

Telematics: connecting the dots

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Automotive Solutions, Swiss Re

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Motor landscape is changing: we see four trends



Increase of global insurance premiums



Technology is already here



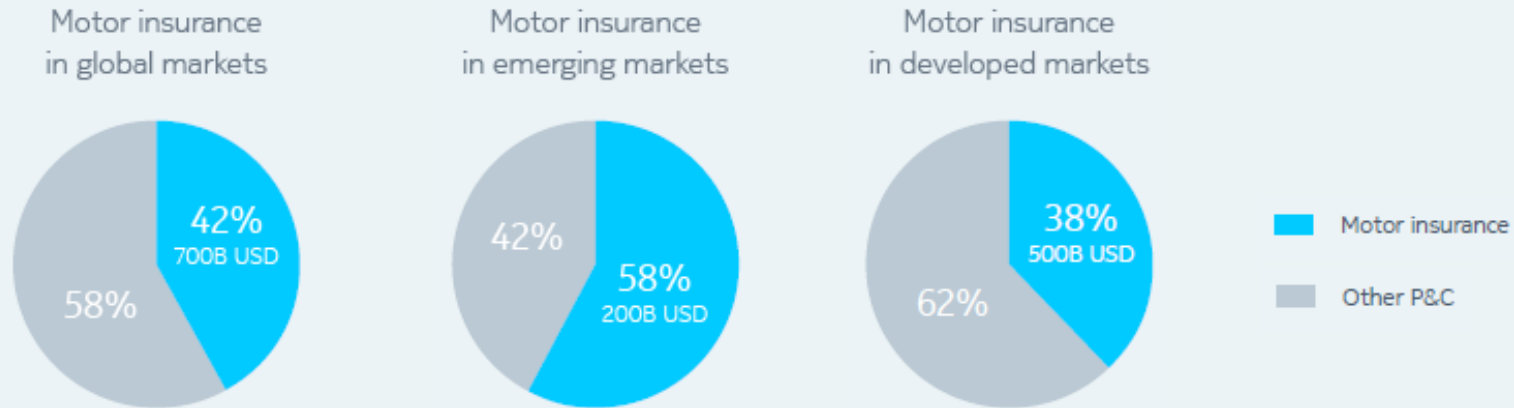
Telematics opens new opportunities



Mobility ownership will change with sharing economy

Motor insurance: the most important line of business globally

Motor insurance represents 42% of all non-life gross premium of total Property and Casualty insurance market

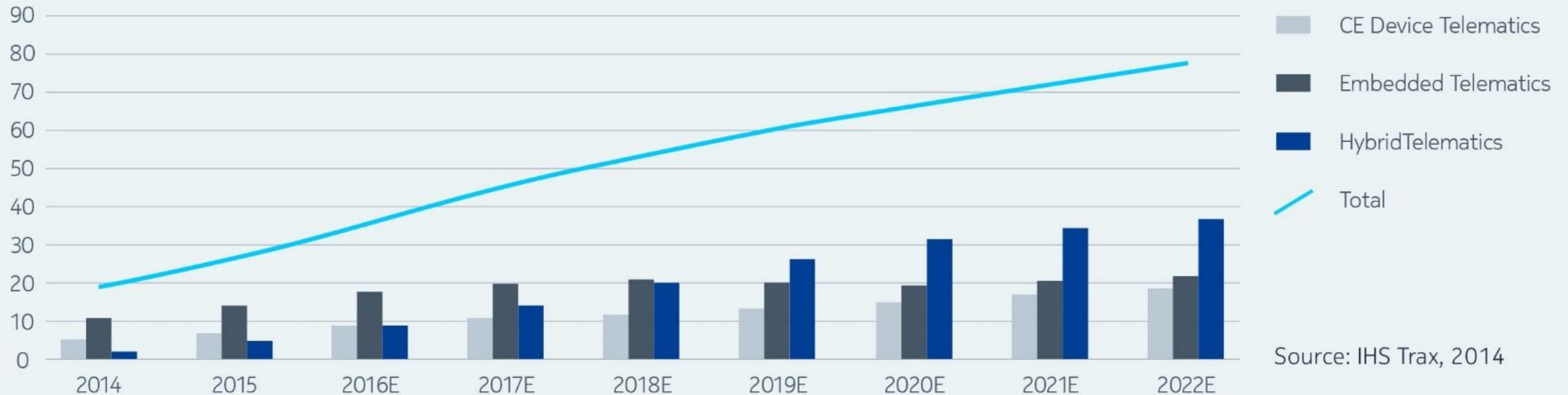


Growth in %	2005-2015	2016E-2026E
World	3.5%	6.8%
Advanced markets	1.0%	4.1%
Emerging markets	14.0%	11.2%

Source: Swiss Re, 2015

Tech trend I: the growth of car connectivity

Number of connected cars sold annually by connectivity type (Millions)



Source: IHS Trax, 2014

Tech trend II: Advanced Driver Assistance features (ADAS)

Raw year-over-year difference in consumer interest in purchasing each ADAS feature (2014-2015)



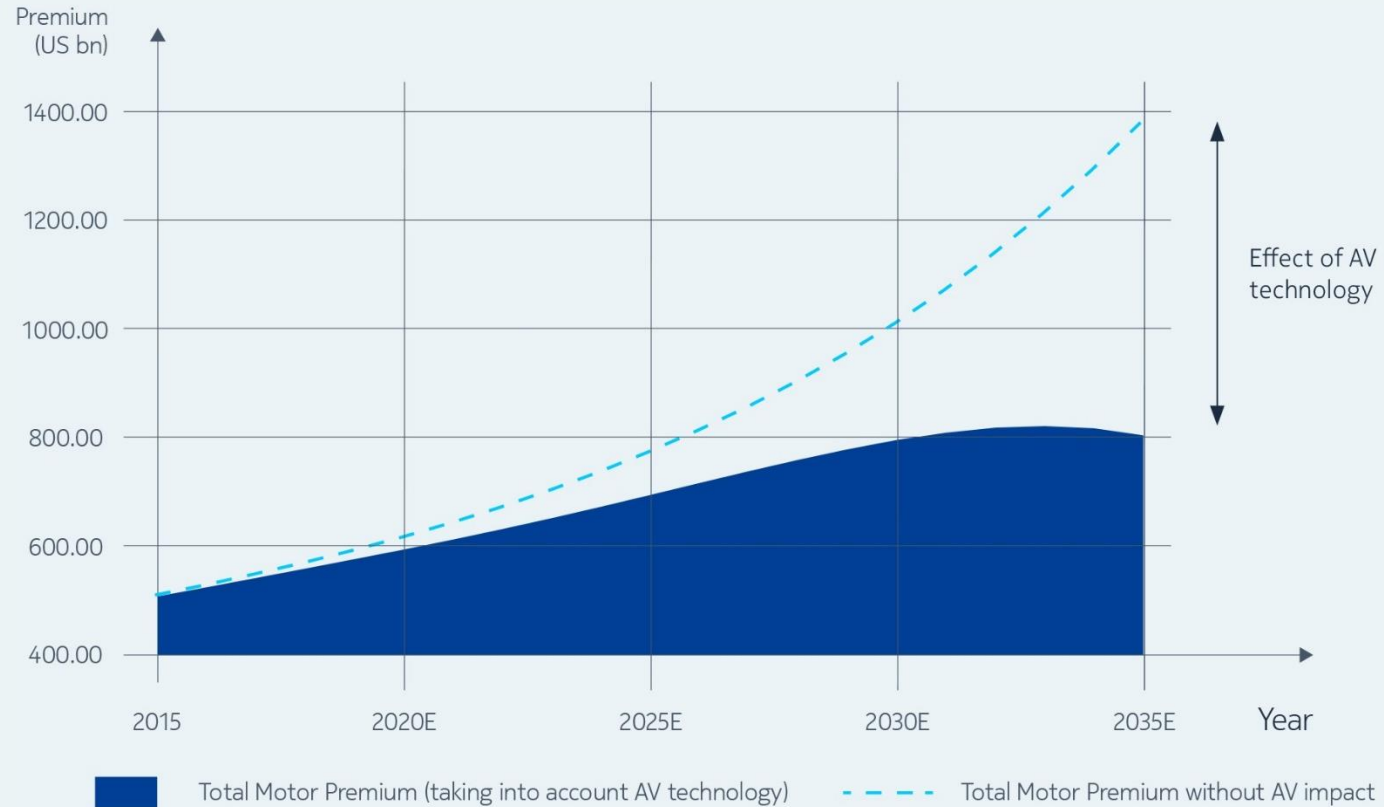
n=4400; USA, Western Europe, China

Source: Strategy Analytics, 2015

Advanced Driver Assistance features **ADAS**



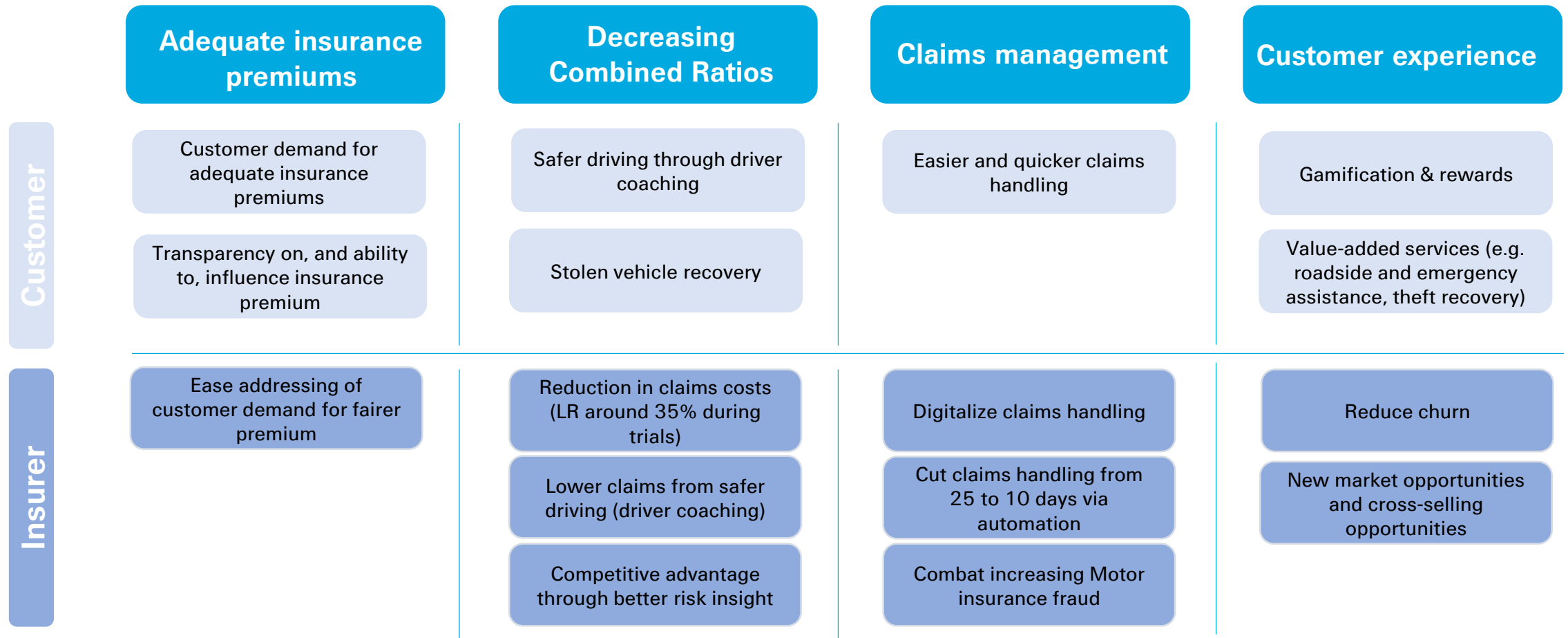
Automated vehicles will slow but not prevent growth



14 largest motor markets: Brazil, Canada, China, Egypt, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, UK, US

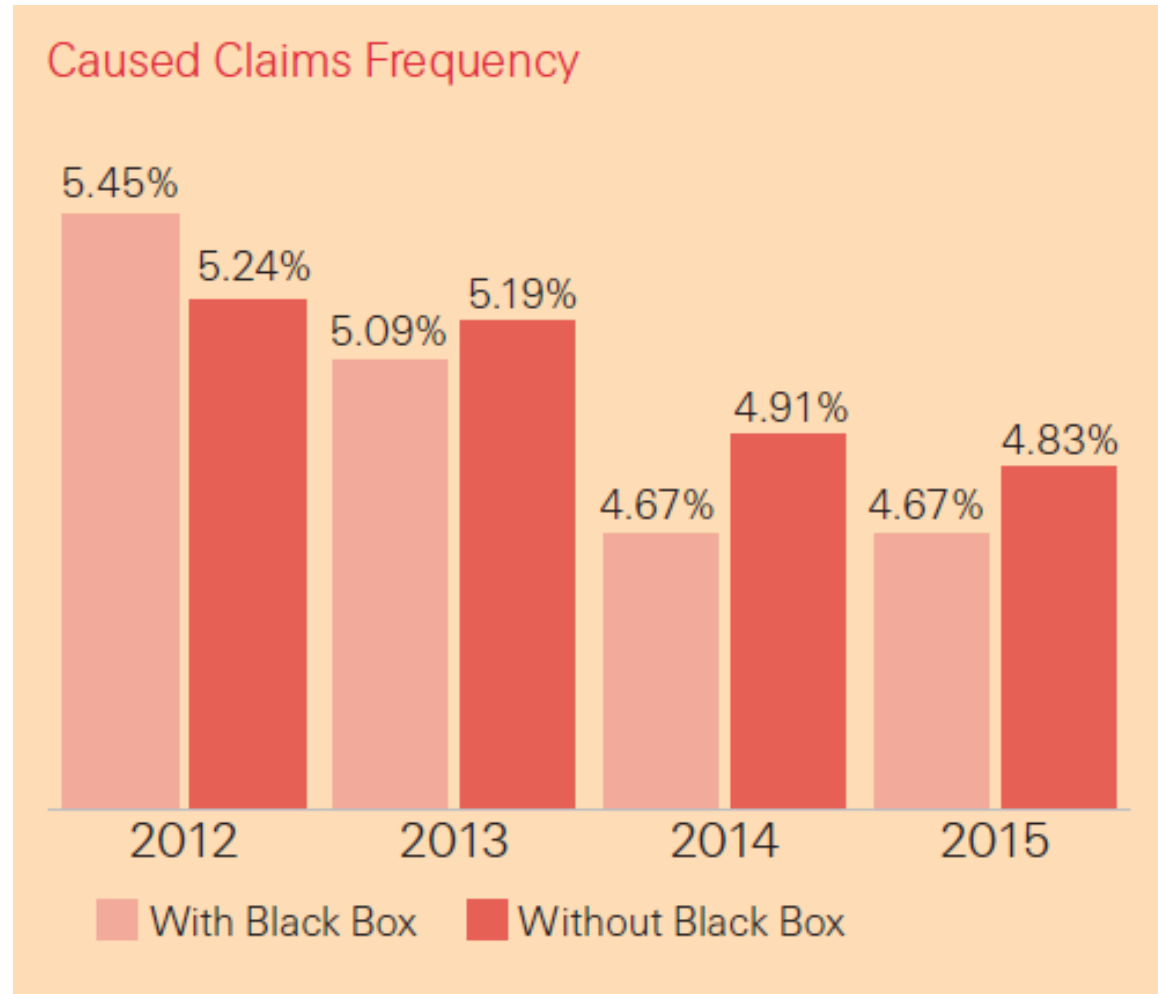
Source: Swiss Re, 2015

Why engage in telematics now?

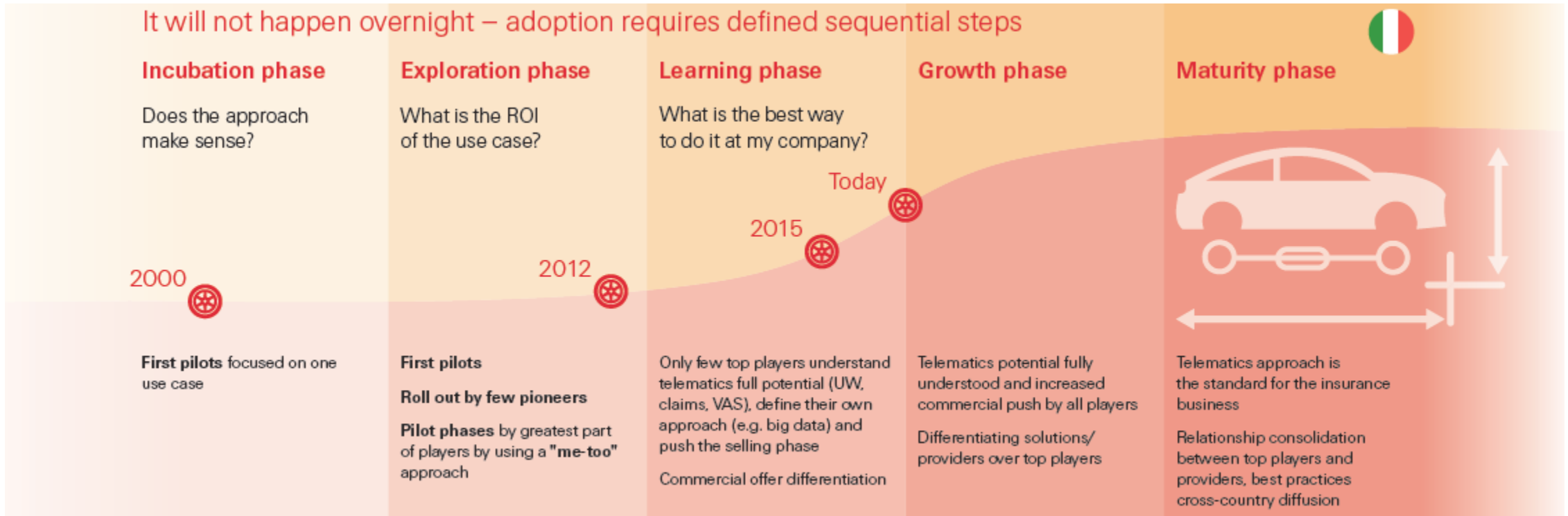


Telematics is the first step for insurers to **prepare for the new technological revolution** in the motor industry. It will be the basis for further digitalization. **Entering into telematics is a strategic decision**

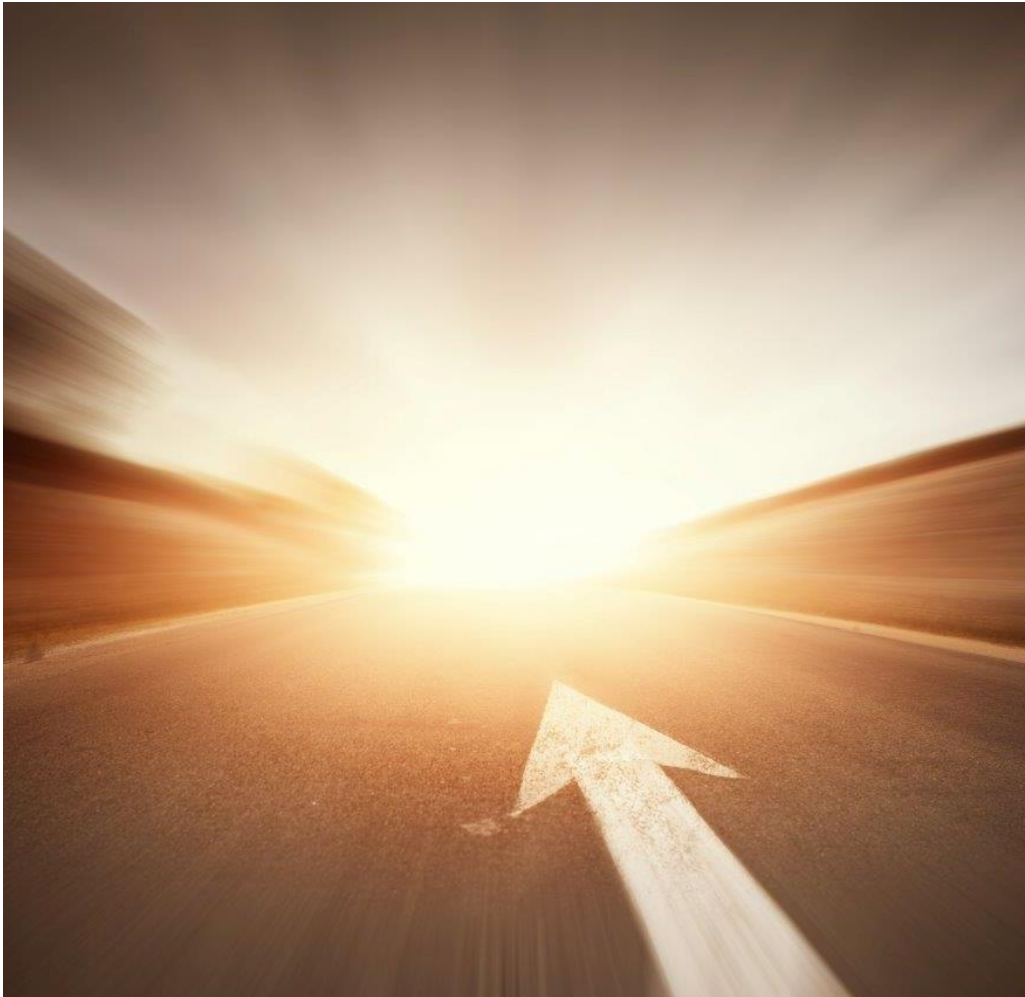
Italian case study: effect of telematics on claims frequency



Telematics market: maturity phases of telematics adoption



The challenges of bringing telematics to consumers



Setting up telematics capabilities can be a resource-intensive, complex and costly process. Challenges often include:

- **Compiling vast amounts of data** to develop proper scoring and analytics capabilities
- Finding the **right telematics providers** or sensor manufacturers that offer competitive solutions and reliable data
- Significant **upfront investments**
- **Building-up know-how** to provide useful and reliable analytics for insurance
- Developing expertise and dedicating resources for in-house telematics **in time-to-market**

Swiss Re telematics value proposition

Swiss Re's end-to-end telematics offering consists of the following three pillars



- **Telematics infrastructure (in selected markets only)**

Complete and accurate solution. Any device (eg a black box, 12V plug, OBD II or a smartphone) can be connected to the telematics platform linked to a fully customizable front-end (app and web) for driving feedback.



- **Analytics & Scoring (in selected markets only)**

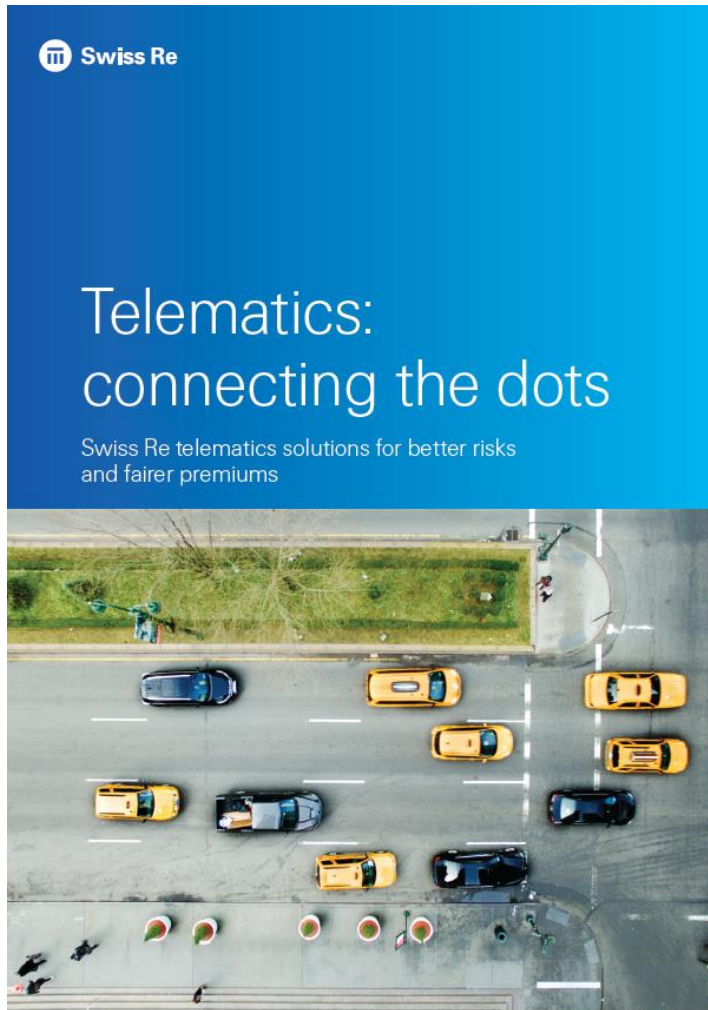
Dynamic, machine learning-based scoring platform being developed by data scientists and actuaries dedicated to motor telematics. The platform feeds back scores of each policyholder through an insurer web-portal. This allows insurers to access the raw data, do analytics on the portfolio or individually adapt the scoring.



- **Reinsurance**

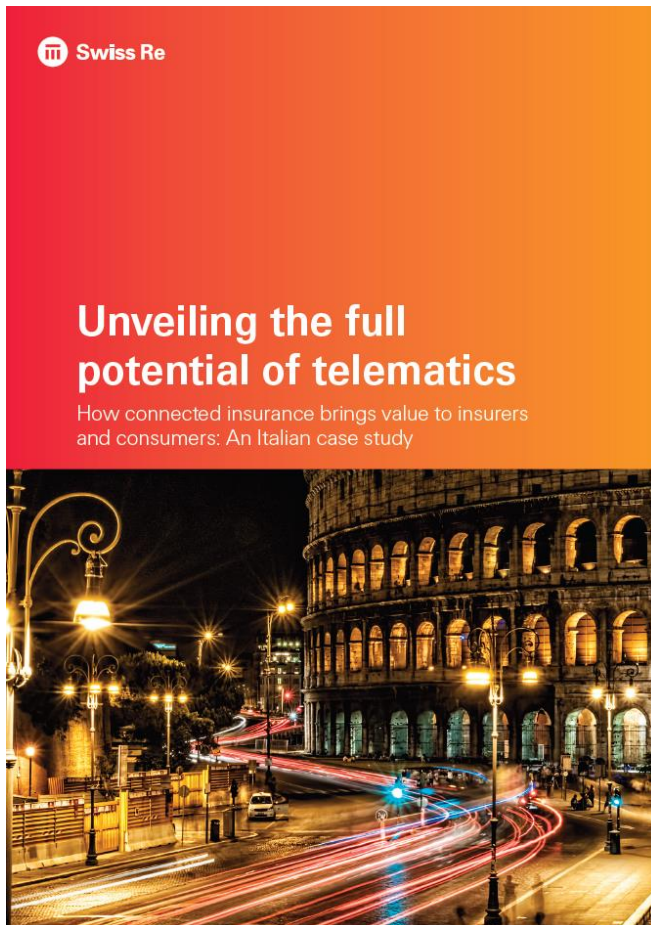
Swiss Re offers its telematics solution (end-to-end or scoring only) in return for reinsurance. Swiss Re shares the risk and helps insurers to start engaging in telematics, to mitigate actuarial uncertainties arising from the lack of claims data and to spread costs.

Telematics: connecting the dots – Find the full report online



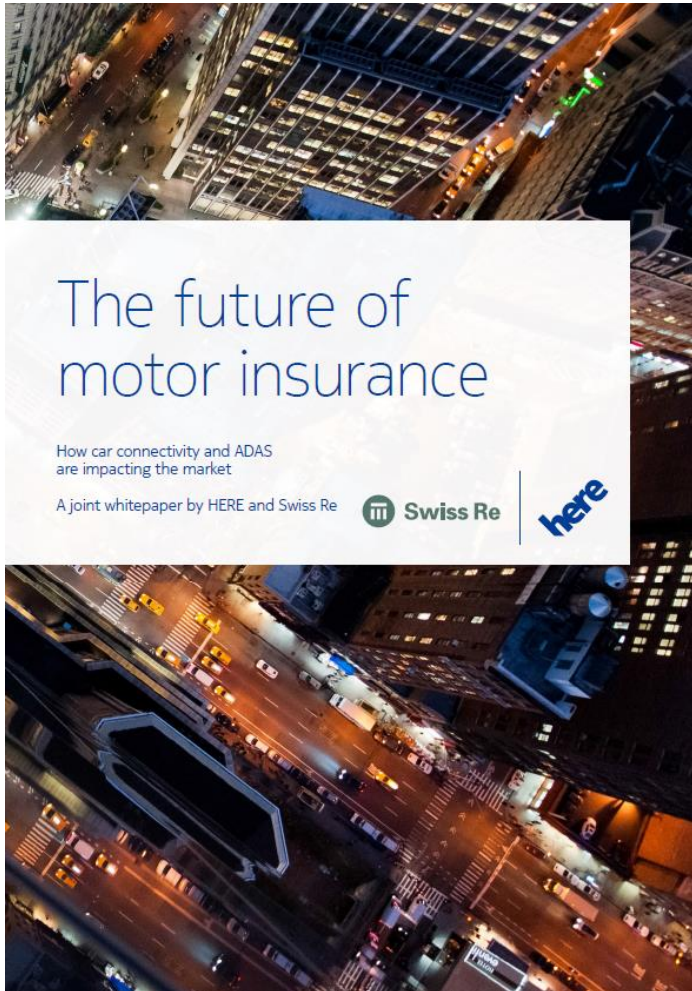
http://www.swissre.com/library/archive/Telematics_connecting_the_dots.html

Unveiling the full potential of telematics – How connected insurance brings value to insurers and consumers: An Italian case study – [full report online](#)



http://www.swissre.com/library/archive/unveiling_the_full_potential_of_telematics_how_connected_insurance_brings_value_to_insurers_and_consumers.html

The future of motor insurance – full report online



http://www.swissre.com/reinsurance/insurers/casualty/Towards_a_safer_driverless_future.html



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