

Case study

Württembergische Versicherung

Digitising insurance with telematics app

Vodafone IoT solutions
enable Württembergische
Versicherung to offer
personalised insurance policies

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Württembergische Versicherung offers tailored car insurance policies and increases road safety via Vodafone Automotive's innovative app and telematics platform

Telematics-based car insurance policies are becoming a key trend in the sector. Young, newly-qualified drivers in particular appreciate the option it gives them to reduce the costs of insuring their vehicles. But in order to offer products like this, insurance companies have to be able to more precisely assess the risk profile of the customer concerned.

The challenge

App-based telematics

Founded as the "Württembergische Privat-Feuer-Versicherungs-Gesellschaft" in 1828, Württembergische Versicherung AG is one of Germany's oldest insurance companies. Today, the firm offers a wide range of tailored indemnity and accident insurance products, making it one of the largest providers of its kind in Germany. The Wüstenrot & Württembergische Group was formed in 1999 following the merger of Wüstenrot and Württembergische.

Many insurers use hardware solutions such as devices that plug into the car's On-Board Diagnostics II (OBD II) port to analyse driving data. But these are still expensive, costing up to €100 each. For this reason, Württembergische Versicherung decided to take a different approach and introduce a purely app-based solution that runs on the customer's smartphone. As modern smartphones not only offer mobile coverage and GPS, but also contain a number of sensors such as accelerometers, gyroscopes, barometers and compasses, they have everything needed to be used for such an application.

As part of their research into what solutions of this kind were available on the market, Württembergische Versicherung contacted Vodafone. Vodafone Automotive's telematics app, which it offers as white label software, thoroughly impressed the insurer, and the two companies

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Board Member
Württembergische Versicherung

quickly came to an agreement and began working together alongside technology partner, Cambridge Mobile Telematics (CMT).

In 2017, Württembergische Versicherung started offering drivers under 30 the option to use a telematics solution based on the Vodafone app, provided they met certain conditions. Württembergische Versicherung branded the app "Krafftahrt-Telematik".

The solution

Data tracking and analysis

After installation, the Android or iOS app runs in the background. It uses the smartphone's sensors to monitor certain parameters of the driver's behaviour behind the wheel. As well as tracking their driving style, the app can also record if they use the smartphone's touchscreen whilst driving, thereby breaking the law. However, they can still use voice commands and hands-free systems.

The data is collected during the journey and then transmitted to Vodafone's telematics platform once the driver reaches their destination. The data volumes are very small, however, if the user wants to make sure they do not go over their data limit, they can configure the app to only upload when the phone is connected to Wi-Fi.

The data is then analysed on Vodafone Automotive servers using sophisticated machine learning processes. This analysis generates a personal score for the user's driving style. The data is assigned to anonymised IDs at this stage, so Vodafone Automotive cannot link driver data to a particular user's profile. Once calculated, the score is transmitted to the insurer where the company's system connects it to the user and displays the result in their app. The scores range between 0 and 100, and if the driver is consistently achieving below 50, Württembergische Versicherung has the right to terminate their telematics contract.

As well as cheaper insurance premiums, the app also offers a range of additional benefits. One of these is the tips it gives the driver on how they can improve their driving style, which helps to increase road safety and reduce the risk of accidents.

To further motivate the drivers to improve, the app shows a ranking of the scores achieved by other users.

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Roberto Polli, Global Head of Telematics Services Sales, Vodafone

The drivers appear on the list with a screen name they can pick themselves, like they would when playing a video game. Achievements such as 20 consecutive journeys without using their smartphone are rewarded with virtual medals. The app therefore takes advantage of the “gamification” trend.

The start and end of each journey are detected automatically by the app without the user’s input. Through a machine learning process, the app quickly learns to determine whether it is the user themselves who is driving, or if they are travelling as a passenger or on an alternative form of transport such as a bicycle, bus or train. These journeys are then excluded from the analysis.

The future

Digital partnership

Württembergische Versicherung is very satisfied with its decision to use Vodafone Automotive’s telematics app and platform, citing the performance and reliability of the solution as particularly worthy of praise. Franz Bergmüller, Board Member at Württembergische Versicherung, summarises the project: “The Internet of Things will offer up many new opportunities for insurance companies and influence the way we design and price our products.

“With the new telematics app from Vodafone, we have once again proven that we take our customer’s requests for digital services very seriously and are developing solutions targeted to their needs. Our goal is to explore this area more deeply going forward. As a telematics specialist, Vodafone is the perfect digitisation partner for us in terms of managing the technical implementation.”

Roberto Polli, Global Head of Telematics Services Sales at Vodafone, continues: “We are the digitisation partner of the insurance sector, both in terms of their communication and IT infrastructures and consumer products. Our app-based solution makes it quick and easy for insurers to enter the market of telematics tariffs. It is therefore the perfect addition to our existing telematics product portfolio. And our technology is helping to make roads safer.”

Württembergische Versicherung and Vodafone are currently discussing how they can further expand their partnership.

The bottom line

- Powerful and flexible telematics platform
- Purely app-based solution offers cost benefits over specialist telematics hardware
- App runs in the background and the small amount of data is transmitted at the end of the journey or once the device is connected to Wi-Fi
- App suggests tips to improve driving style and provides additional motivation through gamification

About Württembergische Versicherung

- Formed in 1828 and now part of the Wüstenrot und Württembergische Group, created in 1999. The merger included Württembergische’s life and health insurance companies, the ARA pension fund, and life insurance provider Karlsruher Lebensversicherung
- Provides a wide range of tailored indemnity and accident insurance products, one of the largest providers of its kind in Germany
- Based in Stuttgart, the Group has around 13,000 employees and six million customers
- www.wuerttembergische.de

www.vodafone.com/business

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