



Section 2: Beyond UBI Applications of Telematics

CAS Annual Meeting 2018

First Notice of Loss

Non-telematics approach



Crash notification
(via mail, fax or e-mail)



Documents receipt & claim opening



Expert involvement and damage evaluation



Settler involvement, payment & claim closing



TRADITIONAL
From **CLAIM**
to closure:
Avg.

31-32 days⁽¹⁾

Questionable, subjective or incomplete data

Telematics / Automatic FNOL approach

Emergency call
Based on accident detection



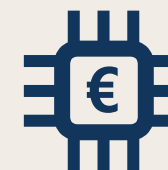
Multimedia FNOL



Automated liability assessment
Damage estimation



Automatic steering & settlement



Telematics
From **CRASH**
to closure:

Few days

Objective, complete and real time data

(1) Source: Ania (Italy average 2016)

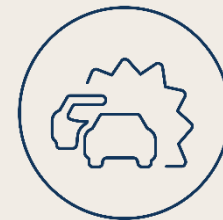
- Telematics offers a complete and objective view of every driving incident
- When claims do have to be arbitrated, win rates improve with physical evidence provided by telematics data.

OCTO Damages Evaluation Tool

Vehicle	Volkswagen Golf MkV
Plate	WRX444
Impact Speed	31 Km/h
Impact Direction	front
Damages extent	medium-low

Direction and sequence of Impact

Damages



Crash reconstruction



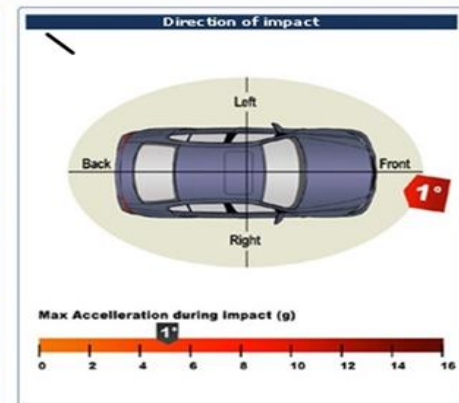
Crash dossier

OCTO Crash Detail

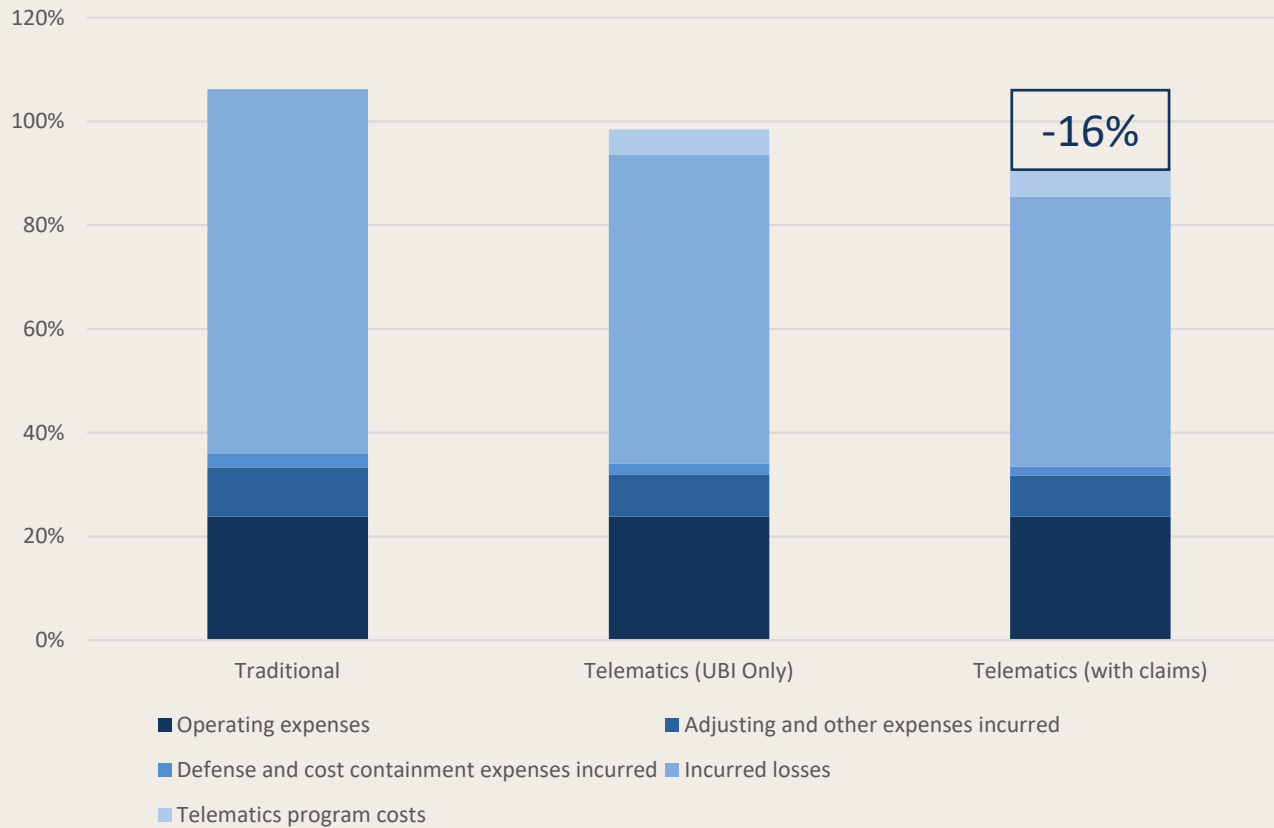
ID	588527
Date and Time	11/04/2012 13:10:14 (GMT +01:00)
Type of crash	Heavy Crash
Place of incident	Carretera del Cantábrico 33150 Cudillero (Asturias) - Principado de Asturias - España 3m
Ignition State	ON
Impact speed	31 Km/h (GPS)
Impact Entity	5,62 g
Brake before impact	YES
Info	- GPS Navigation OK

Road assistance detail

Operator	
11/04/2012 13:14:04	MONDIAL ASSISTANCE



Impact of telematics on combined ratio



Expense	% of Premiums		
	Traditional	Telematics (UBI Only)	Telematics (with claims)
Losses And Related Expenses			
Net premiums written	100%	95%	95%
Loss and loss adjustment expenses (LAE)	82%	70%	62%
Incurred losses	70%	60%	52%
Defense and cost containment expenses	3%	2%	2%
Adjusting and other expenses incurred	10%	8%	8%
Operating expenses	24%	24%	24%
Net commissions and brokerage expenses incurred	9%	9%	9%
Taxes, licenses and fees	2%	2%	2%
Other acquisition and field supervision expenses incurred	8%	8%	8%
General expenses and Dividends	5%	5%	5%
Telematics program costs	0%	5%	5%
Combined ratio after dividends	107%	99%	91%
Improvement		8%	16%

Sources: [III](#), [SwissRE](#), [Society of Actuaries](#), [Financial Times](#), [Property Casualty 360](#), [QZ](#)

A New Kind of Emergency Assistance

Crash scene services – the best experience possible

Telematics supports new high-value crash scene services that lower costs and improve satisfaction.



Emergency Response

Immediately following an accident:

- Determine if emergency response is required
- Provide lifesaving data to responders
- Provide precise vehicle location



Towing & Vehicle Triage

- Immediate vehicle damage assessment
- Determine if vehicle is a loss or repairable
- Reduce second tows and unnecessary storage fees.



Post-Crash Transportation

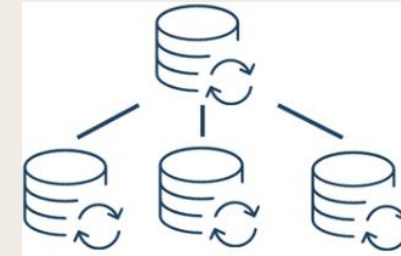
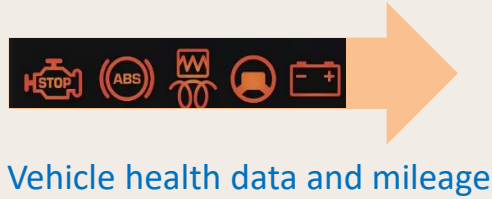
- Contact a family member or friend
- Provide policyholders with a taxi or rental car the scene of the crash
- Schedule to have a claims agent contact policyholder



Vehicle Relationship Management



Connected Vehicles



Prognostic analytics and repair-service network-communication management

“VIN xx needs fuel filter replaced or catalytic converter failure is imminent”

“VIN yy odometer is 19,876 miles”

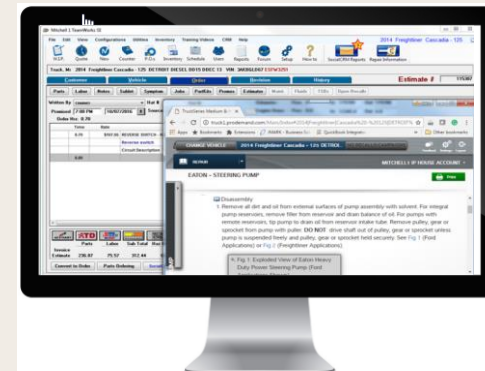


Transparency and cost saving for fleets and consumers



Shop phone or digital communications:

- Service notice
- Possible vehicle health issue
- Actual vehicle health issue
- Battery alerts



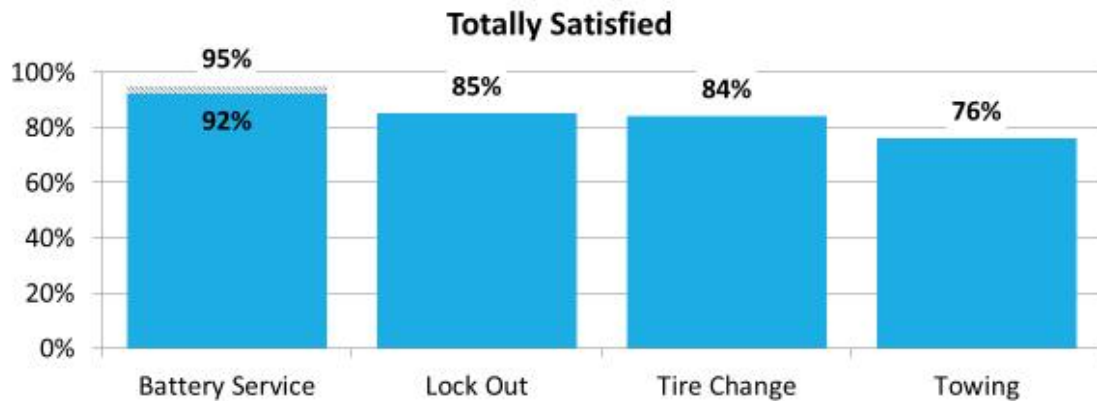
Existing shop management systems

Note: requires OBD dongle and is an Octo roadmap item for 2019

- Battery failure is among the top 10 vehicle problems
- Through partner integration you can have access to true battery health and a mobile battery service

Satisfaction Ratings

AAA performs a customer satisfaction survey for every roadside service event. When surveyed, results for “totally satisfied” battery service leads, lock out, tire change and towing:



Relevant Problems Provide Opportunities

“New to the top 10 list of problems reported in 2017 is **battery failure**. In fact, 44% more owners report a battery failure this year than in 2016. Batteries are the most frequently replaced component not related to normal wear and tear in three-year-old vehicles at 6.1%—up 1.3 percentage points from 2016.” —J.D. Power, 2017

Vehicle Dependability Study

- Mobile battery replacement has the highest satisfaction
- Mobile battery service can help pay for telematics

Note: requires device connected to car systems