

USAGE-BASED INSURANCE North America Study

REPORT
LEAFLET

*The most comprehensive
report ever published on
connected auto insurance
in North America*



360° insurance: from data collection to customer protection

Progressive is proving that auto insurance success will come from making UBI truly mainstream...



Dear reader,

The last few years have been a bumpy ride for the American auto insurance industry.

It is easy to lose the fact that **telematics is changing the game as we speak.**

Between 2013 and 2024, Progressive's market share doubled!

Of course, other top 4 US insurers, firstly State Farm and Allstate, followed by GEICO, also embraced telematics.

But the fact is that Progressive introduced most of the industry's innovations:

- The 1st OBD dongle for the personal line
- The 1st UBI marketing campaign
- One of the first smartphone UBI app
- The 1st to apply surcharges
- The 1st OBD dongle for the commercial line
- One of the first to implement app-based eFNOL
- The 1st to use ELDs for heavy trucks

And the early and systematic innovations have **always been in the direction of making UBI mainstream.**

The result of its full embrace of telematics across its systems, business lines and channels has been well above the rest of the industry.

With a doubled market share coupled with a loss ratio consistently below the market average, Progressive is the clear winner.

What should other insurers do?

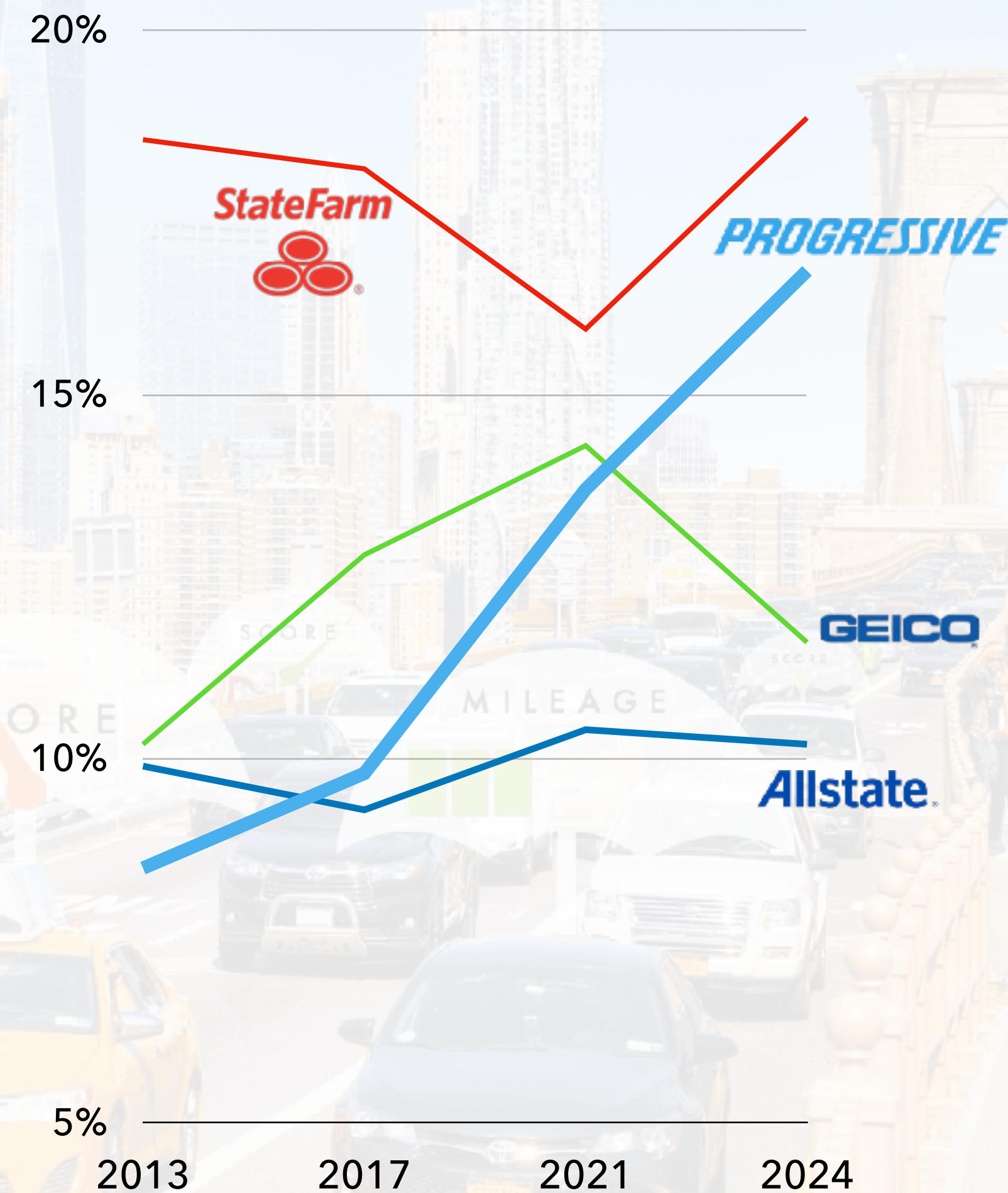
Well, first, increase the penetration of telematics in their portfolio.

Second, make UBI fully mainstream, i.e. part of their main value proposition, notably by integrating telematics in its corporate app.

Third, implement it across the board, bringing digitalization deep inside its channels, systems and processes, particularly claims management.

Back in 2018, we were predicting in our Mobile Insurance Global Study that...

Top 4 US insurers' market shares*



... But now is the time for insurance carriers to move from UBI to 360° insurance



... smartphone apps would become the catalyst of digitalization. This is happening!

Today this study explains why and how carriers should adopt 360° insurance, across all steps of the customer experience, to make their UBI investment pay off.

This report gives you everything you need to inspire your UBI plans and provide strong inputs to your digital strategy:

- (1) Interviews of 4 movers and shakers of the industry
- (2) An updated status on where the global market and key regions stand
- (3) Food for thought including many case studies of success stories everywhere
- (4) The results of the survey of 1,500 US policyholders
- (5) Deep dive analysis of 18 leading telematic insurers and OEMs
- (6) A 50-page handbook of how to achieve success in your UBI program(s)
- (7) A status of the use of connected car data by insurers post-GM scandal

- (8) An up-to-date appraisal of the impact of autonomous vehicles on the auto insurance and UBI markets
- (9) The evaluation & ranking of 21 UBI solution vendors, from Arity to Targa
- (10) The evaluation of 21 UBI solution vendors, from Arity to Targa Telematics
- (11) Forecast UBI customers and premiums until 2035 in the two countries
- (12) Our recommendations to insurers, solution vendors, OEMs and regulators

Most consulting and research firms would make a report of one of these.

This 680-page study includes all of them and many more.

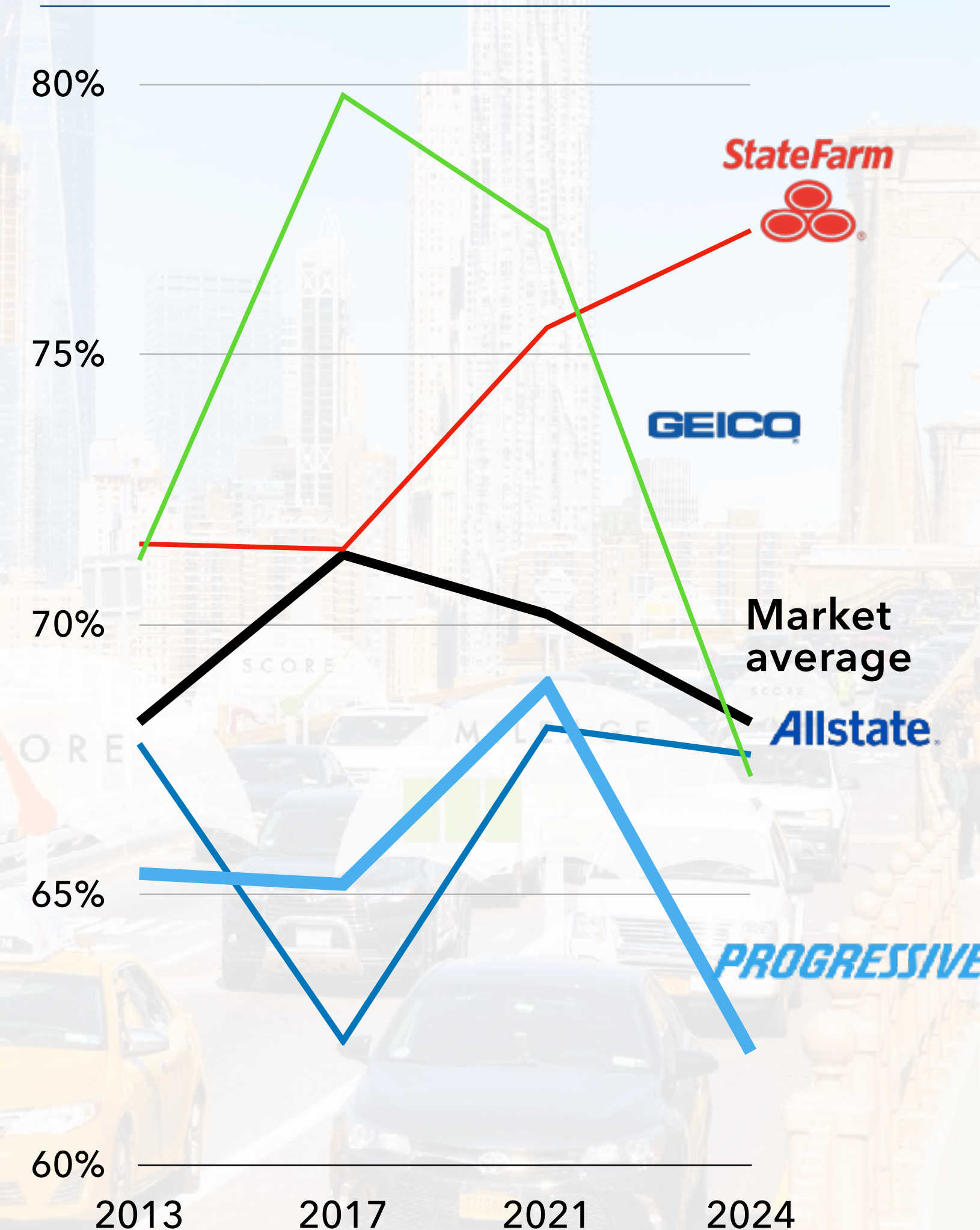
We wish it brings information and insights to you but even more, triggers new ideas.

And we will be happy to advise you on that journey.

Thank you for your continued trust.

Sincerely,
Frederic Bruneteau
 Managing Director

Top 4 US insurers' loss ratio*



Source: NAIC - Note: *US personal line auto insurance loss and containment ratio

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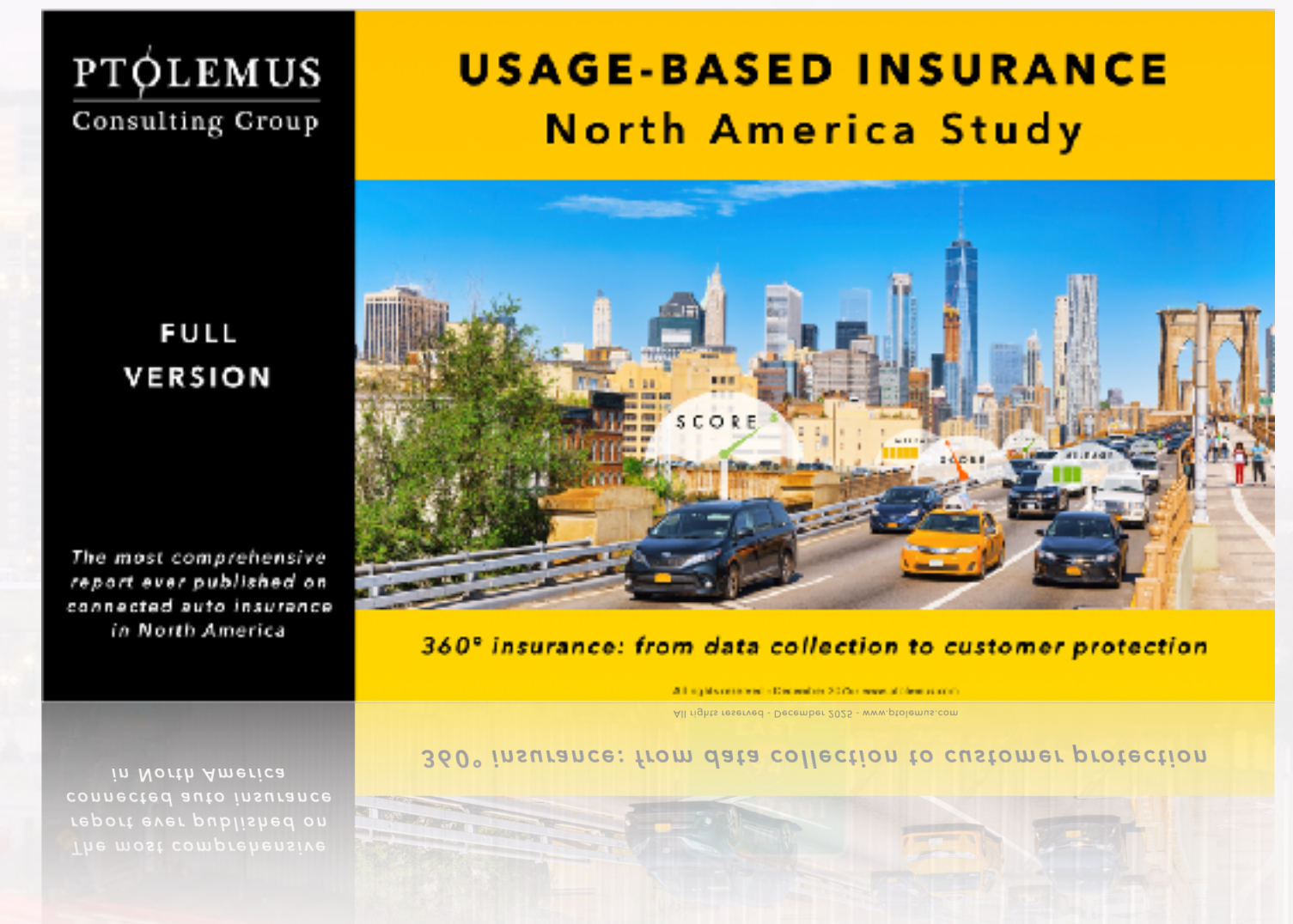
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Thank you.

This report is the most comprehensive analysis and forecast of the North American connected insurance market ever published

- **A 680-page analysis of the current and future North American connected insurance market** based on:
 - PTOLEMUS' 15 years of constant market surveillance
 - Consulting experience with 100 UBI client assignments
 - 11 months of research and analysis including 65 interviews with key stakeholders
- **Global state of the UBI market** incl. adoption and market size for personal line and commercial line markets, key business models and major trends
- **57 pages of best practices on how insurance carriers can make a telematics insurance program successful**
- **An in-depth investigation of the auto insurance and UBI markets in the USA and Canada incl.**
 - 236 pages of in-depth analysis of the development of UBI in the 2 countries
 - Auto insurance and UBI statistics, UBI history, UBI value chain and market shares in each country
 - Deep dive analysis of 18 leading Usage-based Insurers and OEMs, from Allstate to Tesla
 - Forecast UBI customers and premiums until 2035
- **The impact of connected and autonomous vehicles / ADAS on the auto insurance and UBI markets**
- **A detailed assessment of data collection technologies & models**
 - Smartphone apps (with and without tags)
 - OBD dongles, dash cameras, ELDs, black boxes, etc.
 - Embedded vehicle telematics systems
- **Detailed analysis of the UBI technology & supplier landscape** incl. state of technology, market shares, in-depth profiles of 21 vendors and comparative assessment
- **2020-2035 Excel market sizing & forecast**
 - Covering the US and Canadian' personal line and commercial line markets
 - With inputs from hundreds of reputable sources and PTOLEMUS' own automotive forecasts
 - Based on our unique UBI Readiness Index of the demand but also the supply (insurers) in the two countries
 - Built bottom up based on our estimates on over 130 active programs (101 in personal line and 31 in commercial line)
 - Auto insurance customers by business line & vehicle type
 - Number of UBI customers and UBI premiums by business line and vehicle category
- **Strategic recommendations to key stakeholders** incl. insurance companies, OEMs, TSPs, and regulators



The reference report for all industry stakeholders to understand and prepare the future of auto insurance

This report answers many critical questions

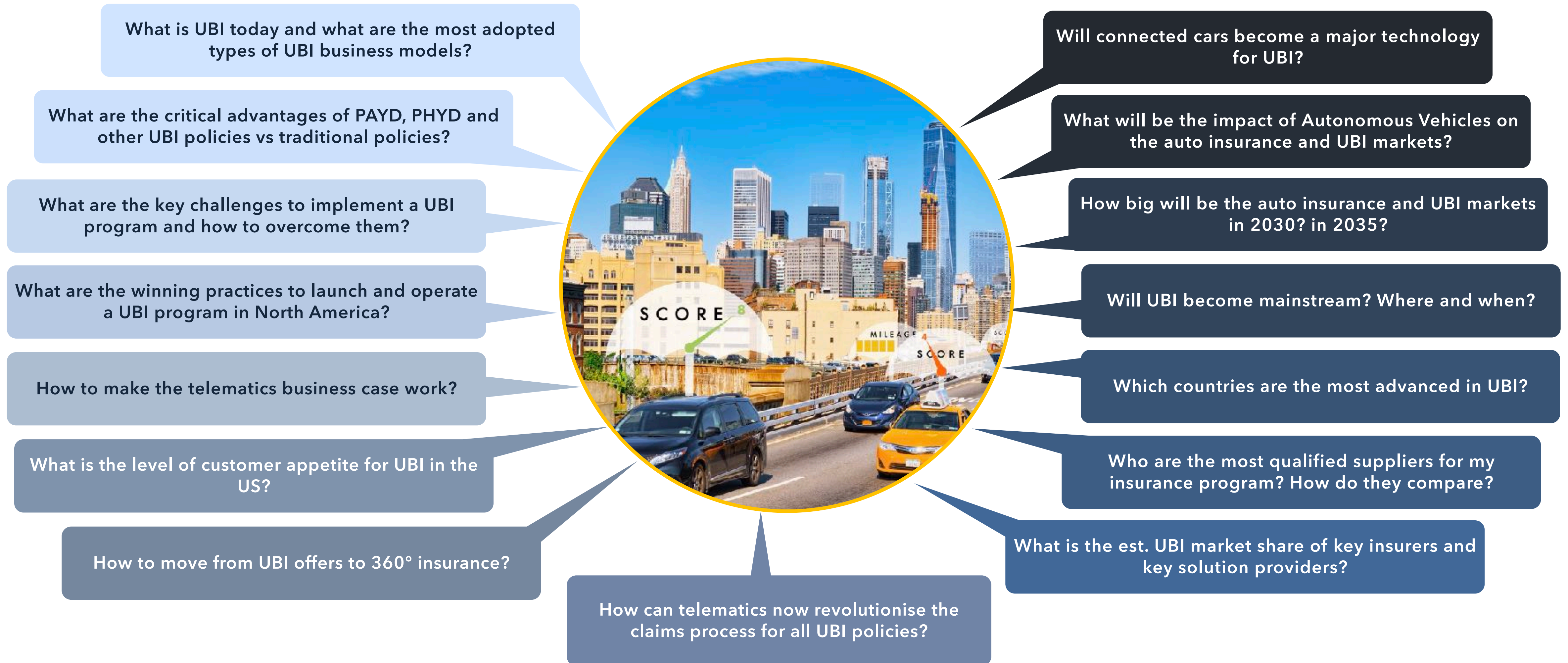


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| 3. CSAA | 9. Lemonade | 15. State Farm |
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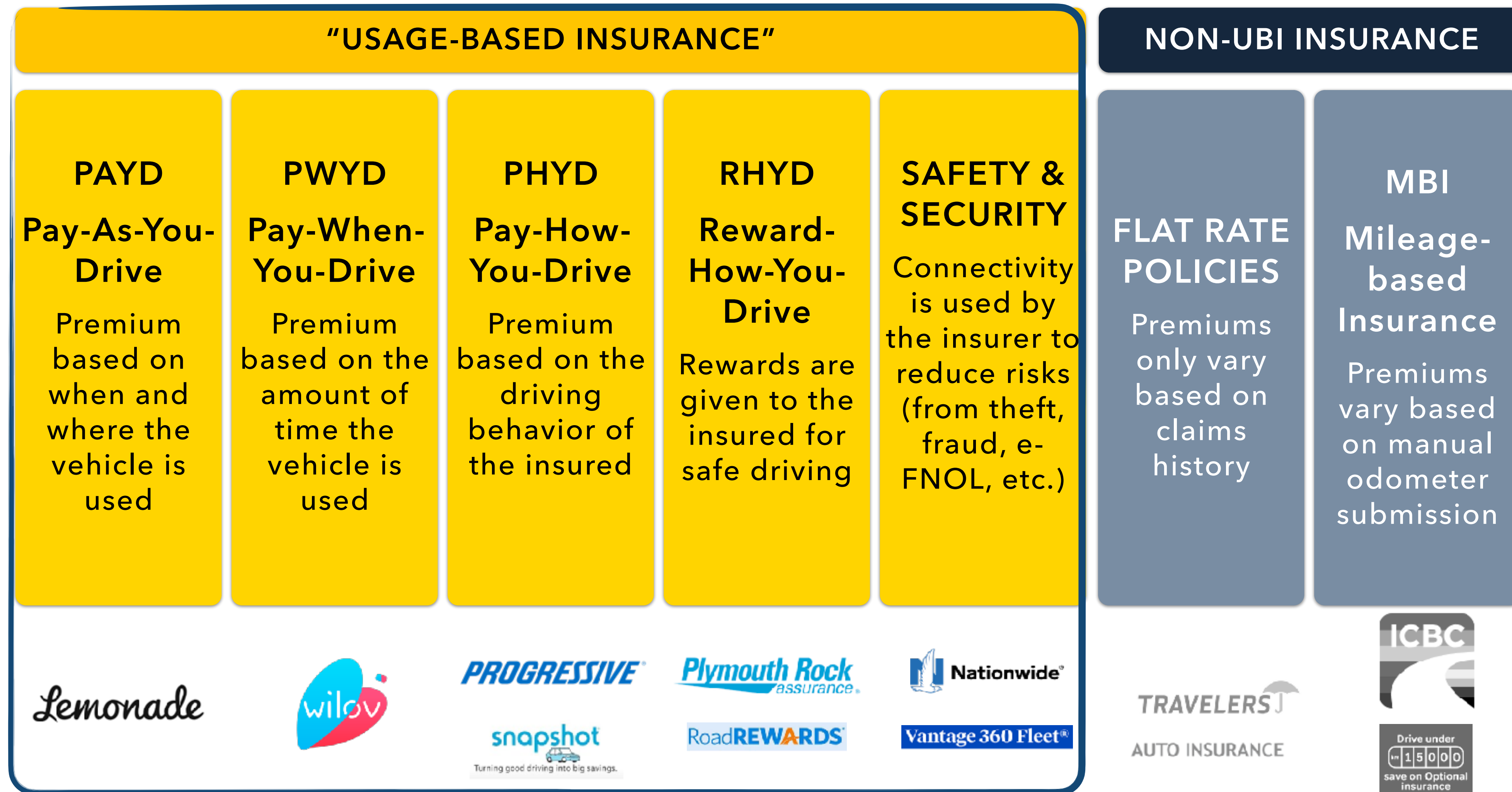
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Our analysis, market sizing and forecasts focus on UBI, where connectivity influences the premium and / or the risk

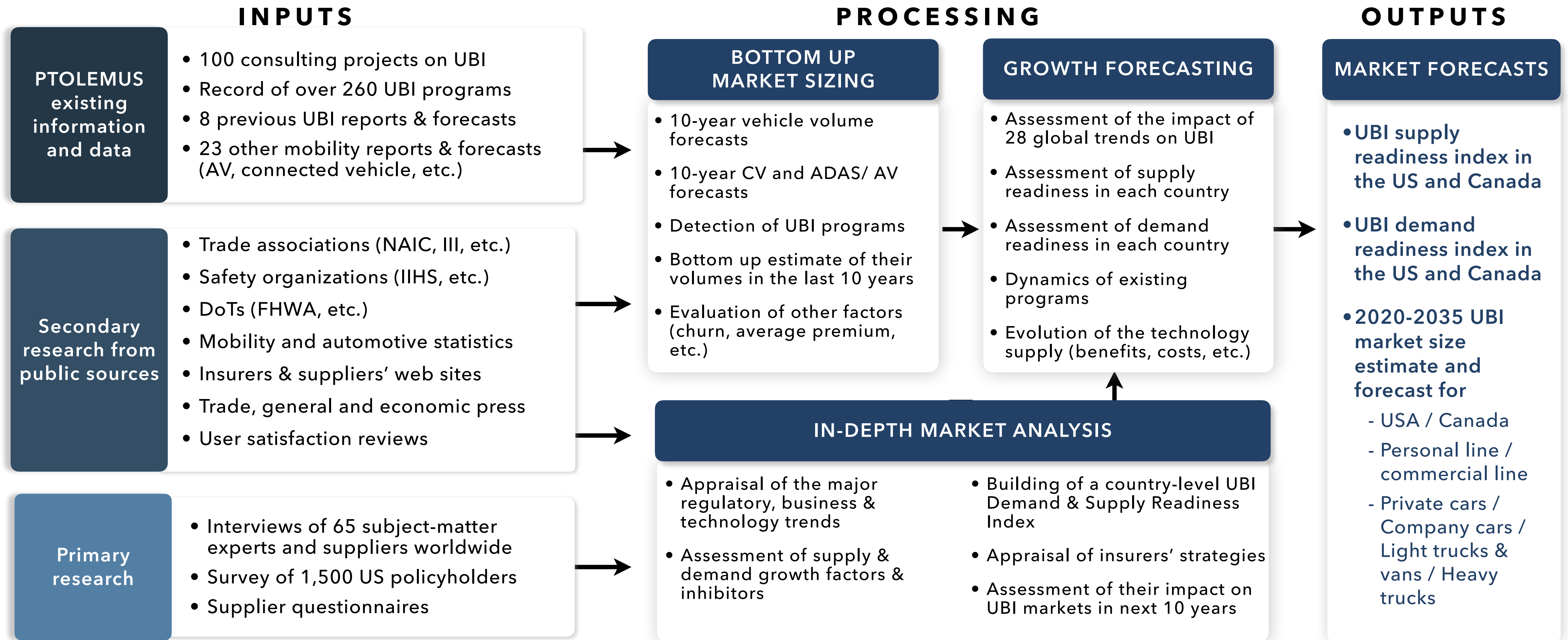
Scope of our analysis and examples of programs



Source: PTOLEMUS

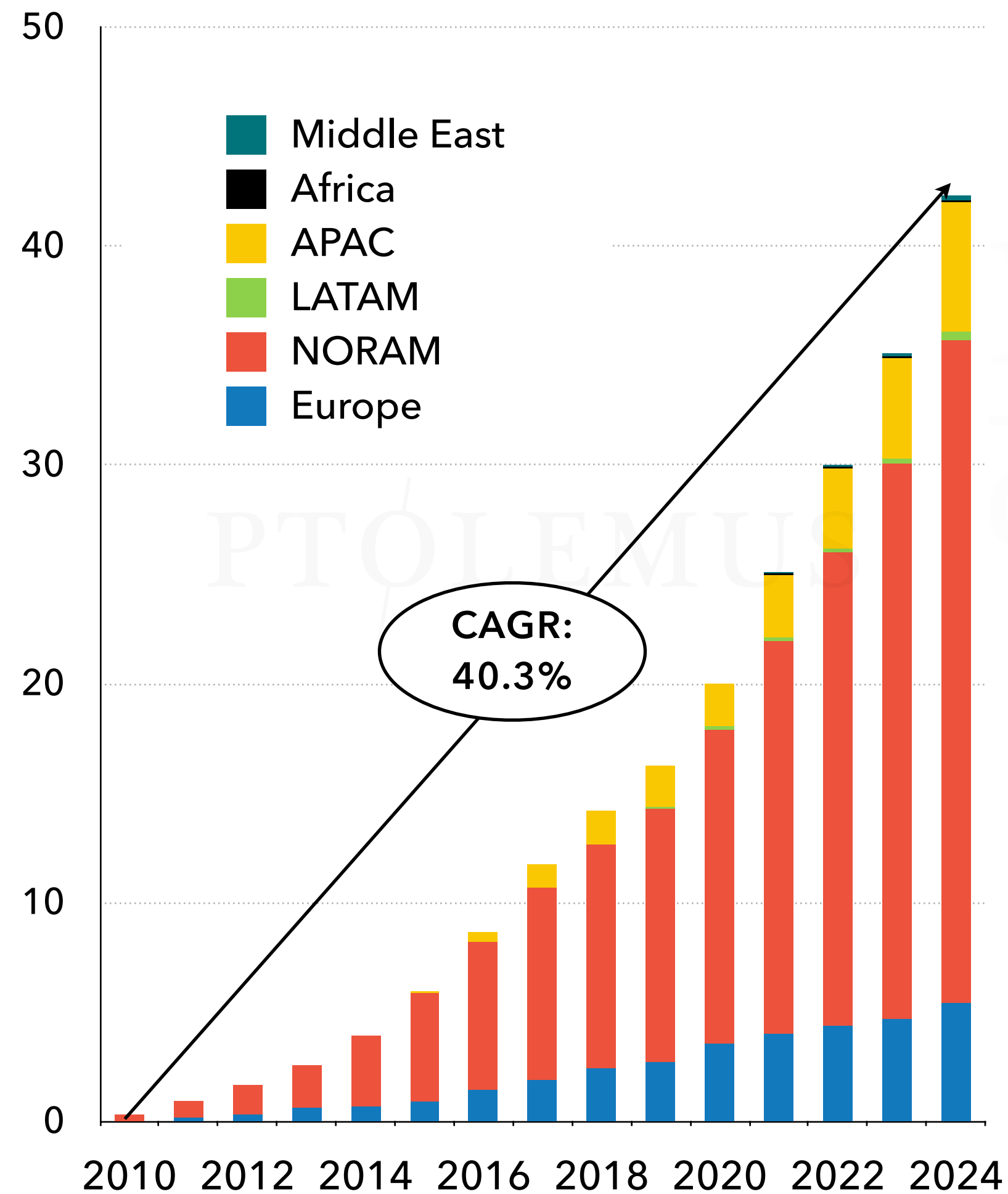
Our market forecasts are based on a bottom-up approach, in-depth analysis of each market and the impact of major trends

PTOLEMUS' methodology for our market sizing and forecasts

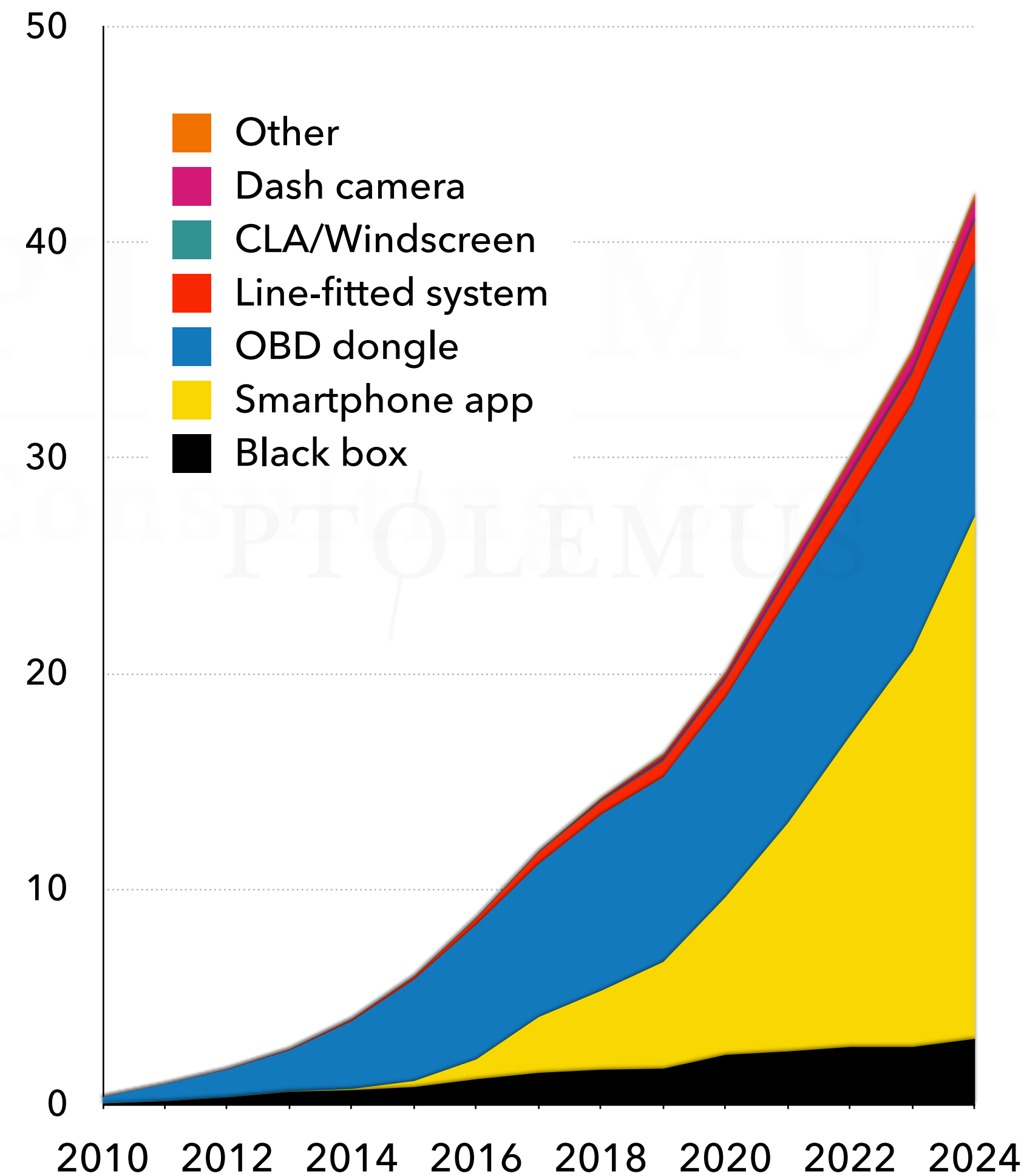


PHYD is the most popular and widespread policy model, particularly in North America

Number of UBI PHYD policies (million)



Number of UBI PHYD policies (million)



Our analysis

- PHYD insurance policies have been experiencing above-average growth worldwide, and now represent 7 out of 10 UBI policies
- The expansion is especially strong in North America, where insurers and consumers have shown high acceptance of behaviour-based premium models
- The majority of PHYD policies now rely on smartphone-based telematics, which provide a low-cost, scalable, and user-friendly solution for both insurers and policyholders
- Smartphone apps not only collect driving data but also engage users with real-time feedback, gamification, and rewards for safe driving—supporting policyholder retention

PTOLEMUS

Consulting Group



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Thank you!

For any request or suggestion regarding this report or your UBI directions, please contact:

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