in UBI

EFFECTIVELY UTILIZING VEHICLE TELEMATICS DATA

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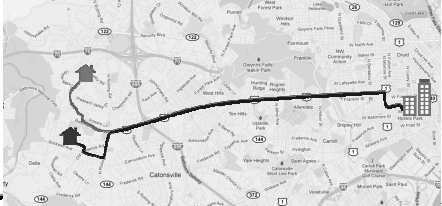1

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UBI Generations

Gen 3 (Biometrics?)

Gen 2 (Behavior)
How you drive
Driving patterns
Driving style

Gen 1.5 (Extreme events)

Gen 1 (Exposure)
How much you drive
How many miles?
When are you driving?
Where are you driving?

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Example

Name: **Jack Green**
Age: **37**
Vehicle: **2010 Toyota Camry**
Claims since 2008: **0**
Monthly mileage: **1160**
Behavior: **Very Safe**

Name: **John Red**
Age: **37**
Vehicle: **2010 Toyota Camry**
Claims since 2008: **0**
Monthly mileage: **960**
Behavior: **Very Risky**

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Building a statistical model

Today Actuary
UBI

Gender
Age
MVR
Credit Score
?
?
?
?

Model → Risk

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UBI Modeling

Gen 2

Data → Information (data analysis) → Model → Rating / Pricing

Feedback / Coaching

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ROI of Gen 1 vs. Gen 2

Claims tools
Behavioral change incentive
Predictive power

Gen 2 — Cost
Gen 1 — Cost
Predictive power

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Gen2 is about working with richer data

Working with rich data has its challenges

The key to success in Gen 2