Telematics Usage-Based Insurance

Smart solutions for the motor insurance industry

m2m.vodafone.com

Vodafone
Power to you
Almost 90% of 7,500 consumers surveyed said they were open to buying a UBI policy if there is no risk of their premiums increasing.

Towers Watson survey, 2013

44 million European drivers will be using UBI by 2017, up from 1.5 million users in 2010.

ABI Research, 2013

Leverage UBI to improve scoring, safety and security

Motor insurance is an extremely competitive market. To remain on top, insurance companies are looking for new ways to control claim costs, improve pricing models and boost profitability, safety and security.

UBI uses the latest machine-to-machine (M2M) technology to capture detailed dynamic data from in-car devices. This enables you to set and adjust premiums based on an individual’s driving behaviour, rather than just on their demographics or claim history.

With premiums more closely aligned with actual risk, you’ll be able to make a significant impact on profitability.

Use UBI to create more appealing products

You want to attract new customers and retain the ones that you’ve got. UBI enables you to enhance the service that you offer customers by tailoring products and services to individual drivers.

In an industry with little scope for differentiation in products, and where competitors can quickly copy product innovations, customer service is crucial to your competitive edge.

UBI provides an opportunity for you to offer a more comprehensive and differentiated portfolio of products than your competitors.

It can provide additional value-added services such as crash assistance, roadside recovery and even dispatch emergency services if required.

What is M2M?

Machine-to-machine communications (M2M), sometimes referred to as telematics or the internet of things, is the networking of intelligent remote assets. M2M devices gather and exchange information automatically without human interaction. M2M-connected assets can be fixed or mobile and include cars, trucks, utility meters, vending machines and health monitors. M2M-connected devices can report on a huge range of conditions including location, speed, acceleration, altitude, and heart rate.

Consumers want lower premiums and to feel safe on the road, and insurers like you need to cover risks profitably. Usage-based insurance can help you do both, providing a better way to price coverage and offer services such as crash assistance and roadside recovery.
The benefits of UBI

Reduce customer churn

UBI provides data on both the driver's behaviour and on their response to external factors such as road type and speed limits. This will enable you to personalise policies in line with individual driver profiles to offer fairer and more transparent premiums to low-risk customers.

You can also transform the way you engage with policyholders, replacing a once-a-year relationship based on renewals with regular reports, advice and tailored monthly bills. By putting drivers in control of their costs, you can increase brand loyalty, improve customer retention and win new business.

Boost profitability

UBI can help you to assess risk more accurately, price it into policies and optimise and minimise your exposure. This ensures you always have margin on your policies, and highlights the type of new customers you should be targeting. You can also aggregate driving data to inform and refine your risk profiles for all your customers, even those who haven’t signed up for usage-based insurance.

With a connected device installed in the car, the door is open for you to charge for value-added services, such as breakdown assistance, usage-based maintenance, theft protection and remote vehicle control.

Improve driver safety

Because drivers know their behaviour is being monitored and priced accordingly, UBI can positively influence driving behaviour, reducing the frequency and severity of accidents. Consumers can feel more confidently connected, safe and secure with optional value-added services such as personalised assistance and roadside recovery, or even dispatch of emergency services for more severe accidents.

UBI also encourages drivers to limit vehicle use, which can help to reduce fuel consumption. This taps into the growing consumer and government interest in lowering fuel emissions and reducing road accidents.

Streamline claims processes

The data you receive from drivers will be able to give you information about any accidents that might occur and let you know whether your customer was at fault, which means you can settle claims more accurately and efficiently. Immediate notification of an accident means you can quickly take control of the claim, managing associated costs and customer care.

UBI data can also help to reduce costs, as it can be used to prove whether your driver was at fault or not in an accident, meaning you won’t have to pay out on a claim that previously could have gone either way.

Reduce fraud

Data gathered by UBI provides a solid basis for assessing the validity of claims to help you detect fraud. We offer a complete Crash Reconstruction report that includes graphs of speed, three-axis acceleration, maps, driver and vehicle information and positioning data, giving you an unambiguous insight into events.

In the UK 78% of personal injury claims following road accidents are for whiplash, twice the average for Europe. This alone has led to the average UK motor insurance premiums going up by £90. Reducing the number of false claims will help to reduce your costs and bring down the overall cost of premiums for your customers, making your policies more attractive.
Vodafone Automotive offers a unique UBI proposition, combining world-class insurance and automotive services with independently acknowledged leadership in the M2M space. Our solution will help you to mitigate risk, reduce claims, improve fraud and theft prevention and potentially even prevent accidents or theft from occurring at all.

UBI from Vodafone gives you access to powerful analytics based on numerous variables that influence claims costs.

It offers you the freedom to price motor insurance in a way that benefits both you and your customers — by mileage or driving quality — opening the door to a range of truly innovative and tailored products and services.

Unparalleled experience in UBI
Vodafone Automotive has been offering UBI since 2009, with insurers such as Generali Group. Today Vodafone Automotive has more than 325,000 active subscribers, with more than a thousand new subscribers coming on board each day.
Vodafone’s UBI solution

We offer a complete solution that’s robust, flexible and delivers a seamless customer experience.

How it works

It all starts with the device installed in the car. We offer a range of robust devices, installed under the bonnet or even fitted to the windscreen, all equipped with GPS and accelerometers to collect the data you care about: such as where, on what type of roads, how frequently and how well an individual drives. We install these devices in your customers’ vehicles — we’re the chosen partner of manufacturers such as Audi, Honda, Nissan and Toyota, so you can trust in the quality of our work.

Each device transmits the data it captures over the Vodafone cellular M2M network back to our fully hosted and managed vehicle data management platform. Here we process it, using advanced analytics technologies to profile the user’s driving behaviour and generate a highly accurate risk score. This score is based on a range of detailed driving attributes.

You can access the data and manage your UBI infrastructure via our Global M2M Platform, making it easy for you to monitor the location and status of in-car connected devices with greater control and at a lower cost than previously possible.

The customer experience

You can put your customers in control of their score with our web portal, which is fully customisable to your needs and branding. Policyholders can access their personal dashboard on the web or via a smartphone app, where they can review their driving patterns and scores for speed, smoothness and road usage. This gives them a chance to modify their driving and influence the cost of their premiums.

A foundation for new services

Our UBI service provides a foundation for a range of other value-added services, such as:

- Automated crash and breakdown notification – eCall and bCall – that improve response times to road accidents.
- Security services, including theft alerting and tracking.
- Convenience features, such as usage-based maintenance, and vehicle remote control.

We already work with manufacturers and consumers directly to deliver these services, and we can help you leverage them to generate revenue and build customer loyalty.
Support from start to finish

We understand that you don’t take changes to your core systems lightly — that’s why we’re with you every step of the way to accelerate time to market and maximise your return on investment.

1. Define your strategy

We will use our experience in other M2M and UBI projects to help you define key measurements of success, determine the critical steps required to launch, and conduct an in-depth economic assessment and cost/benefit analysis. We’ll help you to build a business case with defined ROI and measurable KPIs.

2. Plan your project

We will support and guide you in drawing up a detailed project plan including tasks, activity owners, and defined deliverables. You will be able to identify key workstreams and tasks, data requirements, and frameworks for assessing the impact of your UBI programme on your own internal company systems. We can provide complete assistance with business integration.

3. Develop your design

We can help specify and choose the right devices, then before commercial deployment we offer a rapid internal trial and more detailed commercial trial with up to 500 subscribers. These pilot activities enable any potential issues to be identified up-front prior to a major rollout. At the conclusion of this phase, the infrastructure will be built and tested. Business validation tests will ensure there is alignment between people, processes and systems.

4. Launch your service

Our experienced team of project managers and service delivery managers will support your implementation with minimum interruption to your business. They will also be responsible for providing tactical recommendations and improvements, and ensuring that you realise the business benefits of your UBI solution as quickly as possible.

5. Handle day-to-day operations

Your core business is insurance, not running a technology platform. We make it easy, managing all solution elements, including the in-car devices, connectivity and telematics platform. Our full logistics and installation service takes care of stock management and scheduling, vehicle installation, activation, testing, reporting, maintenance and warranties. We also provide in-life technical support for you.

6. Transform your relationships

Our UBI solution is much more than just the improvement of insurance-based insight and incremental charging. It will enable your company to provide the best in class actuarial analytics, insurance pricing and value added services, and will provide you with an improved customer relationship management tool. We can help you evaluate your results, make improvements and adjustments, and plan expansion into new services.
Why choose Vodafone?

When you work with Vodafone you’re partnering with a provider that has proven M2M expertise, experience of deploying UBI solutions and deep understanding of the motor insurance industry.

Global M2M leadership

Choosing Vodafone means you benefit from our global reach and expertise in M2M. We have more than 20 years’ experience in M2M and have connected more than 17.5 million devices. Through delivery of large-scale automotive projects with clients such as BMW and VW, we have developed a deep understanding of the vehicle environment and driver needs.

Specialised automotive expertise

With our acquisition of Cobra, renamed Vodafone Automotive, we’ve extended our leadership in UBI. Cobra had been offering UBI since 2009, with insurers such as Generali Group. Today Vodafone Automotive has more than 325,000 active subscribers, with more than a thousand new subscribers coming on board each day. Vodafone Automotive has dedicated secure operations centres in Europe serving customers in 41 countries, plus a network of qualified installation engineers who can ensure seamless rollout and support. With experience on the ground across Europe and in countries such as Brazil, Vodafone Automotive understands the regulations and technologies shaping UBI adoption in your local markets. And we are a partner of choice for demanding auto-makers such as Audi and Porsche.

The right approach to UBI

Using our broad experience and complete UBI solution, we can help you to simplify the implementation, management and ongoing operation of your UBI service and eliminate the complexity of dealing with multiple suppliers. Our solution has been designed to mitigate risk and up-front investment and our phased implementation approach will be individually tailored to meet the needs of your business. With end-to-end service, including installation and customer support, we offer you a hassle-free way in to the benefits of UBI.

For more information about our M2M solutions, please contact your Vodafone account manager, email m2m@vodafone.com, or visit m2m.vodafone.com.