

The logo for OCTO, consisting of the letters O, C, T, and O in a stylized, white, sans-serif font. The letters are bold and have a slight shadow effect. The background is a dark blue gradient with faint, light blue wavy lines.

Using Telematics Data Beyond Pricing

Ratemaking, Product and Modeling Seminar 2019

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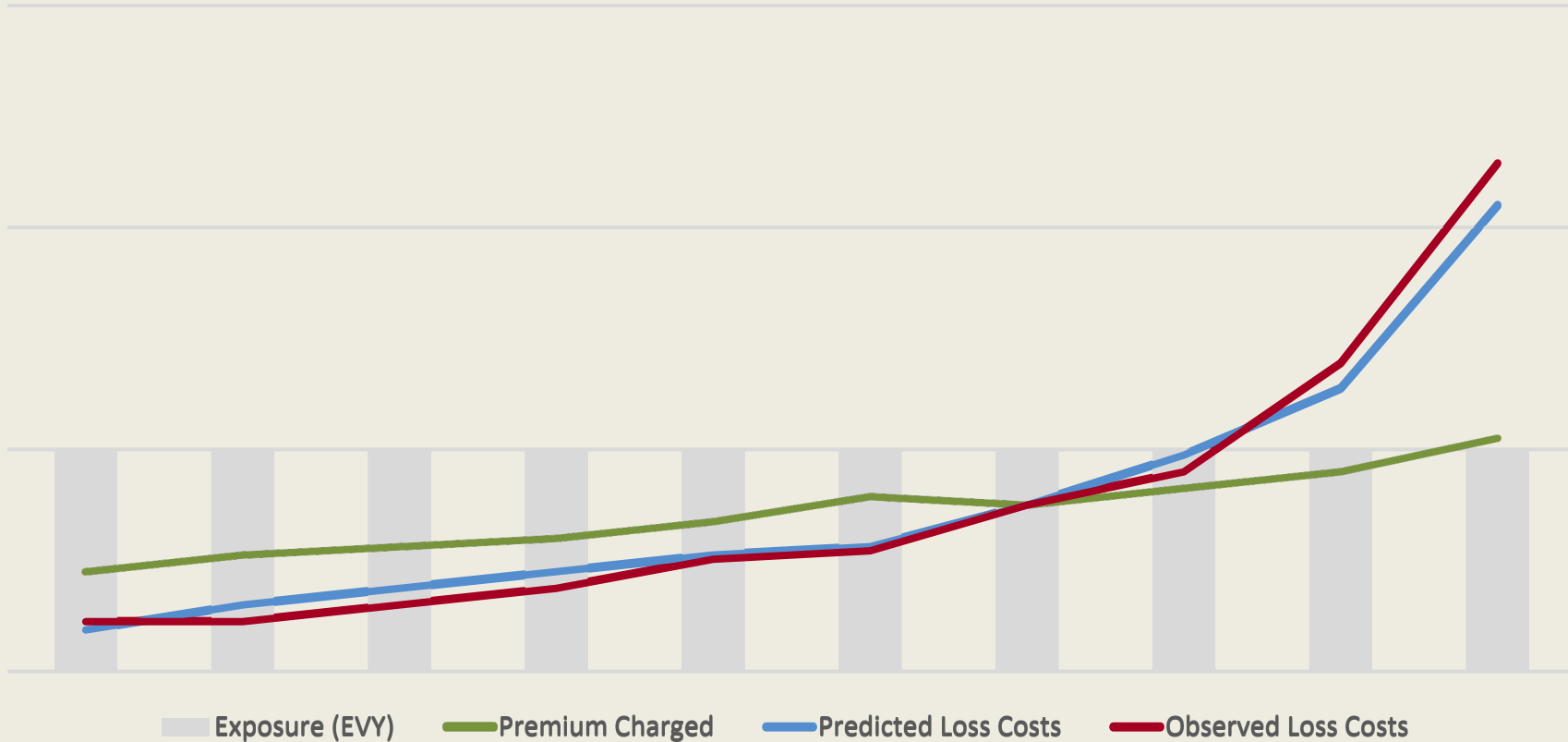
The evolving landscape

	Risk pricing	Claims	CRM
Traditional auto insurance model	Price based on static proxy data	Managed based on subjective and late data	Impersonal and infrequent engagement w/ customers
Telematics auto insurance model	Price based on observed risk	Managed based on objective immediate data	More personalized product, sales, and service interactions
The IoT opportunity across insurance verticals	Real risk related data	Using real-time data to meet customer needs	Holistic customer engagement

01

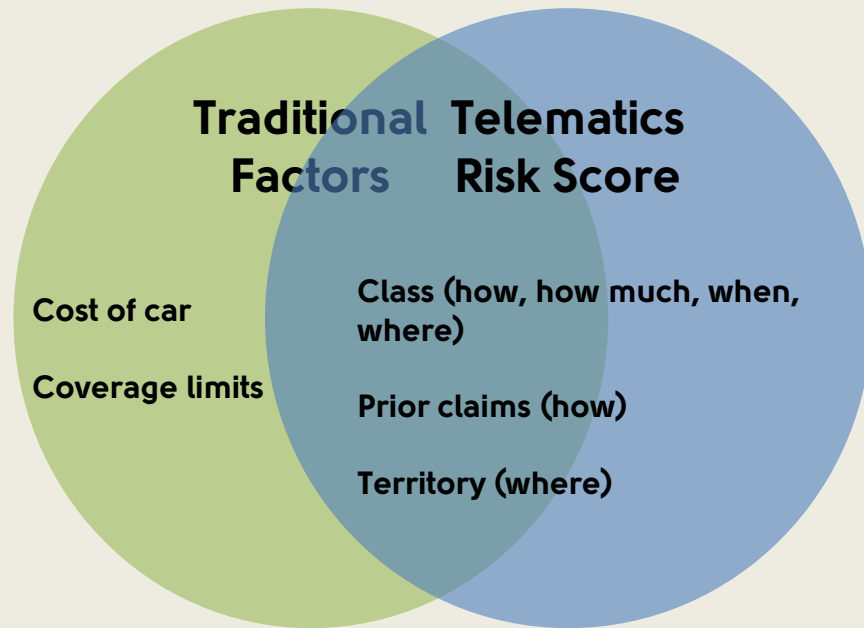
Risk Pricing

DriveAbility 3.0 Validation Test



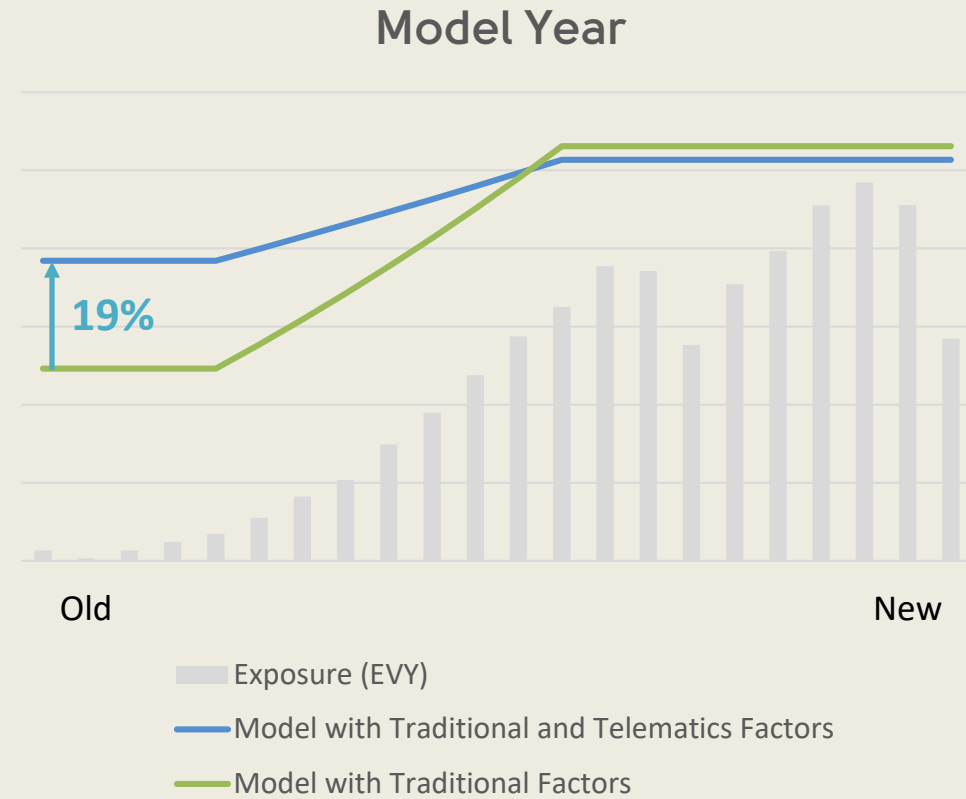
Decile	Predicted/Premium -1.0
1	-70%
2	-55%
3	-43%
4	-32%
5	-21%
6	-17%
7	0%
8	13%
9	36%
10	103%

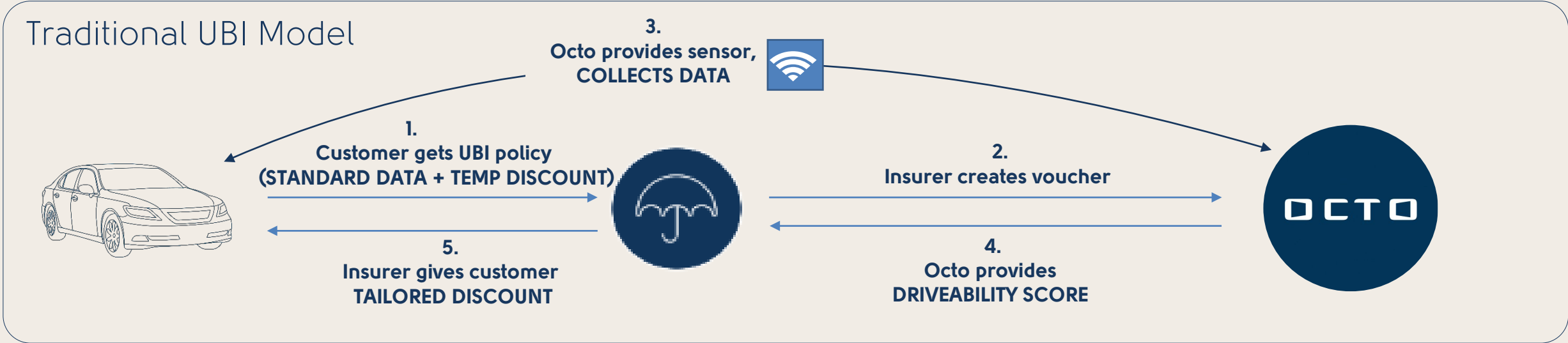
There is overlap with traditional static factors that are proxies for actual driving data



You will lose value if you don't optimize the combination

Our policy data allows us to advise on how traditional factors may change

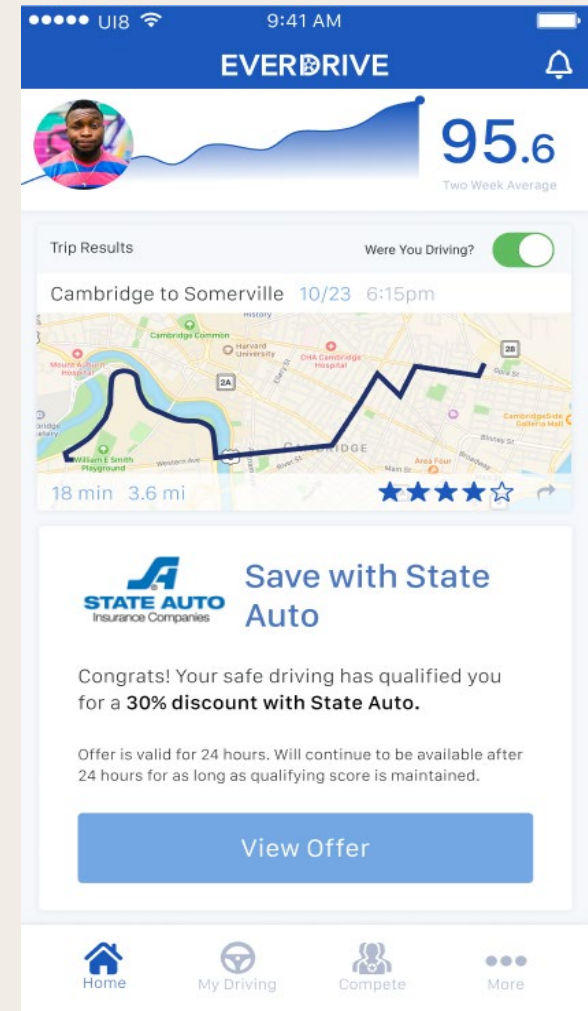
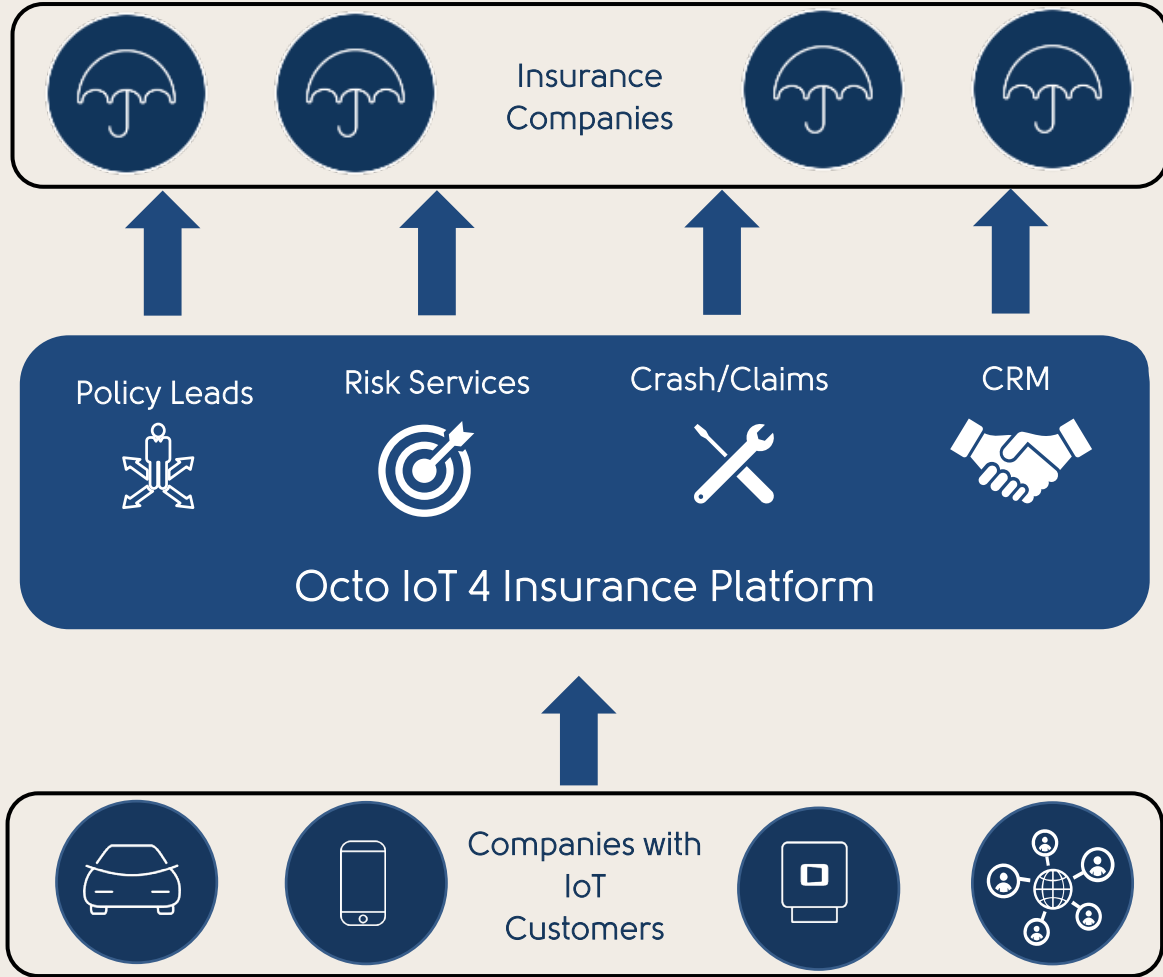




- ### Implications of Current Model
- Telematics data is consistent
 - Telematics data isn't known at point of sale
 - Only incumbent insurer knows the "truth"

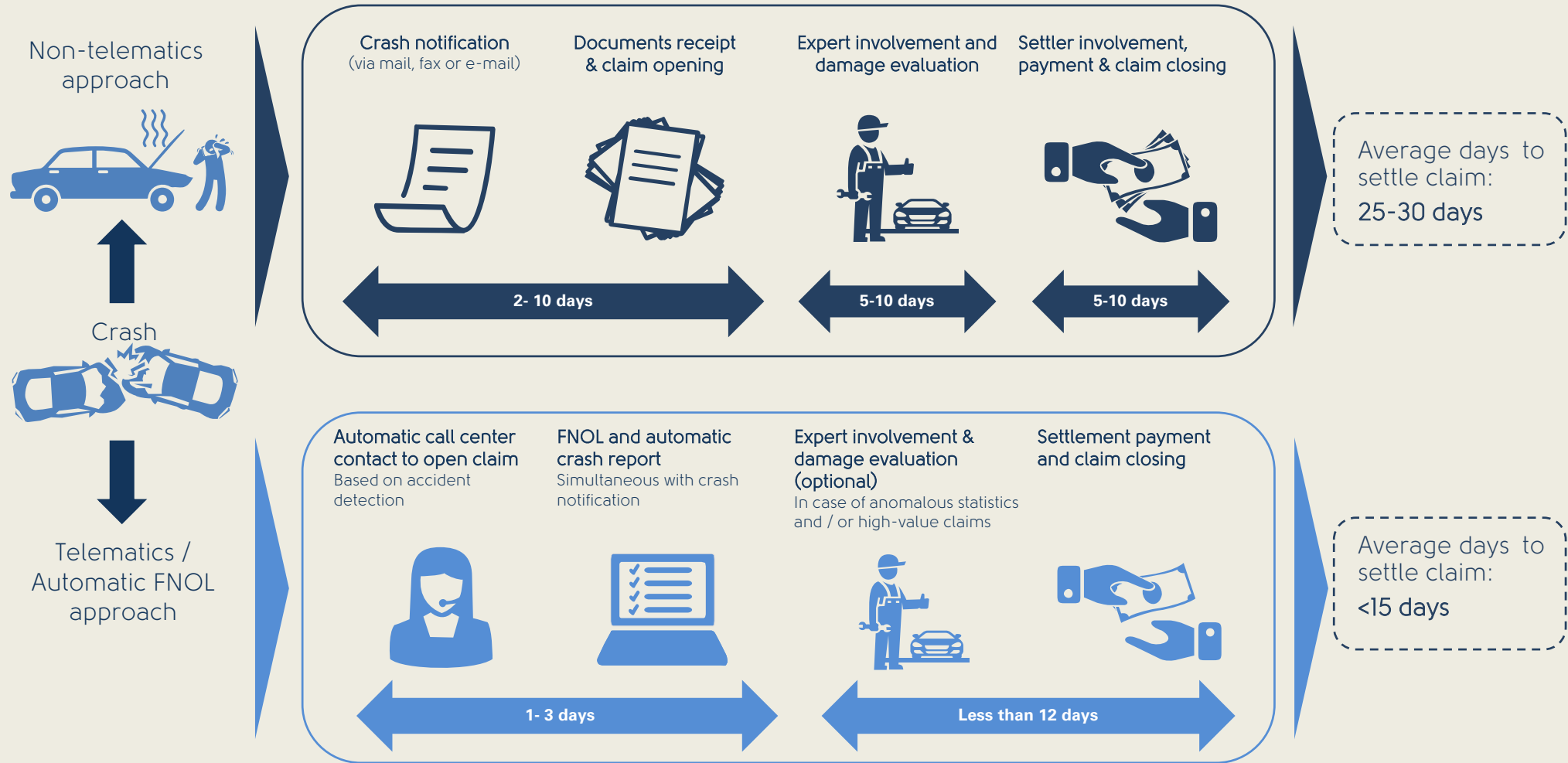
4 out of 5
consumers surveyed
are open to sharing
IoT-type data to
receive personalized
quotes

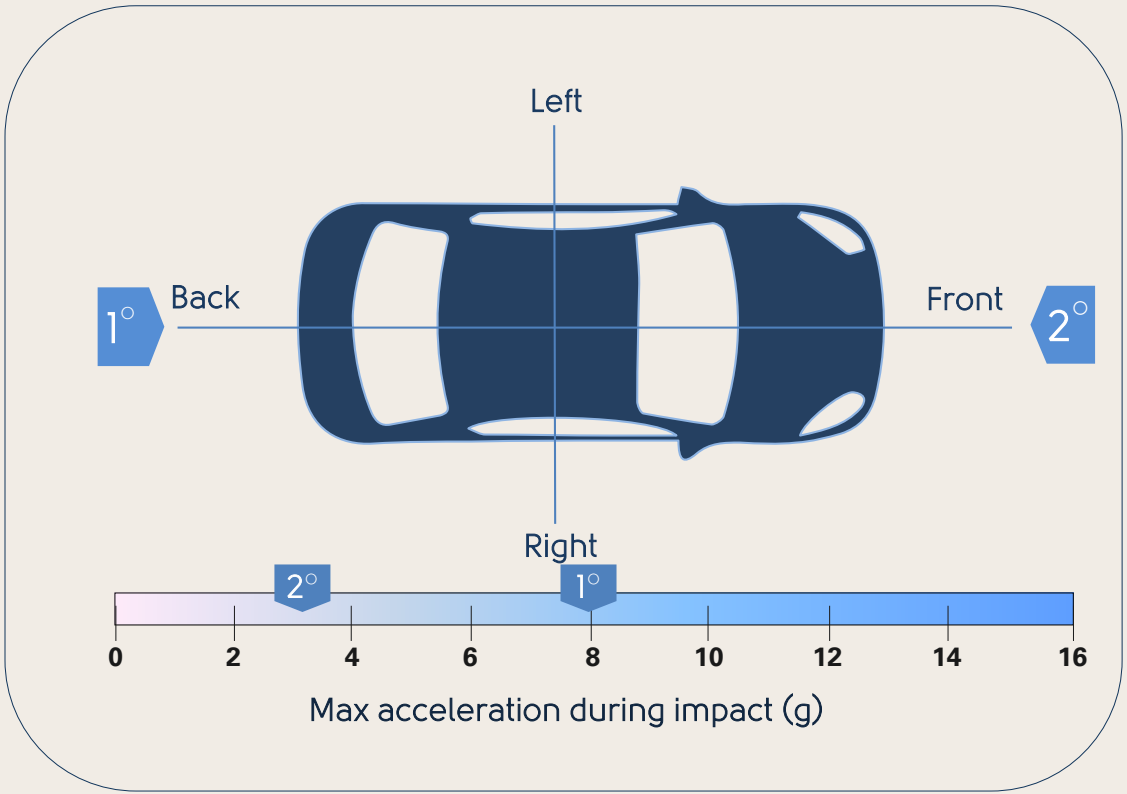
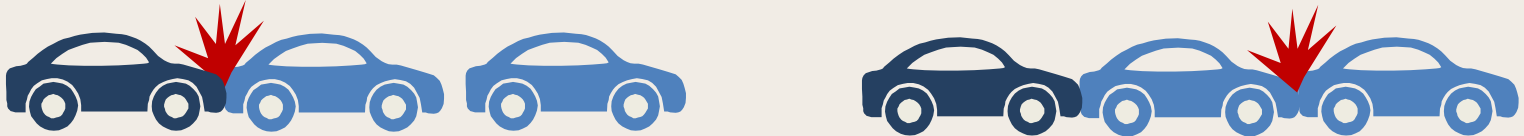
DriveAbility Marketplace

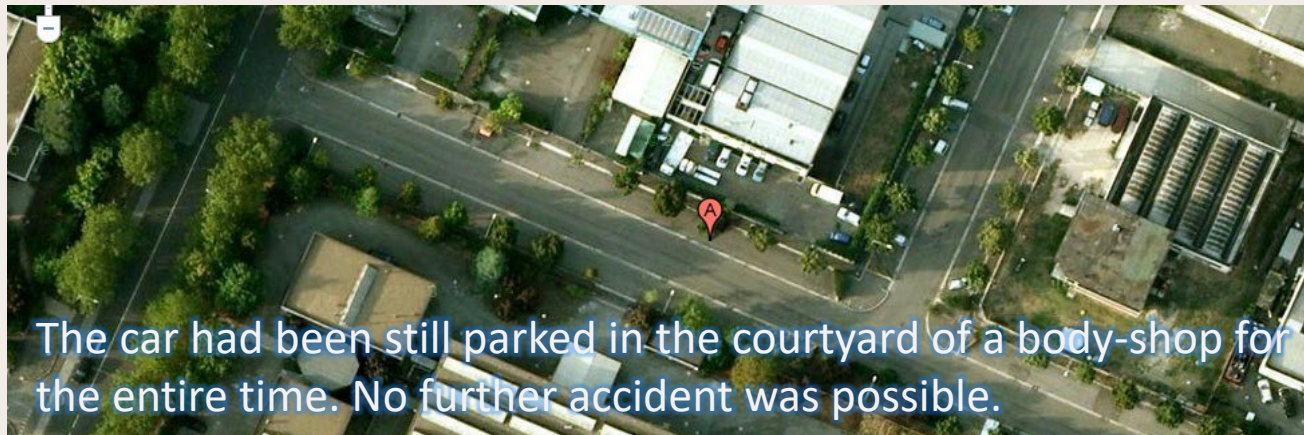
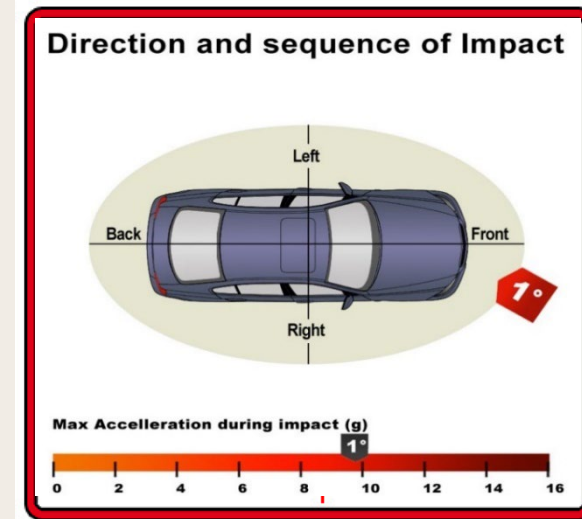
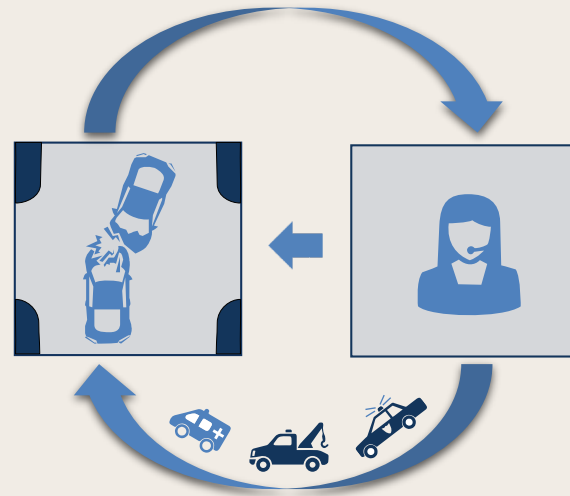


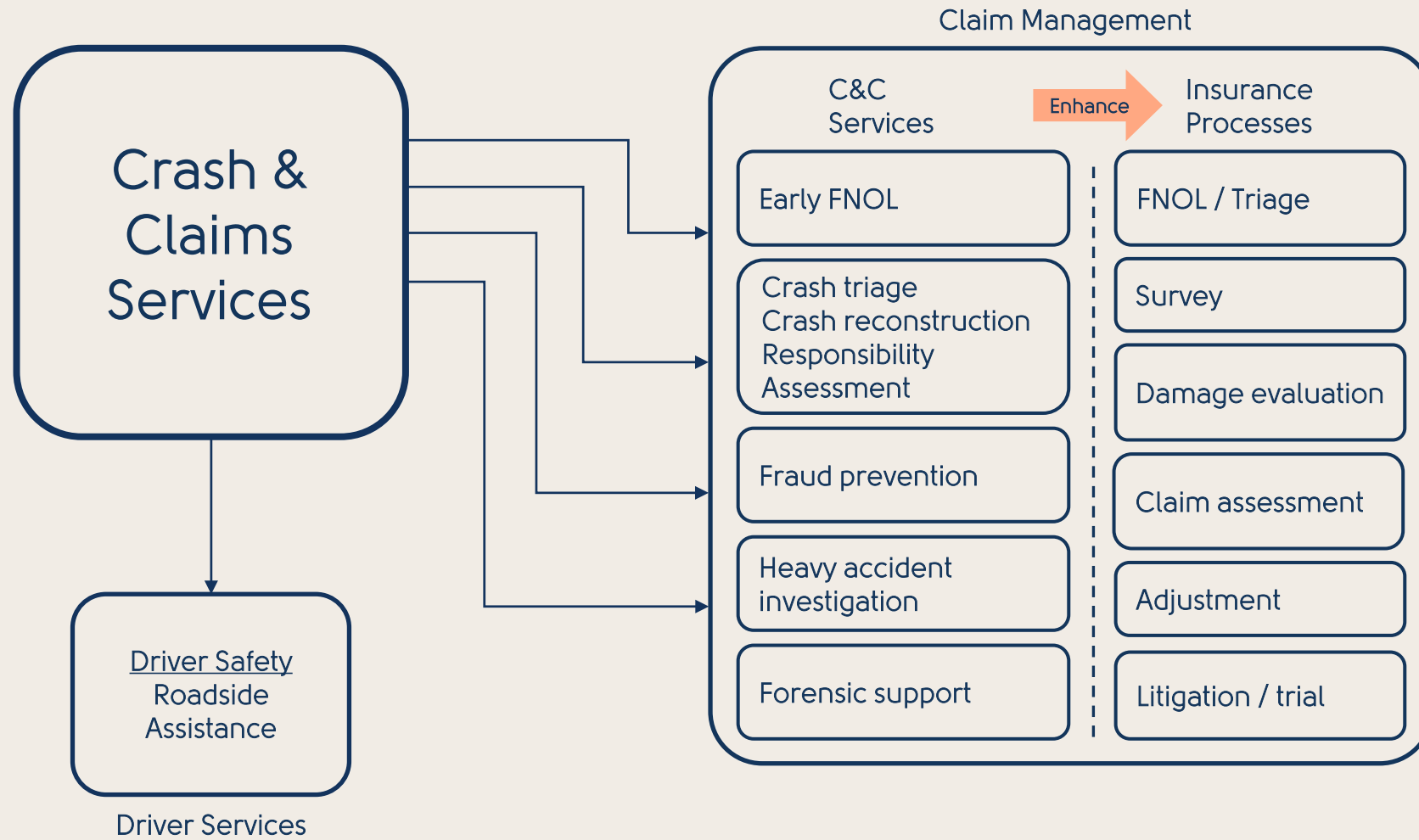
02

Claims





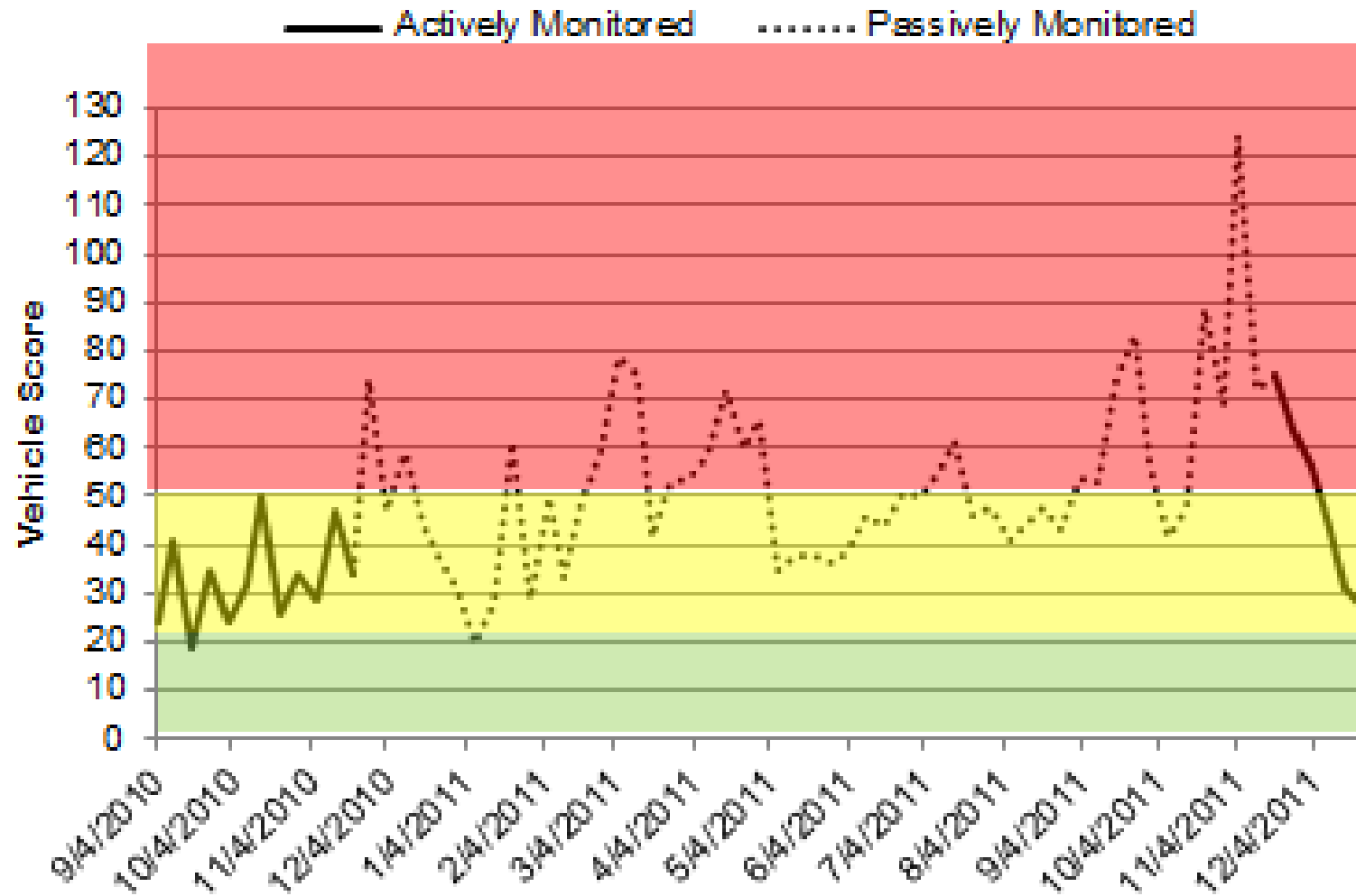




03

Customer Relationship Management

Example: 16-17 year old over time



Correlation is great for pricing,
but not for changing behaviors



Causation is the key!

We are all ignorant until we
learn



Visual



Audio



Kinesthetic

Deliver info in consumable way!

Is everyone motivated by the
same thing?



Feedback



Competitio



Rewards

Find the "right" incentive!

OCTO

Thank you

Geoff Werner and Joe Griffin

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