



The Future of Auto Insurance and Mobility

CAS Annual Meeting
Somil Jain, FCAS
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Bio and Company Info

Somil Jain is currently the Director of Strategic Planning and Analytics for the Direct Channel at Plymouth Rock Assurance Company, based out of Red Bank, NJ. His primary responsibilities are to provide analytical guidance towards marketing, strategic partnerships and profitability for the company's direct-to-consumer business. In the past, he has held several actuarial and product management positions, at ISO, Travelers and AIG. His prior work includes pricing, reserving, predictive modeling, catastrophe modeling and product management.

Somil holds a B.S. in mathematics and computer science from Rutgers University and is currently pursuing an MBA from The Wharton School at the University of Pennsylvania. He is a Fellow of the CAS.

Plymouth Rock Assurance Company is a regional carrier, primarily serving personal auto and home insurance needs in NJ, MA, CT and NH.



2



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3

25 Years ago, what did we think the "future of mobility" would be in 2015?

4



What actually happened in 2015?

5



My goal today

- My goal today is NOT to tell you what the future of auto insurance will look like
- I know better than to try that
- Instead, I want to offer some guidance that will allow you to better navigate changes in the industry as they come along

6



When will the future get here?

- Future means different things for everyone
- May be dictated by size of R&D budget
- Typical insurers have resource constraints
- At any time, different emerging technologies will compete for all resources
 - Analytical
 - IT
 - Operational

7



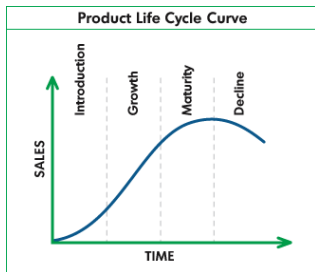
When will your future get here?

- Polling Question
- How far ahead does your company look and plan for?
 - 2-3 years
 - 3-10 years
 - 10-20 years
 - More than 20 years

8



Life Cycle for New Product



9

- UBI / Telematics
- Ride Share
- Price Optimization
- Autonomous Vehicles



Polling Question

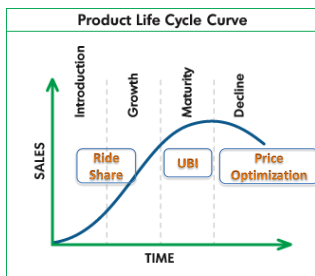
What is the current state of ride share coverage in the product life cycle curve?

- a. Introduction
- b. Growth
- c. Maturity
- d. Decline

10



Life Cycle for New Product



11



Two Critical Timelines

For any new product there are two key points in time you should estimate -

- When will you encounter the first case that will impact you (in terms of pricing, u/w, claims, coverage, etc.)?
- When will there be enough acceptance that you have to address it broadly, even if you were not an early adopter?

12



Insurance Company Operations



What will be the impact to Actuaries?

13



Customer Acquisition

- Search Engine Optimization
- Lead providers and aggregators
- Monetization
- Social Media
- Mobile Quotes
- Are there shift in mix of business for carrier as well as agents?
- What is your new cost of acquisition and how well is the business retaining?

14



Underwriting & Coverage

- Knee-jerk reaction is often to exclude coverage
- What underwriting tools do you have or need to better handle...
 - Ride Sharing
 - Autonomous Vehicles
- New technology, e.g., License Plate Readers
- Influx of 3rd party data, such as fraud scores
- Actuaries – be aware of new processes being used by your underwriters and the impact it may have on your book

15



Claim Investigation and Assessment

- Photo inspections
- App allows livestreaming damages
- Assess Damages, agree to repair cost, find shop, transfer payment all via app
- Machine learning technology allows system to learn with every new estimate
- No need to ask about speed, weather conditions, etc.
- Recreate accident in 3D

16



Technology Concerns

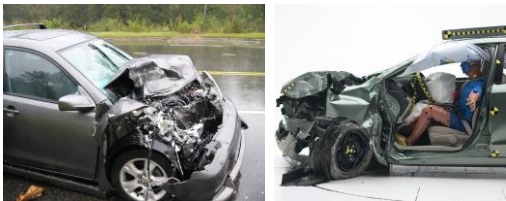
Anywhere from 50 – 150 computers inside each car

- Hacking / sabotage / large scale malfunction
- Manufacturers requiring pre and post scans
- Systems flagging minor bugs – are they responsible for fixing them?
- Cost of repair as well as regular servicing
- Would you trust a computer that has been repaired after an accident by a body shop?

17



Settlement Process Evolving



Legal department will need new expert witnesses that understand technology

18





What else is coming?

- Drones and Holograms
- What else do you insure that can be monetized?
- Marijuana legalization
- Increasing Social Impact awareness
- Are you ready to answer the ethical issues that will come up when computers are making life-or-death decisions?

19





Additional Questions and Discussion

20