



## Knowledge Area Review (KAR 030)

Impact of Telematics on Automotive Insurance – Product Brochure

March 2016

# KAR 030: Impact of Telematics on Automotive Insurance

## A global synthesis of leading thinking and insights (brochure and sample slides)

What is this report?

- ICG's 30th Knowledge Area Review (KAR), covering the impact of vehicle telematics on automotive insurance
- 98 pages (samples attached) of in-depth information, drawing on the best public-domain thinking and practice globally from consulting firms, academics and others
- Created by a global team with many years of collective experience in casualty insurance and industrial telematics
- Priced at US\$7,500 (plus any applicable taxes) per organisation for an unlimited internal global license
- Published in March 2016

What questions does it answer?

- What are the current vehicle telematics technologies and information platforms, how do they support accuracy and relevance, what are the emerging devices and data platform power combinations?
- What are the emerging business models for “pay as you drive” and “pay how you drive”? What types of companies and which players are teaming up and what markets are they addressing?
- What is the consumer reaction and what is driving take-up?
- How big might this market become and what are the key drivers of growth?

Why buy it?

Learn the potential for disruption in the vehicle insurance market:

- The key technologies and data sources required to be relevant;
- The business models and alliances driving innovation;
- The successes and failures to date, and key learnings about customers and their take-up;
- What is coming next

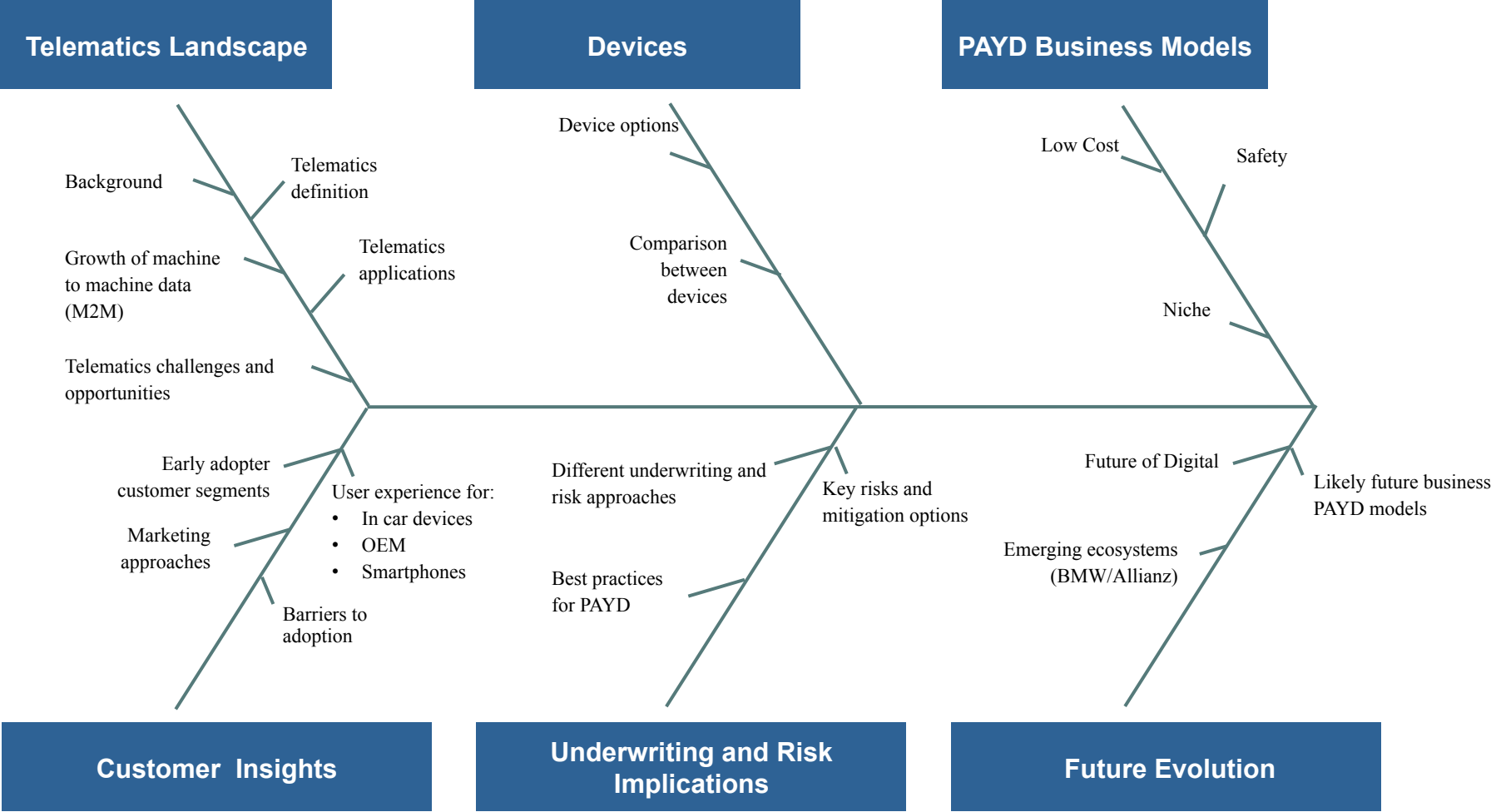
Where can I buy it?

- From your local ICG affiliate or office
- From the lead author Barry Johnston (Melbourne, Australia - [barry.johnston@internalconsulting.com](mailto:barry.johnston@internalconsulting.com))
- From ICG's web store at <http://internalconsulting.com/store/knowledge-area-review/>

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# KAR 030 explores the impact of telematics on the global automotive insurance industry

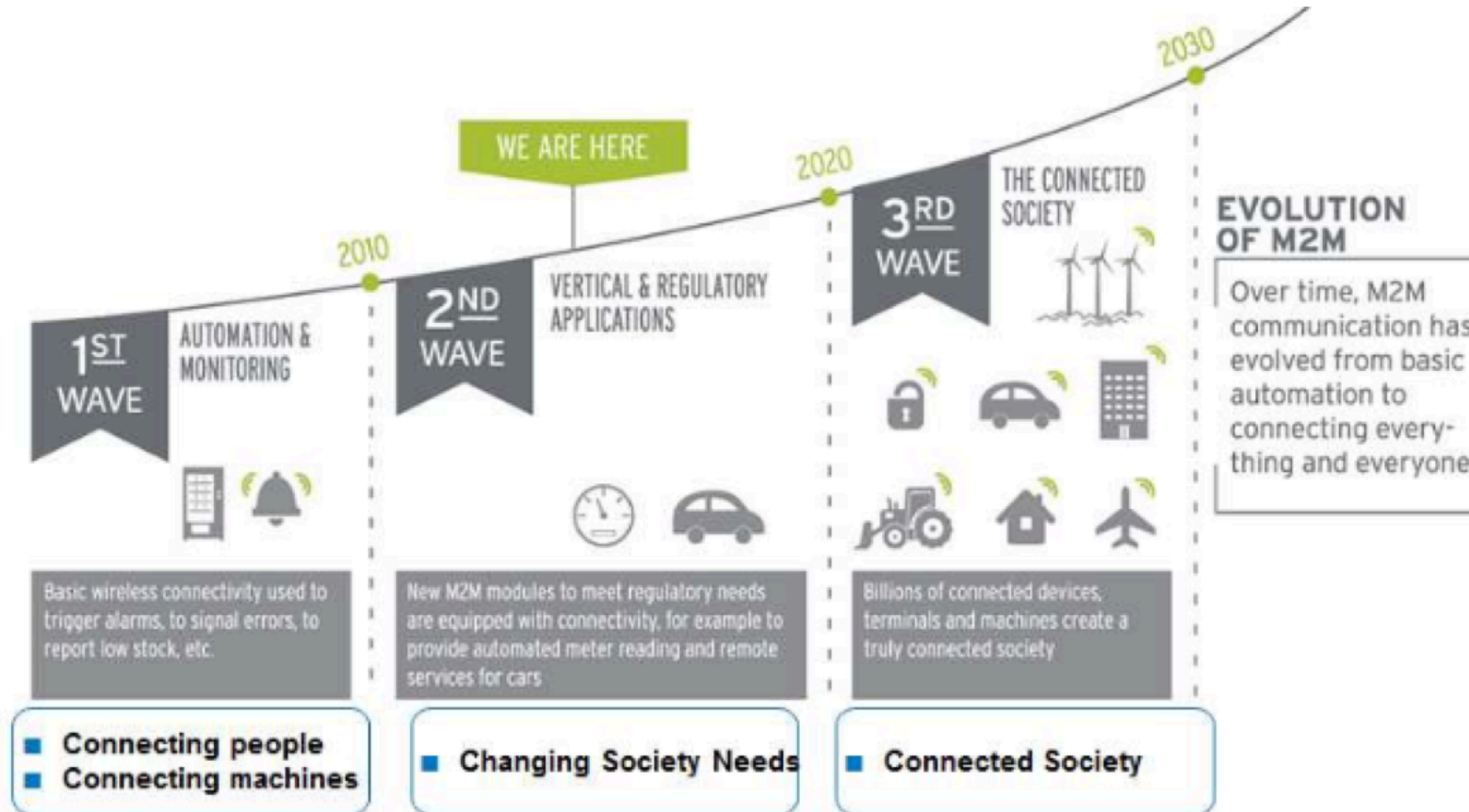


# Sample 1:

Machine to Machine (M2M) data sharing is underpinning a profound shift from basic connection of individual machines to a truly networked society



## FROM CONNECTING THINGS TO CONNECTING SOCIETY



# Sample 2:

## BMW has partnered with Allianz



### Global Partnership Agreement

#### Original Deal Signed in 2009 and Extended in 2014

- Established joint customer insurance business
- Has led to current cooperation in 27 markets and distributing about 50 joint products

#### New Extension of the Agreement

- Focuses on international rollout of car and mobility insurance products including car insurance, extended warranties, and payment protection
- Set basis for global cooperation in e-mobility, used cars, sales channels, driver assistance and safety systems
- Allianz products compliment range of financial services offered by BMW

### BMW Connected Drive Technology

#### BMW Telematics

- Built into cars and tracks mileage driven
- Monthly statement produced and sent to policyholder

#### FlexiMile Insurance

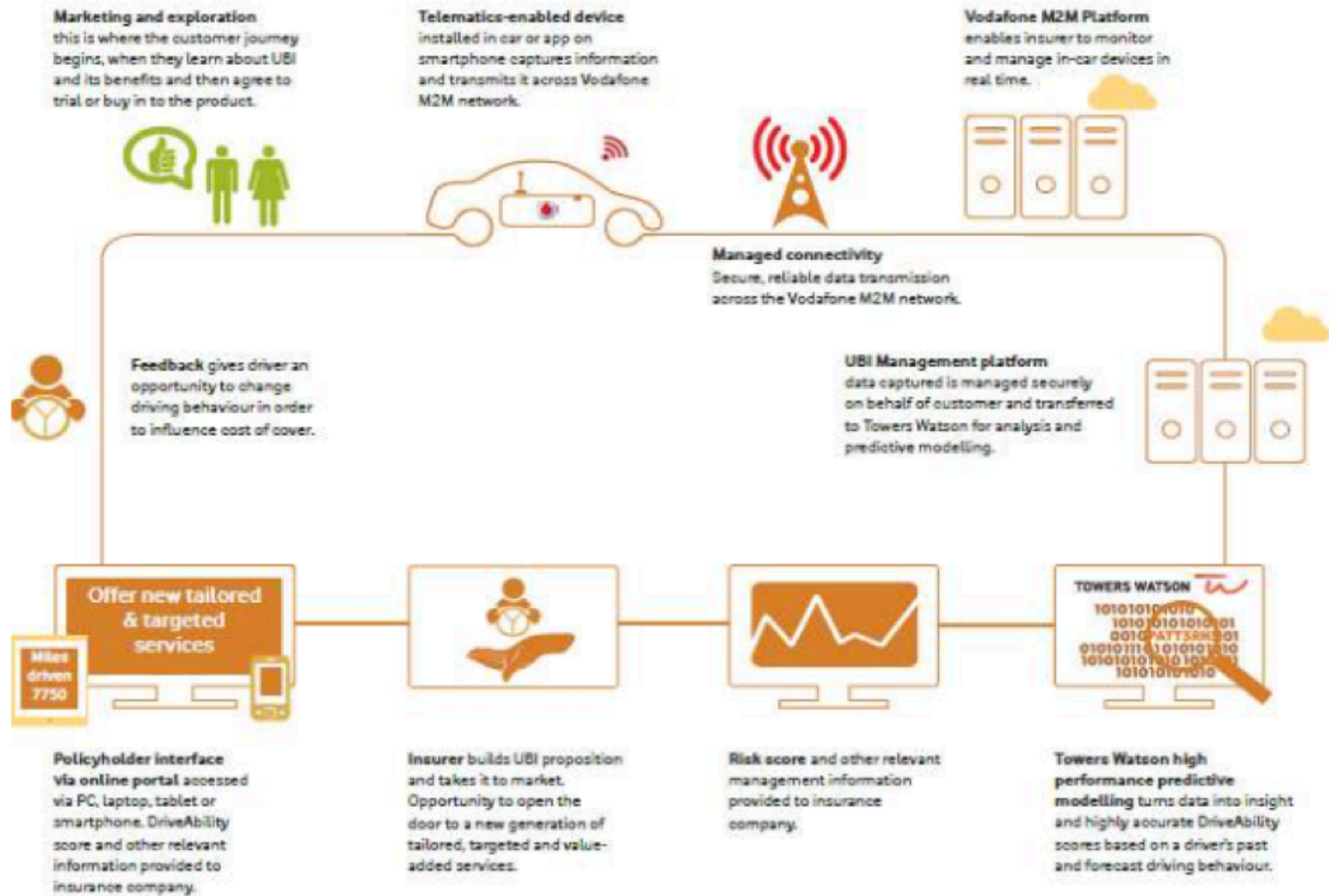
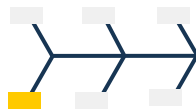
- Designed for those driving 5,000 miles per year
- Customers save 25% on premiums
- Charged fixed price per mile over 5,000
- 7-day free trial of BMW car insurance available to purchasers of i3 and i8 electric vehicles in the UK
- This integration marks the first time BMW has delivered a factory-fitted telematics technology-based insurance product
- SBD predicts that 19 million drivers will rely on telematics based insurance by 2017



# BMW CAR INSURANCE.

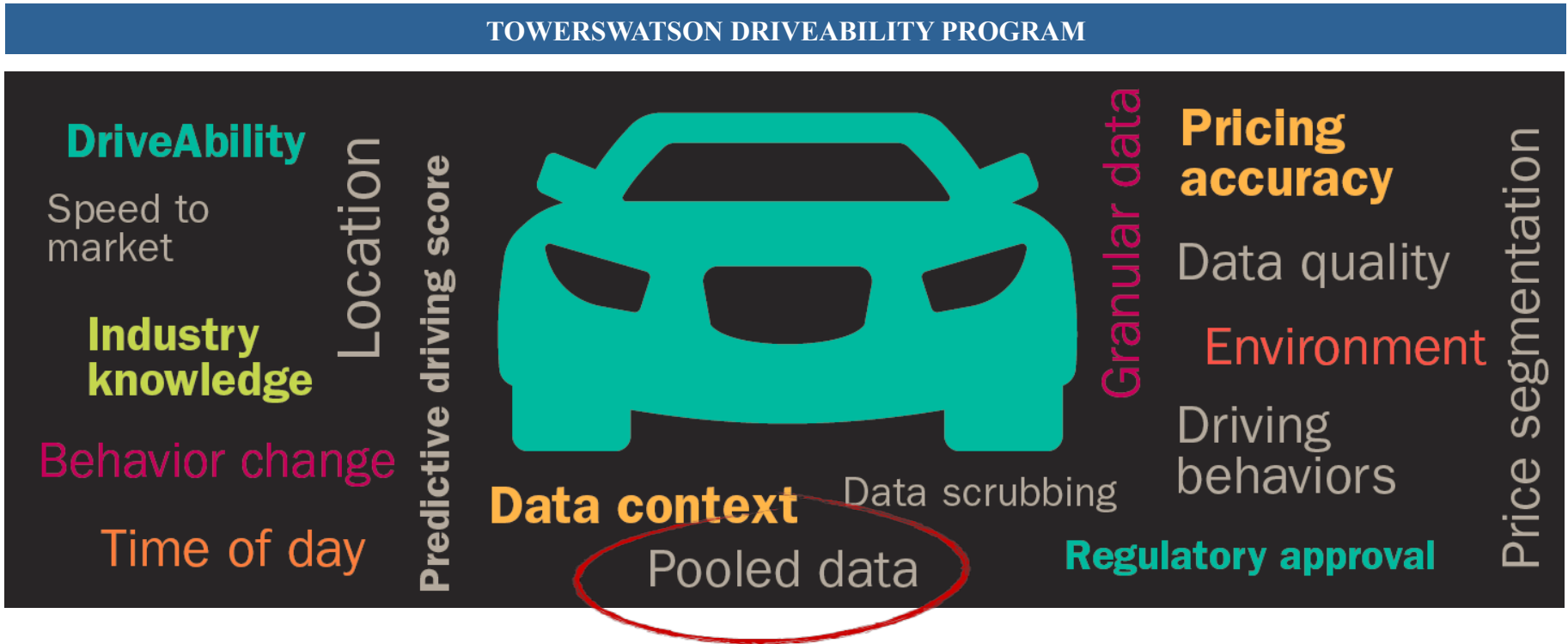
# Sample 3:

Vodafone is offering an end-to-end telematics concept to insurers, with Towers Watson doing the risk modelling



# Sample 4:

Data aggregators (eg Towers Watson) are addressing by providing insurers access to pooled data from other insurers – allowing immediate launch



*TW claim to have been gathering data since 2010, generating the only complied database in the industry that merges vehicle operations with actual loss costs*





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