

PTOLEMUS Consulting Group

Introducing insurance telematics

Insurance Telematics Europe Conference



London - 7th May 2013 - PTOLEMUS intellectual property

PTOLEMUS is the first strategy consulting firm focused on telematics and geolocation

Our consulting services

Strategy definition

New market entry, business plan development, board coaching and support

Evaluation of investment

Strategic due diligence, market assessment, feasibility studies

Procurement strategy

Specification of requirements, launch of tenders, supplier negotiation & selection

Innovation management

Product & services development, roadmap definition, project management & launch, patent strategy

Business development

Partnership strategies, response to RFPs, lobbying

Implementation

Project & programme management, risk analysis & mitigation strategy

Our fields of expertise

Mobile content and social networking

Application stores, crowd-sourcing, etc.

Navigation & location-based services

Maps, traffic, fuel prices, speed cameras, parking, etc.

Usage-based charging

PAYD / PHYD insurance, Road User Charging, PAYD car leasing & rental

Telematics & Intelligent Transport Systems

Connected car, tracking, fleet management, eCall, bCall, Stolen Vehicle Recovery, Car As A Service, connected train, etc.

Positioning / Location enablement

M2M & connectivity

Who we have helped

Telecom operators



OEMs & telematics vendors



Content & application providers



Telecom infrastructure providers



Consumer electronics makers



Positioning solution providers



PTOLEMUS Consulting Group

- Partners in Brussels, Paris, Hamburg, Milan and the UK
- +50 years of experience in mobile
- +100 years of experience in telematics

Insurers & assistance providers



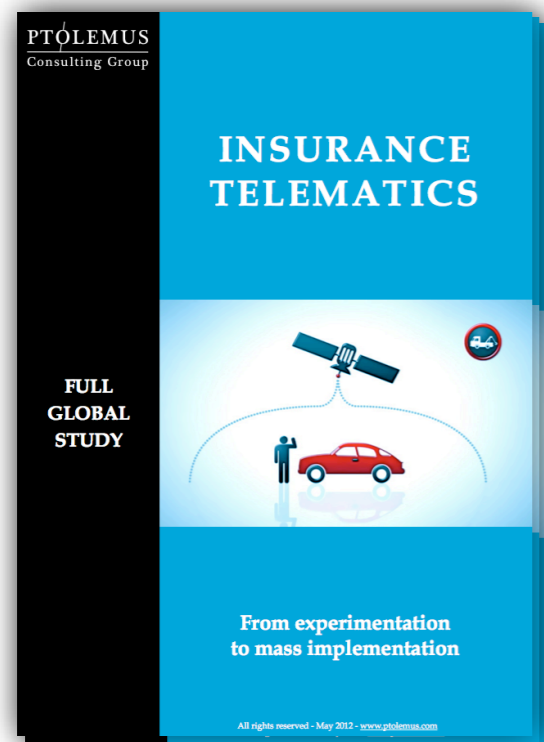
ITS operators & regulators



Financiers



We recently published the Insurance Telematics study, the most comprehensive report written on the subject



**More than a research study,
a real strategic market
analysis**

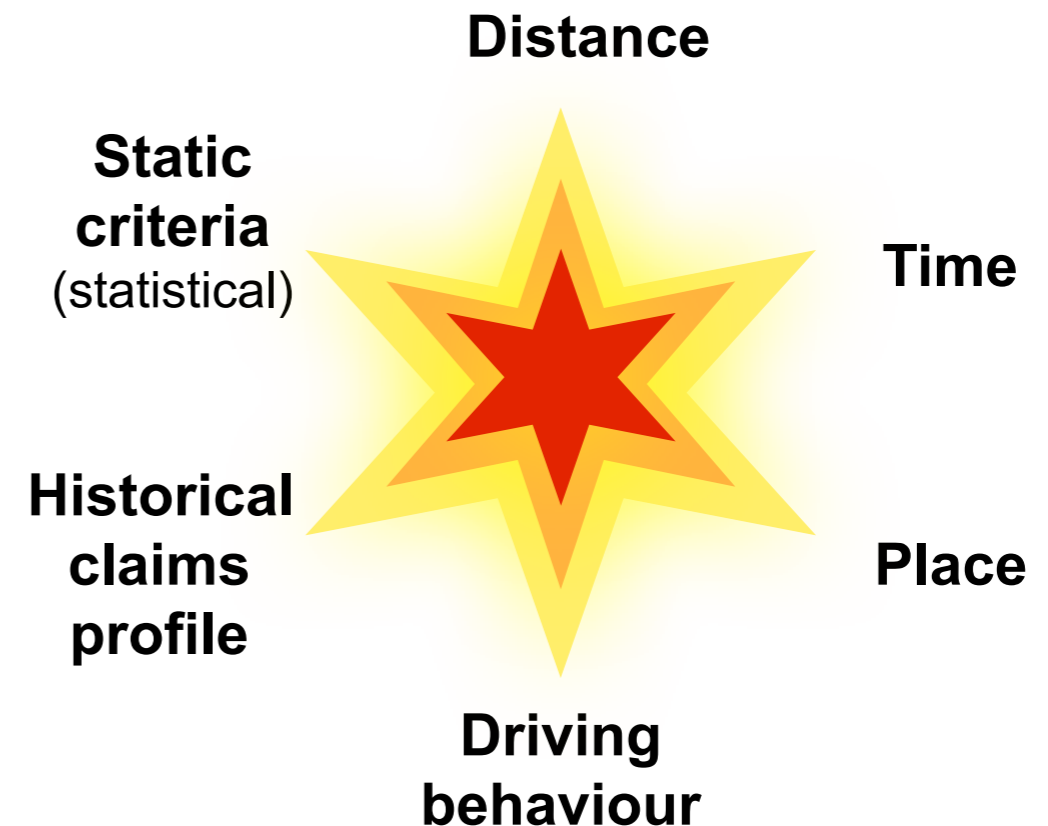
- **410 pages of analysis on the PAYD / PHYD market based on**
 - 83 interviews in 18 countries
 - 230 figures (charts, tables...)
 - 2 years of research
 - Our experience & vision of the ecosystem incl. OEMs and TSPs
- **Case studies & learnings from** ALD Automotive, Amaguiz, Coverbox, Discovery Insure, GM OnStar, Hollard Insurance, Insurethebox, Liberty Mutual, MAIF-MACIF, Norwich Union, Octo Telematics, Progressive, Solly Azar, State Farm, Unipol, Uniqa, Zurich
- **A handbook of suppliers' solutions** including our own evaluation & ranking
- **10-year market forecasts**
 - Country's readiness to telematics
 - Forecasts for the US, Italy, the UK, France, Germany and Russia
- **Insurer's telematics market model results in 4 markets***
- **A complete set of recommendations to** underwriters, TSPs, OEMs, MNOs and governments
- **A strategic analysis of the value chain evolution** including
 - The impact of eCall
 - The impact of the smartphone
 - The effects of the gender ruling

What is insurance telematics?

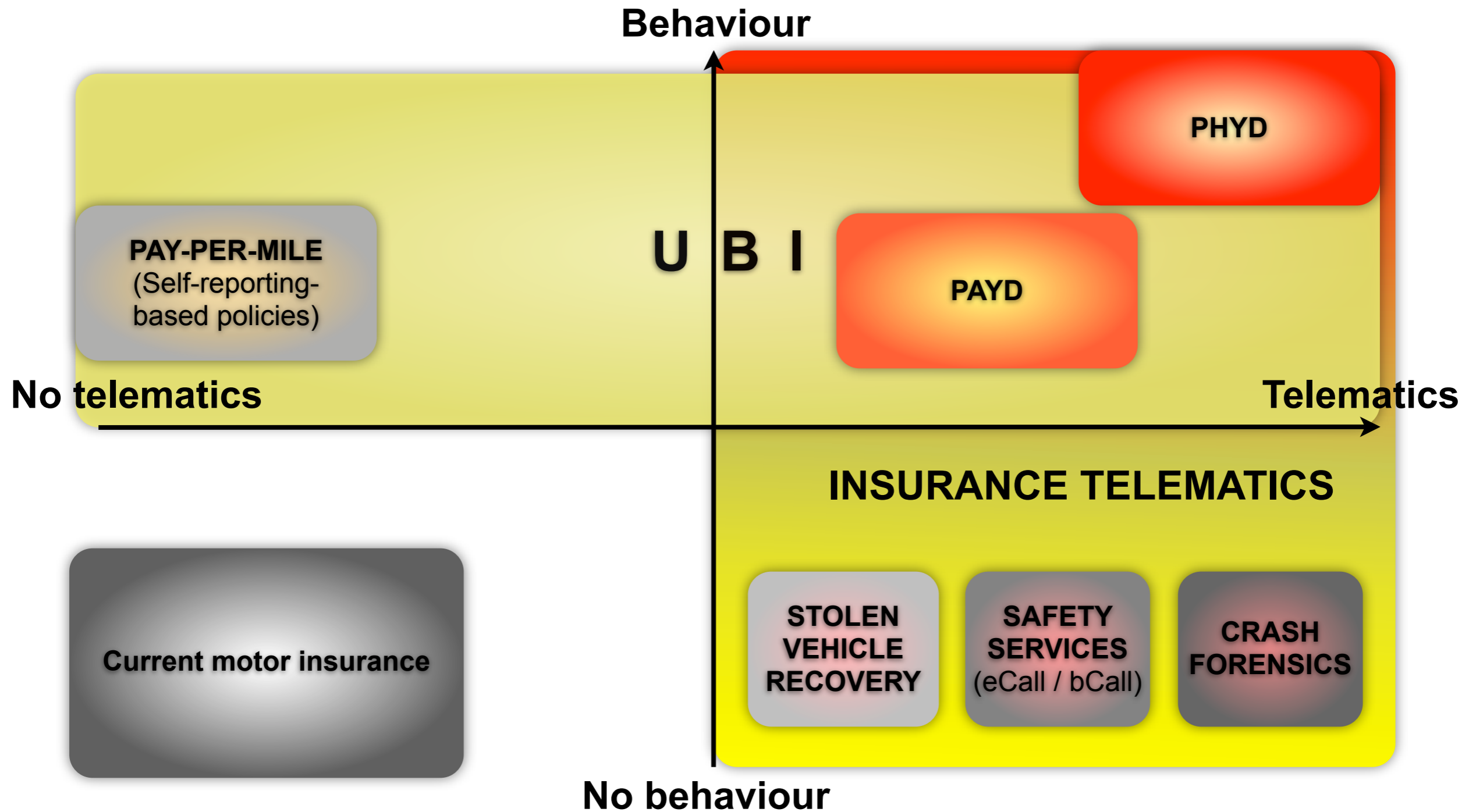
Its basic principles

- Most underwriters currently use static / statistical criteria to evaluate drivers' risks - Age, gender, vehicle make & age, place, business category, occupation, etc
- The historical claims profile is also taken in account
- Insurance telematics is a policy based on these criteria and 4 new dynamic parameters

The driving risk star



Let us share all the same definitions



In the current motor insurance market, safe drivers are paying for... dogs

On the Internet, nobody knows you're a dog



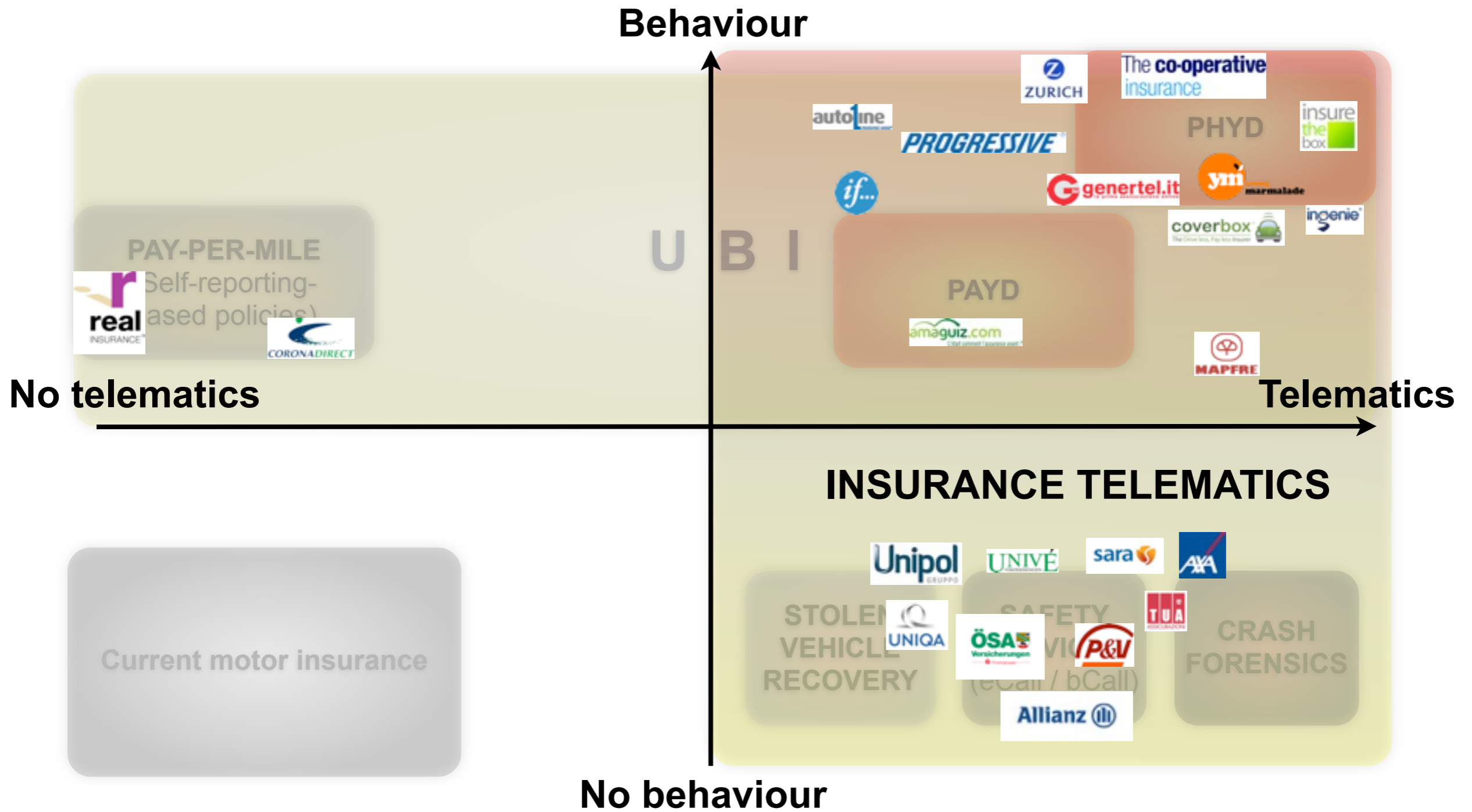
"On the Internet, nobody knows you're a dog."

©The New Yorker Collection 1993 Peter Steiner
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In the car, neither...

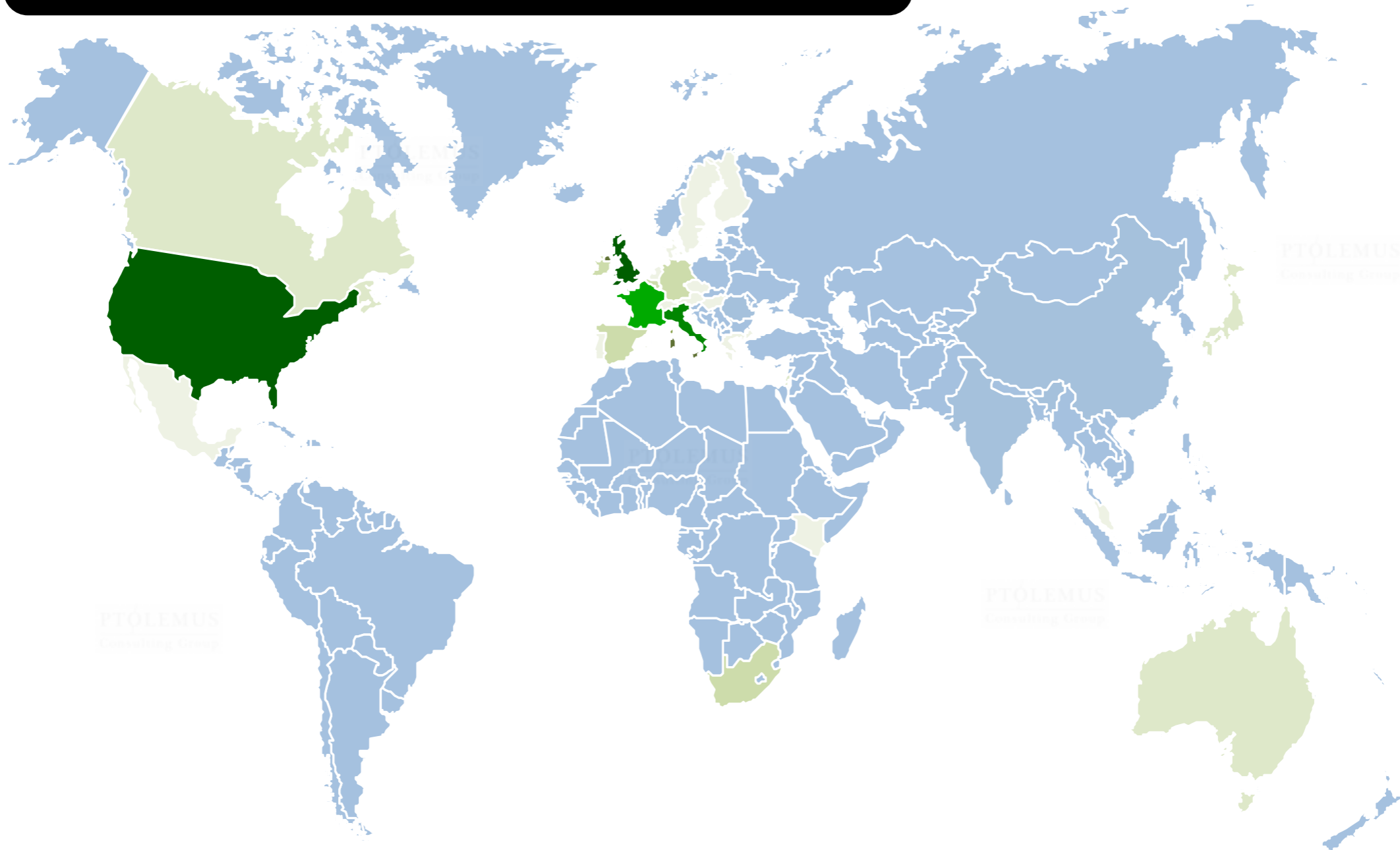


Who's doing what?



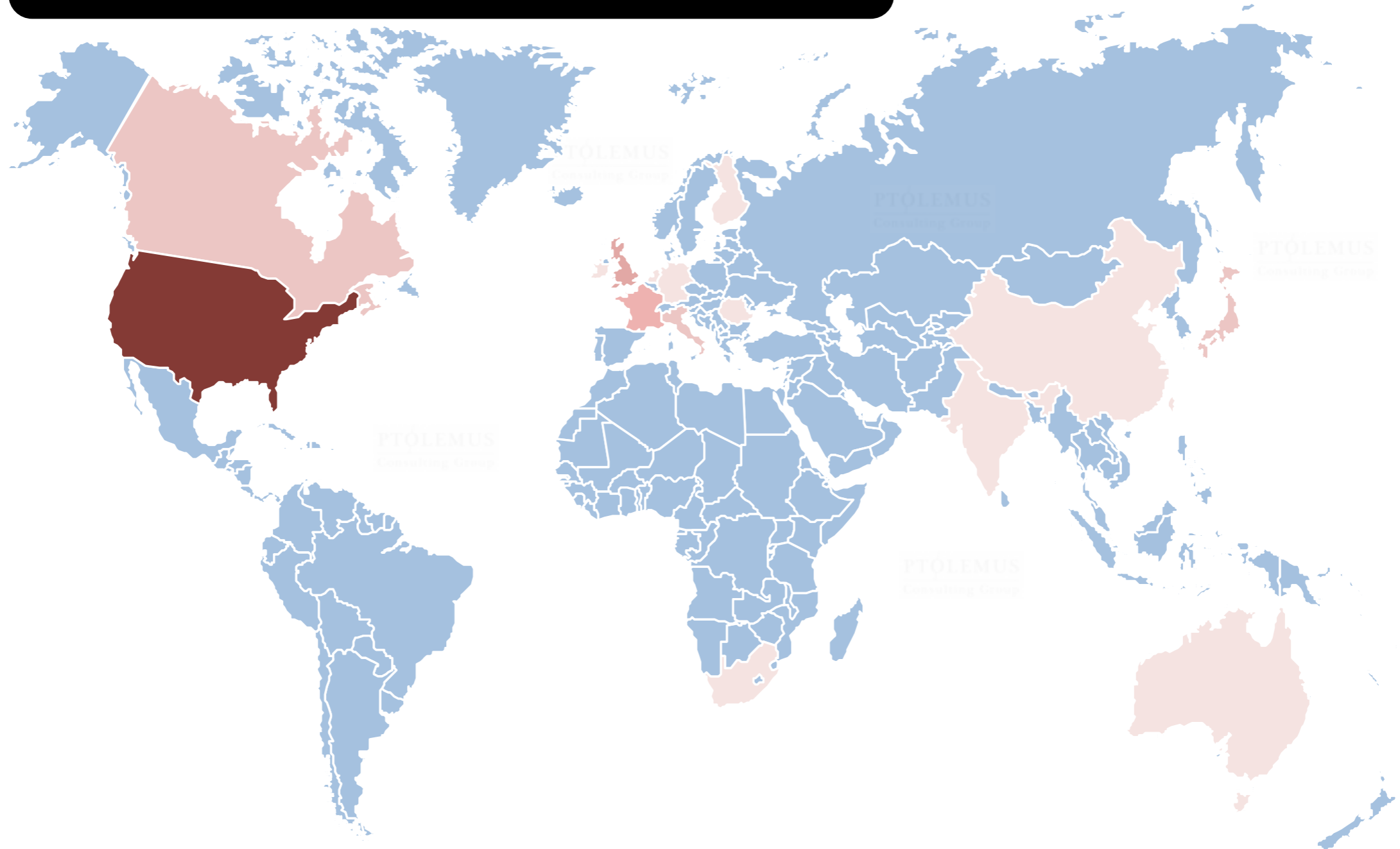
Usage-based insurance has reached all the most mature insurance markets

Usage-based insurance: Worldwide trials & launches



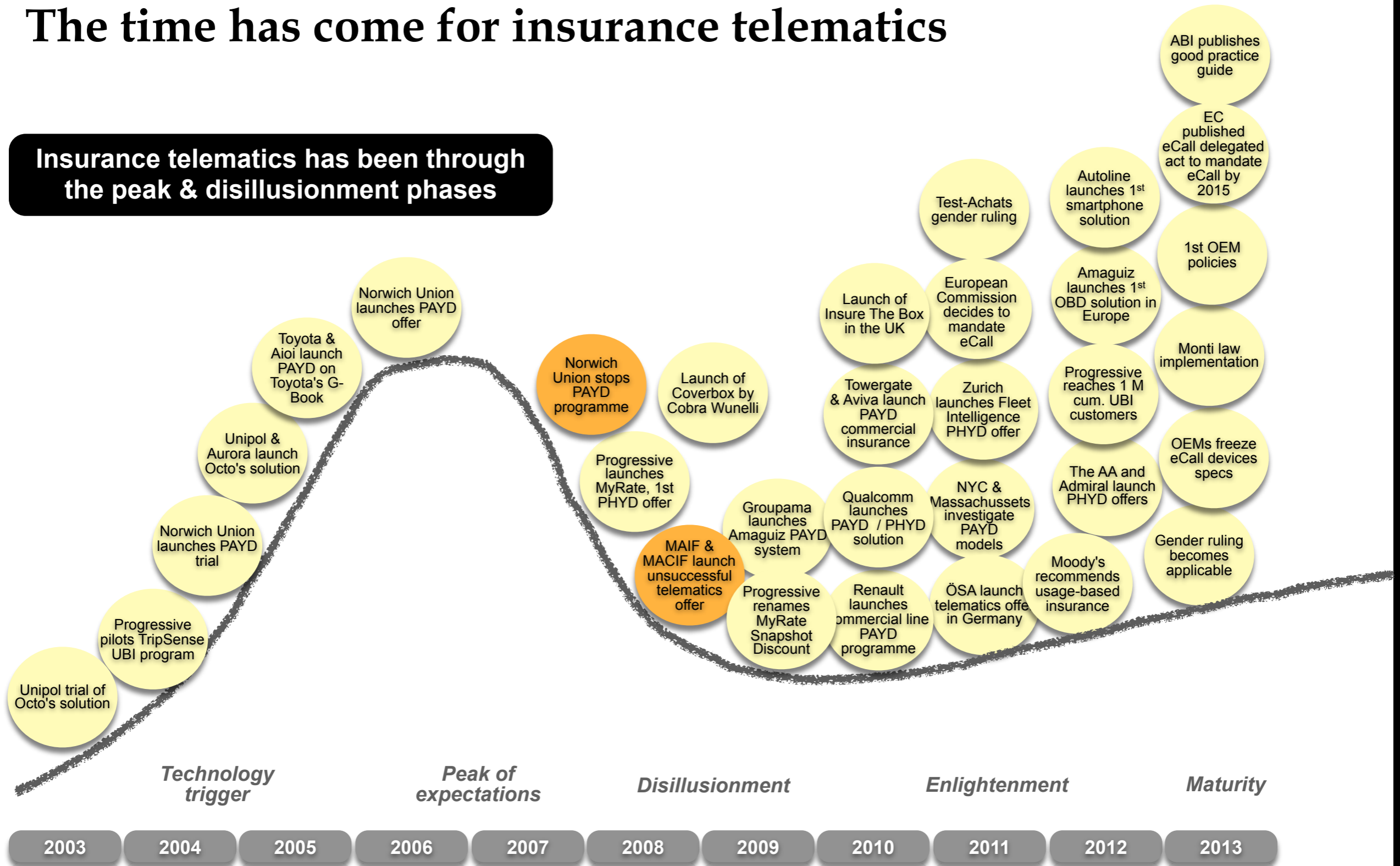
We expect it to reach new markets, notably in Asia

Insurance Telematics Study - Worldwide sales

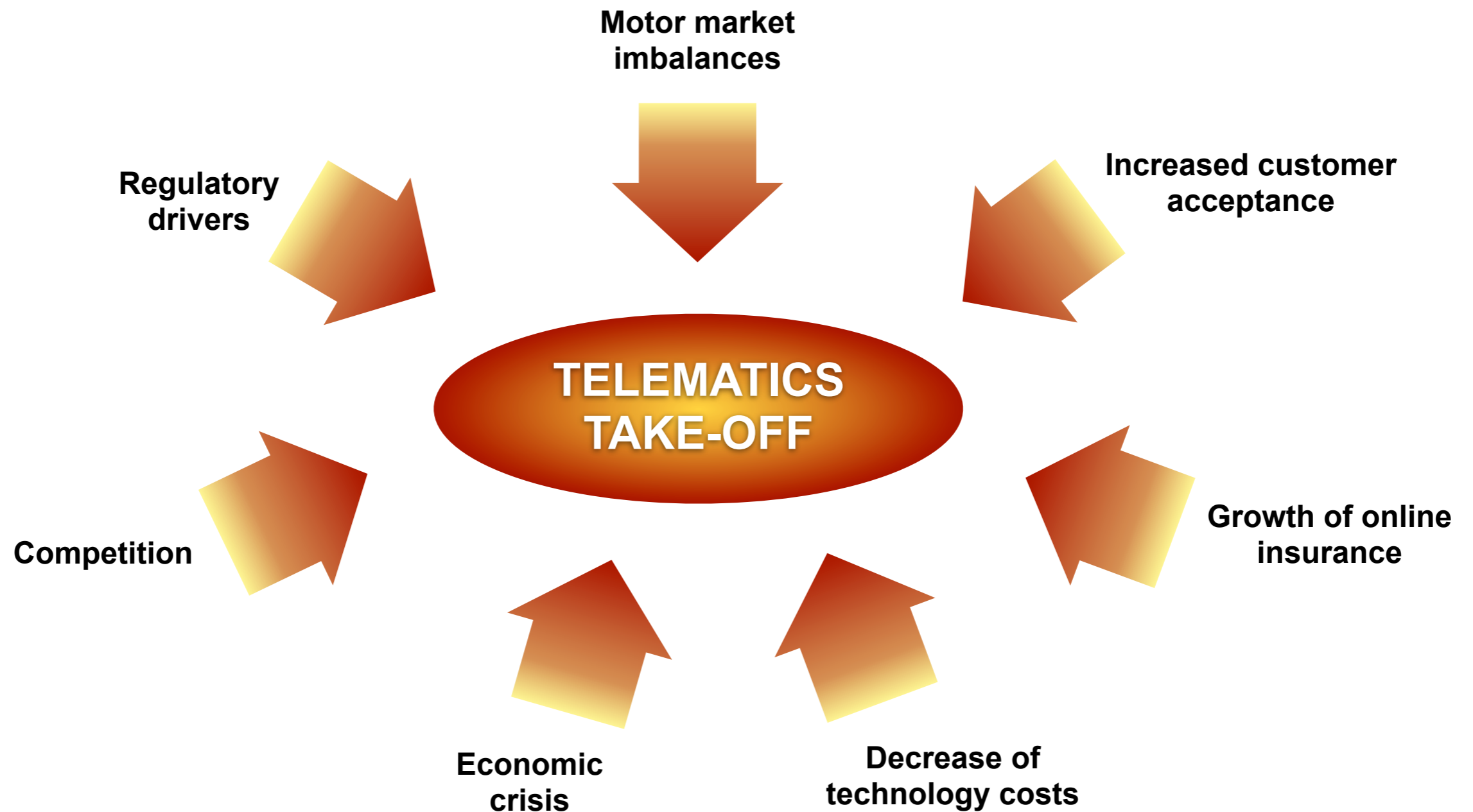


The time has come for insurance telematics

Insurance telematics has been through the peak & disillusionment phases

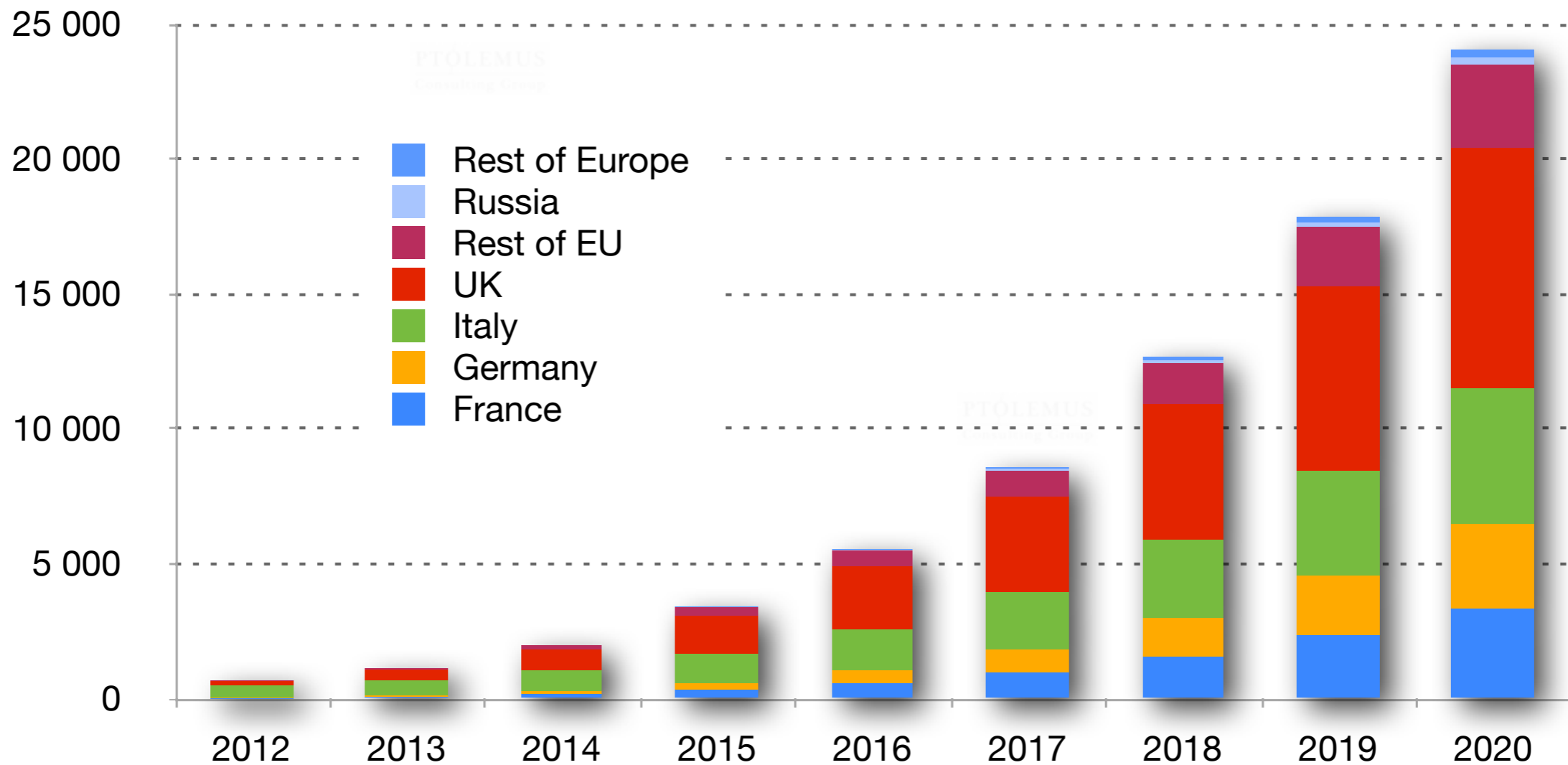


What are the market drivers of UBI in Europe?



UBI is the fastest growing segment of motor insurance

Market premiums generated from telematic policies (€ million)



The paradigm of fleet motor insurance is changing radically

TODAY



CURE
High claims ratio
Fraud, theft, etc.

OPAQUE & FOCUSED ON THE PAST
No understanding of actual risks, only of past risks

DIVERGING INTERESTS
"Higher premiums: more profits for the insurer"

2020



PROTECT & PREVENT
High expense ratio
Driving behaviour advice, eCall / bCall, fuel management, remote diagnostics, etc

TRANSPARENT & PREDICTIVE
Real-time visibility on risks, crashes, thefts, etc.

ALIGNED INTERESTS
"Lower premiums, lower claims: more profits for the insurer"

"I have no time to see a salesman, I have a battle to fight"



Telematics is changing the rules of the game



Enjoy the conference!

- **The growth of telematics is just starting**
 - The gender ruling will show its effects
 - An age ruling is around the corner
 - We are now 28 months before eCall
 - How many insurers have really leveraged telematics to reduce claims?
- **Not all insurers will benefit**
 - "The data will come to us" is not the right strategy
 - Pan-European telematic strategies & units in place
- **The risks of standing still are far greater than the risks of moving to UBI**
- **But each insurer / broker needs to find its *own way***

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Strategies for Mobile Companies



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