

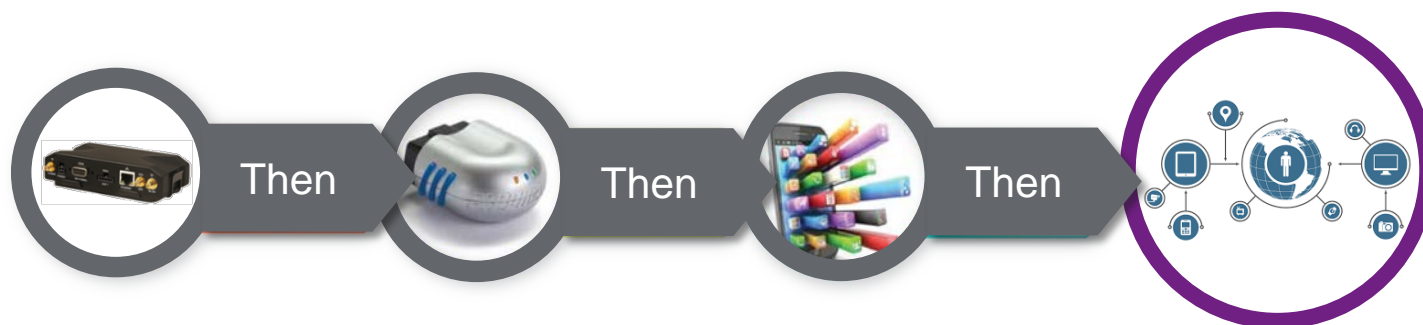
CAS RPM Seminar

How to Make the 'U' in UBI Stand for Ubiquitous

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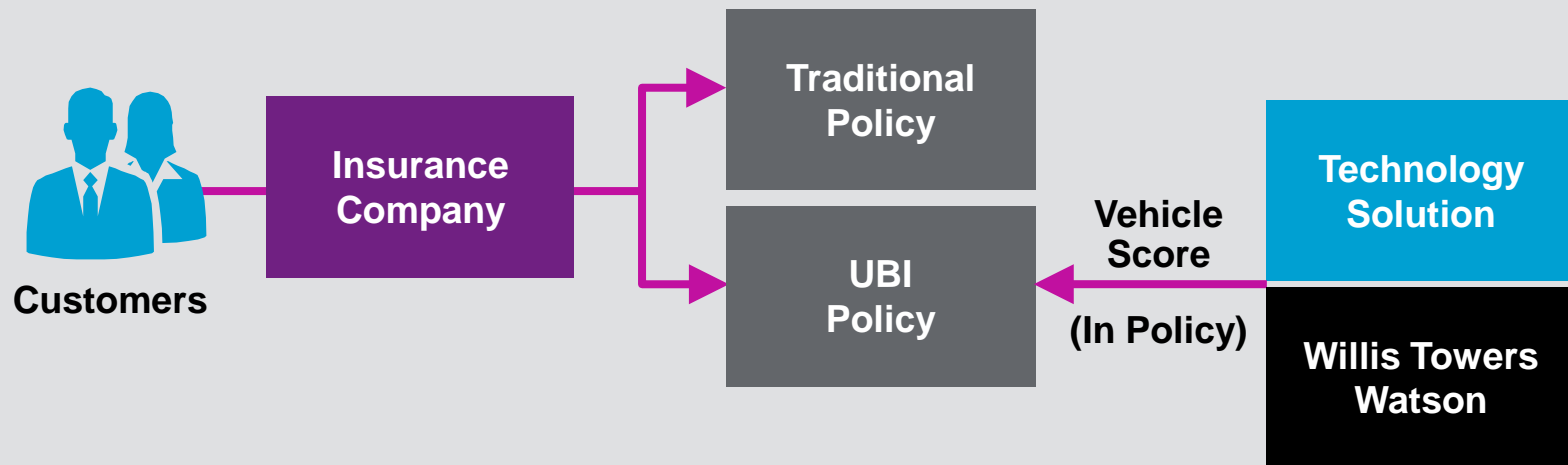
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Evolution of Technology



Technology	Description	Status
Hard install device	After-market black-box device — requires professional installation. Installation varies from simple to invasive	Available, but expensive
On-board diagnostics (OBD) device	After-market device plugged into the vehicle's OBD port by the customer	Available
Smartphone app	A smartphone application that captures driving data. It is not connected to the vehicle	Available, consumer issues being addressed
Smartphone with tethering	A smartphone application connected to the vehicle via tether (often using Bluetooth)	Available, but complicated
Connected car	Technology for data connection is factory installed. Connection with smartphones and bespoke apps can be installed	Limited based on geography and manufacturer
Passive data/ Unaware monitoring	Data collected without a new device or action on the part of the customer, e.g., mobile phone operating system data, telecoms mast data or monitoring within apparently unrelated apps	Data available; however, application not in place

How Is Vehicle Data Used Today?



Impact of Issues on Uptake

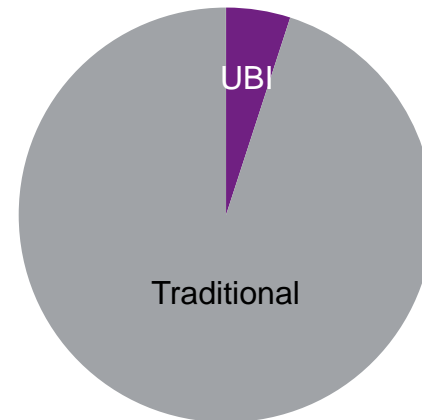
Issue	Company	Consumer
Technology	<ul style="list-style-type: none">▪ Cost of solutions▪ Constant change is confusing▪ Installation-related processes must be implemented	<ul style="list-style-type: none">▪ Active installation adds friction▪ Data privacy concerns
Data not known up front	<ul style="list-style-type: none">▪ Must provide voluntary discounts before risk is understood	<ul style="list-style-type: none">▪ Uncertain premium impact▪ Score is not portable
Only applies to UBI policies	<ul style="list-style-type: none">▪ Only a small subset of book	<ul style="list-style-type: none">▪ Good drivers do not benefit unless they agree to a UBI policy

Addressing these issues will greatly accelerate the application of vehicle-oriented data to a broader range of insureds.

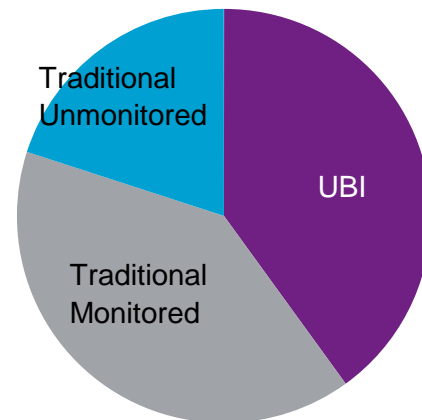
Potential Evolution — Ambient Data

- Most individuals are already tracked today
 - Vehicles with embedded services
 - Mobile phone operating systems
 - Apps that record location
 - Mobile phone handset mast location data
- These data have not been widely leveraged for auto insurance, but with appropriate permissions, they could be
 - Highly predictive
 - Powerful lead generation asset
- Would be applicable to UBI and traditional policies

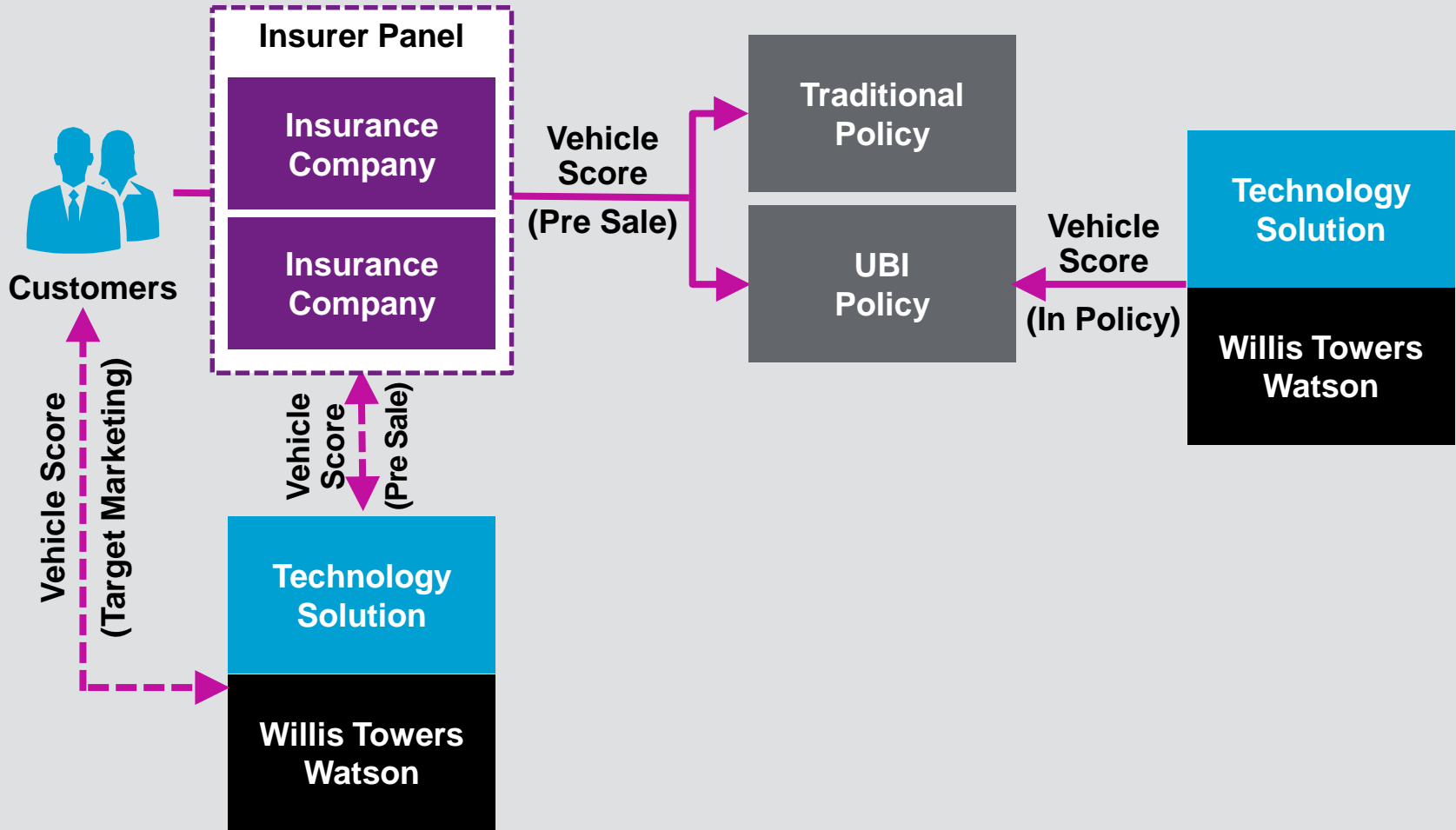
Driving Population — Now



Driving Population — Future



How Will Vehicle Data Be Used in the Future?



How Will Consumers Benefit?

- Consumers, especially younger ones, are comfortable providing information in exchange for something of value:
 - A broader range of insurance choices with clear price comparisons
 - Access to a portable driving score before agreeing to a policy
 - Charged “fairer” premium for UBI or traditional policies
- Likely more comfortable being tracked by telecoms, OEMs, etc., that give them side benefits



Population Statistics

25% Millennials

16% Digital Natives

24% Baby Boomers

How Will This Impact Companies?

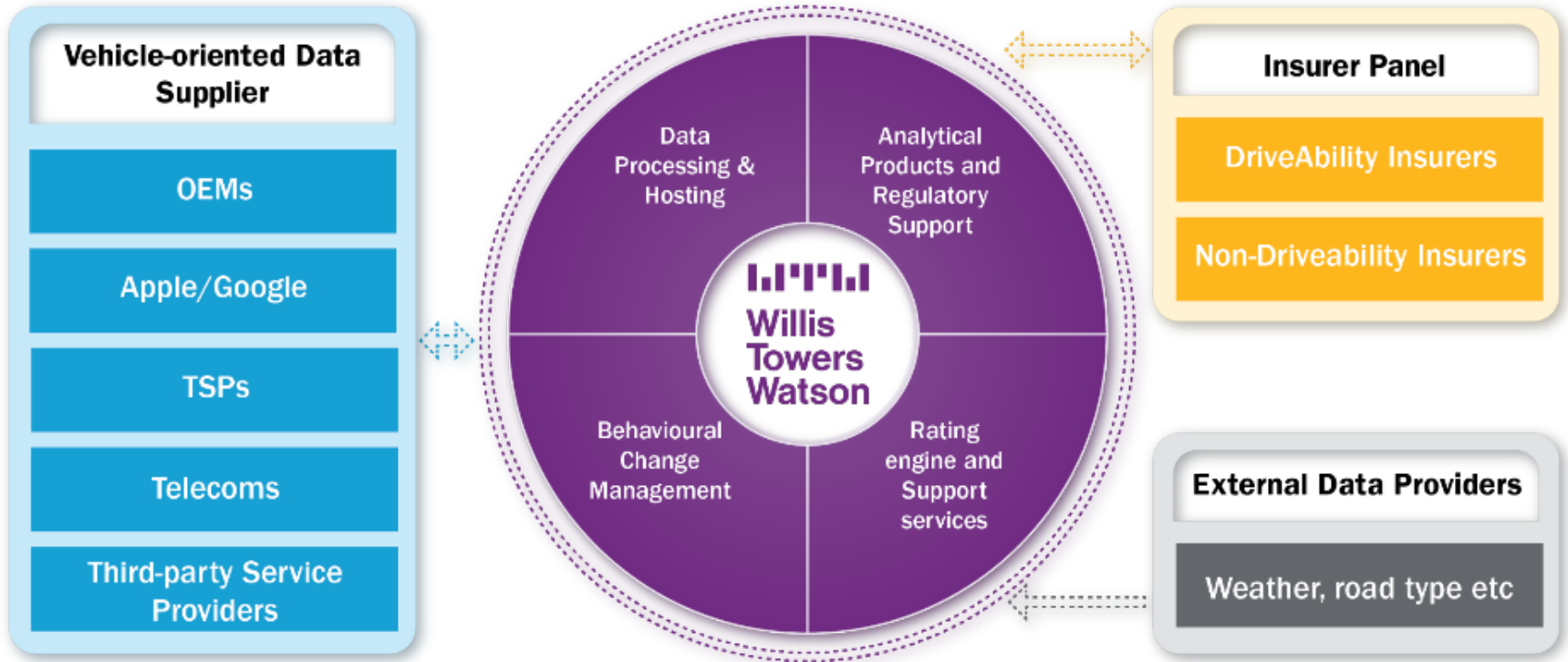
Benefits

- Access to broader range of prospects
- Better info during the initial underwriting process
- Embedded technology makes on-boarding easier
- Greater potential to improve driving behaviors

Challenges

- Aggregator model can create pricing pressure
- UBI policies less protected due to score portability
- Difficult to deal with non-uniform data sources
- All rating plans will need to be updated

UBI Data Marketplace Overview



Facilitate a “many to many” relationship, allowing data providers and insurers to focus on their core competencies