



Apps, Data Gathering, & Underwriting Competition Producing Vehicle Insurance Cost Reductions, Discounts, and Transportation Cost Management Trend.

The Situation:

Apps for Drivers and owners of vehicles are gathering driving performance which delivering the data to insurance underwriters who are, then, offering discounts & programs for and to insured customers.

The resources from fee-based dashboard telematics services providing data that enables insurance underwriters to offer rewards programs linked to driver performance from smartphone app.

Apps have game-like interface to entice more of its vehicle owners in the U.S. to sign up for a smartphone app that relays digital data on driving habits

Some of the Apps being used by the Insurance Underwriting Companies?

Belairdirect [Canada]

Dash

Automatic



How is data on vehicle operations and use being gathered?

Cigarette-pack-sized data port, located under a car's steering wheel,
GPS Tracking technology
Telematics
I-phone Apps

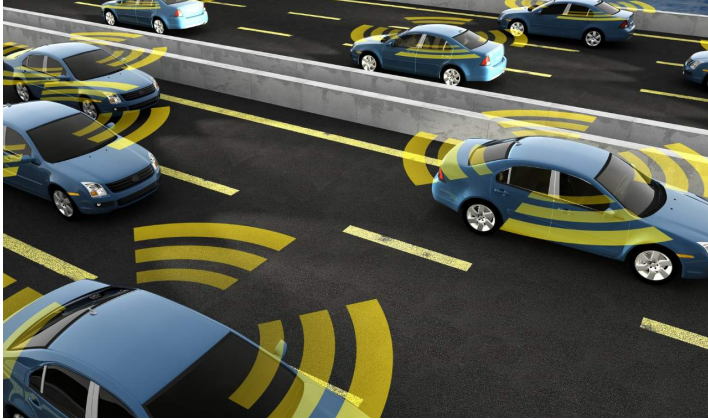
Reading Resources to be up to speed on these Apps & their Use:

1) **The Surprising Secret Behind Apps That Track Your Driving Habits**
<https://www.fastcompany.com/3014924/the-surprising-secret-behind-apps-that-track-your-driving-habits>

2) **Mitsubishi Bets People Will Reveal Their Driving Habits to Insurers—For a Freebie**

<https://www.wsj.com/articles/mitsubishi-bets-people-will-reveal-their-driving-habits-to-insurersfor-a-freebie-1530853415>





Market Stats That Matter

McKinsey & Co. estimates monetizing data from connected cars will be worth up to \$750 billion by 2030.

Most cars built after 2020 expected to come with preinstalled modems and other internet-connected devices, harvesting car data is potentially a significant growth opportunity for the auto industry

The existing insurance underwriters, OEMs, Dealers, and Vehicle owners are also grappling with changes wrought by **autonomous vehicles**.

Further, underwriting insurance companies are studying driving patterns and fine-tuning their risk profiles.

Research Sources for Apps & Insurance Risk Management:

LexisNexis Risk Solutions, a unit of **RELX PLC**
Pavan Mathew, director of LexisNexis's automotive business.

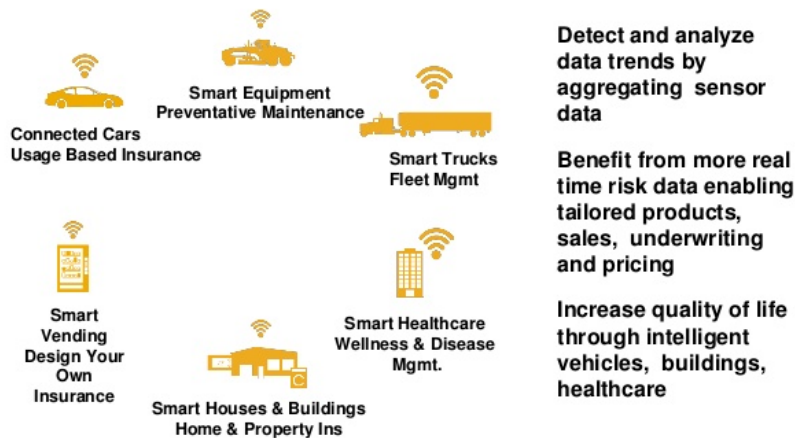
Constraints that are slowing down vehicle operational data acquisition:

- **Pricey Concerns of Insureds and Drivers**
- **Discounted insurance rates not enough to cause transparency by policy holders.**

Size and Growth of this Driving Data Market:

Less than 4% of U.S. auto insurance policies linked to dynamic-driving data last year, but market research firm Berg Insight estimates that will grow steadily to more than 10% by 2021.

Internet of Things (IoT) Impacts in Insurance



Trends – Usage-Based Insurance:

In a little over a decade, usage-based insurance (UBI) has transformed from an intriguing new pricing gimmick to a must-have option in the product portfolio. Nearly 300 U.S. insurers are now offering some form of UBI, and the number of U.S. policies based on UBI reached 7.1 million in 2016, growing 32 percent in just a year.

This data could support innovative ways to assess and price risk, but many insurers are finding they need to overhaul their existing IT environment...

Commentary from AutomotiveDigest.com Editorial Team:

There are at least two economic and cultural forces that are going to change how auto owners and insurance underwriters view, manage, and account for the cost of owning and operating a vehicle.

- 1) Driving and Driver data captured by boxes, pods, and phones will be accumulated on every vehicle owner and the vehicle itself.*
- 2) Vehicle Cost management by the vehicle owner and third party total transportation management companies will be become sought after by the vehicle owner, the insurance or risk management company, and the credit bureaus. Complete transparency of vehicle operation will be rewarded with "discounts", rewards, and annualized cost management reviews and reports by the insurance underwriters and vehicle service companies.*



More Apps that are contributing to a Total Cost Management Capability:

Ten Apps that are potential resources for Total Transportation Management of consumer and fleet vehicles.

<https://www.popularmechanics.com/cars/how-to/g754/10-handly-smartphone-apps-for-drivers/>

Sourced Contacts for More Info:

1) App Providers:

Dash CEO Jamyn Edis.

Automatic head of product, Ljuba Miljkovic.

2) Vehicle Insurance Underwriter:

State Auto Insurance Companies.

Mike LaRocco, State Auto's CEO.

3) OEM- Mitsubishi

Bryan Arnett, a senior manager for product planning

Data, images, & Content Aggregation:

Automotive Information Network, Inc'

www.automotivedigest.com

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