

TELEMATICS EXPERIENCE

Israel Actuarial Association Seminar

Tel Aviv, Israel - December 12th, 2018

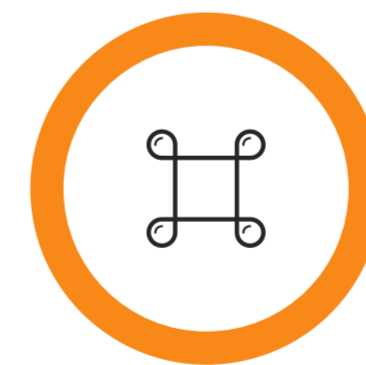
UnipolRe
RIASSICURAZIONI

 AlfaEvolution
TECHNOLOGY

Unipol
GRUPPO



OVERVIEW



**TELEMATICS
TARIFICATION**

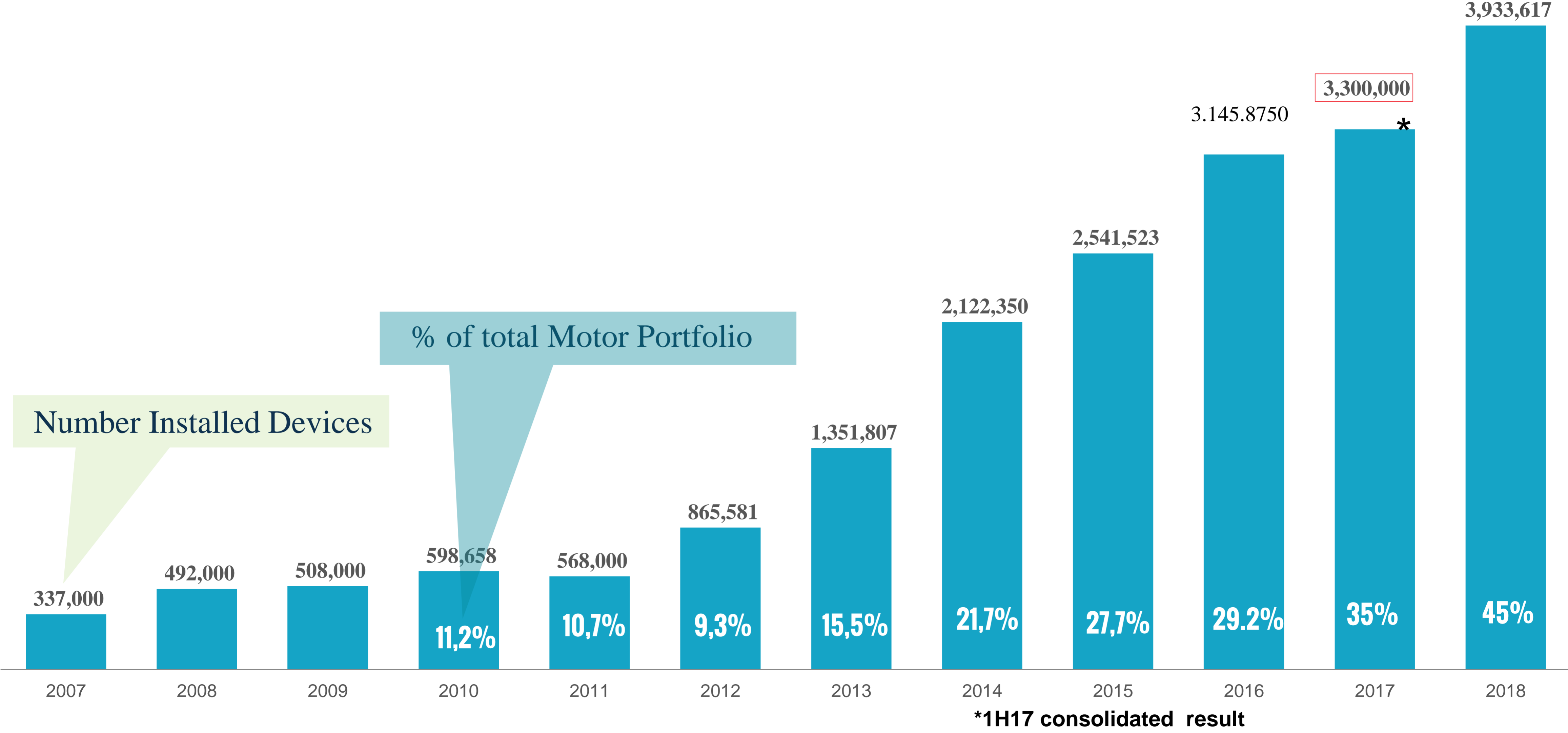


**TELEMATICS CLAIM
MANAGEMENT**



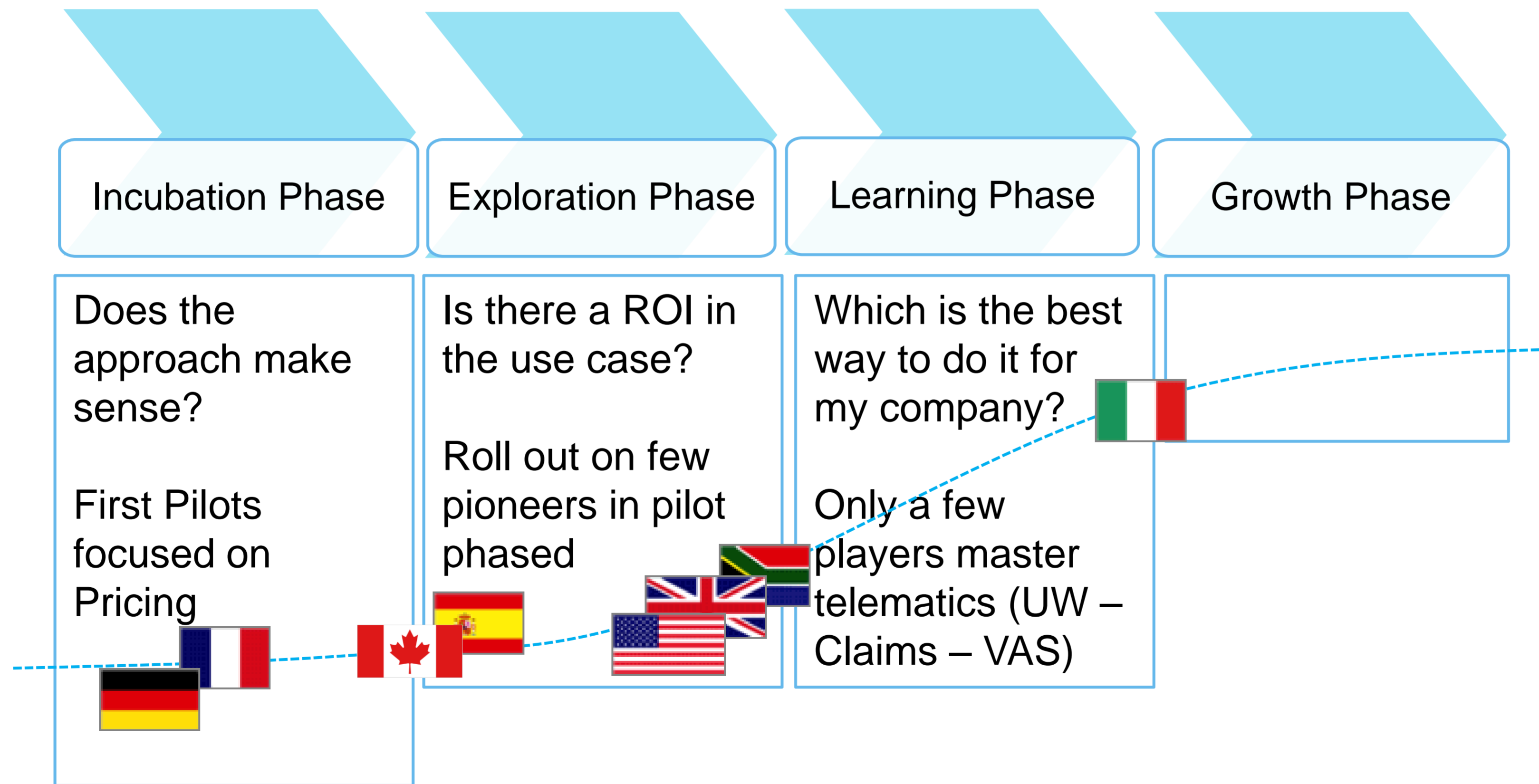
**OUR
PROPOSAL**

Unipol Group & Telematics



Our experience

Based on a study conducted by the “Observatory on telematics, connected insurance & innovation” in 2016, the following insurance markets were plotted according to their maturity.



Telematics Experience



ACTUARIAL ANALYSIS

an innovative profiling and pricing method



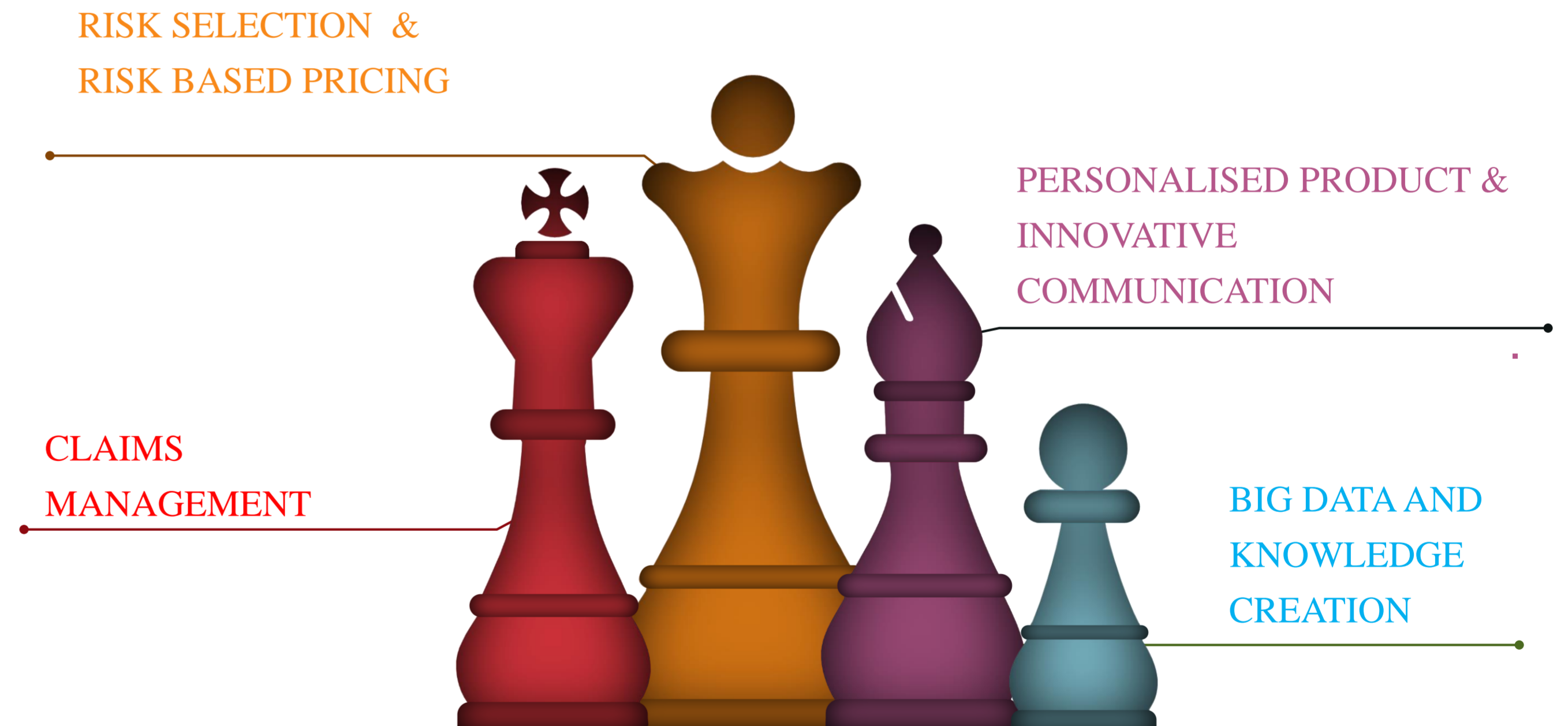
TELEMATICS CLAIMS ASSISTANCE TOOL

an alternative claims settlement model



TELEMATIC SOLUTIONS

a tailor-made black box solution for insurance



Telematics tarification

A new concept of tarification based on mileage usage, road type, day/night

Offering a tailor-made solution triggered according to mileage consumed



BETTER PROFILING

Information collected by mileage observation allows us to better profile our customers using objective data which otherwise can only be estimated.

Information asymmetry

Leveraging telematics know-how to change the nature of the risk assumed

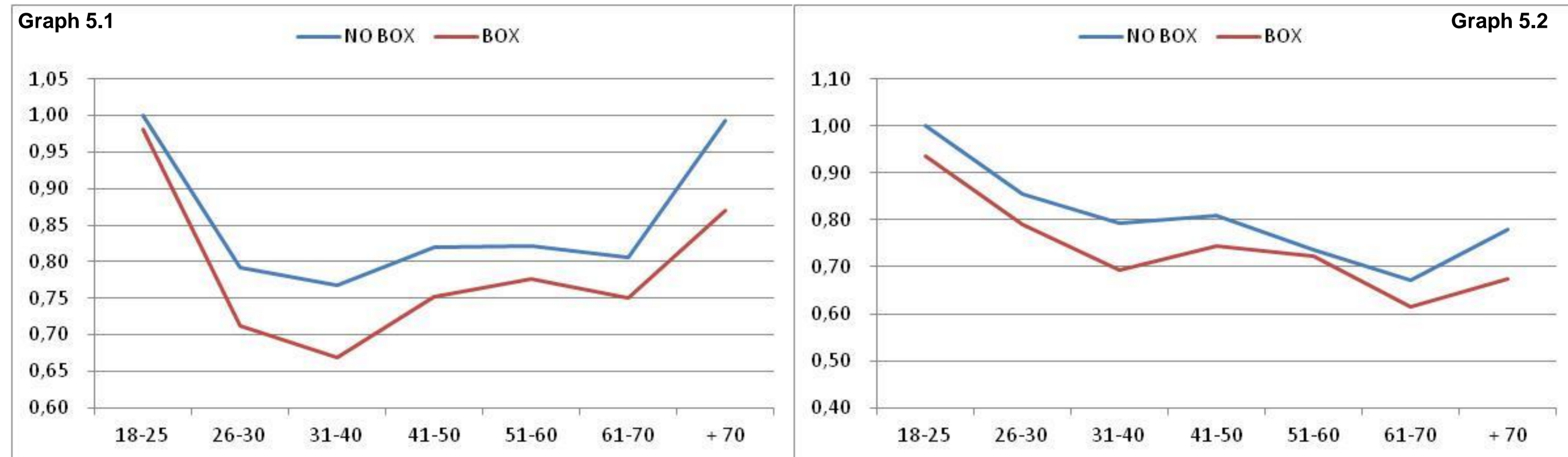


COSTUMER BEHAVIOUR

Customers whose cars are fitted with a Black Box are more inclined to accept the idea of being monitored and supported by the technology. This in turn reduces bad driving habits and fraud

Telematics Tariff: telematics benefit

Customer's age



Graph 5.1 shows claims frequency rate (normalised to 18-25 level with no box) in function of the customer's age. It is easy to note that the benefit is higher in every cluster for people with a black box.

Graph 5.2 shows the same benefit related to expected loss. This benefit is more evident for young drivers (from 18 to 30).

Expected benefits

A glance at the observed technical benefits derived from a Black Box installation within the UnipolSai portfolio

Based on a study of our portfolio, Generalised Linear Models provide an estimation of three KPIs:

1. Average claims cost (GLM with Gamma error function)
2. Claims frequency (GLM with Poisson error function)
3. Renewal Rate (GLM with Binomial)

These three models have been evaluated on two different portfolios:

1. Portfolio with Black Box
2. Portfolio without Black Box



Expected Benefits

Simulations provide the following technical results

DECREASE IN CLAIMS FREQUENCY

-6.1%

DECREASE IN AVERAGE COST

-6.6%



EXPECTED LOSS REDUCTION

-12.3%

INCREASE IN RETENTION

+3.6%

Telematics Claims management



Telematics Claims management

WE ARE NOW A FULLY TELEMATICS ORIENTED COMPANY



UNICO

We have developed Unico, a web portal supported by Proprietary algorithms.



INNOVATIVE APPROACH TO DATA

What sets us apart on the market is the innovative and technological approach to data which is made accessible in a completely **revolutionary way**.



NEW CLAIMS SETTLEMENT

We change our process in function of the Telematics data. We start the claims settlement analysing the information provides by Unico.



TELEMATICS CLAIMS MANAGEMENT

Telematics claims handling

Telematics data grants us the unique edge of starting our claims handling process instantly.

We instantly visualise the type of crash that has occurred and this allows for **speedier** claim settlement and decreases our **average cost** and **litigation**.

Claims settled 10% faster

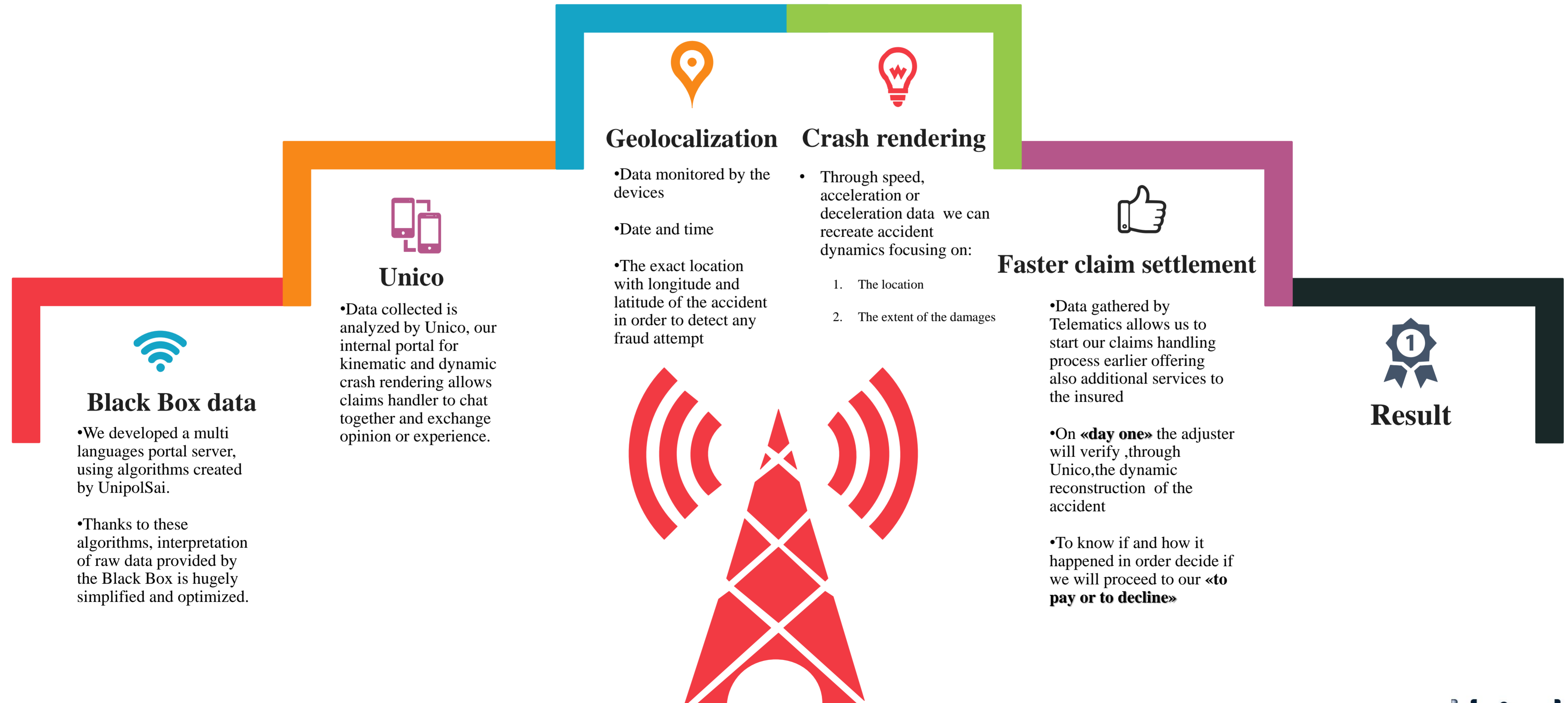
**Average reduction 10 %
in claims settlement costs**

**Since implementation of Unico significant
new detection in fraud**



Telematics

NEW CLAIMS SETTLEMENT



Assistance

The service is related with all the safety and assistance services provided by Alfa Evolution which allows the management of the End to End crash notification process.



Tariff Details

The Driving Habits service provides historical statistical information related to Time, Distance, Place and allows us to acquire the primary set of information in order to shape the driver's mobility map and his/her driving habits.



Car Finder

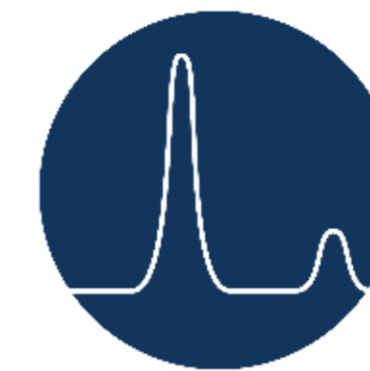
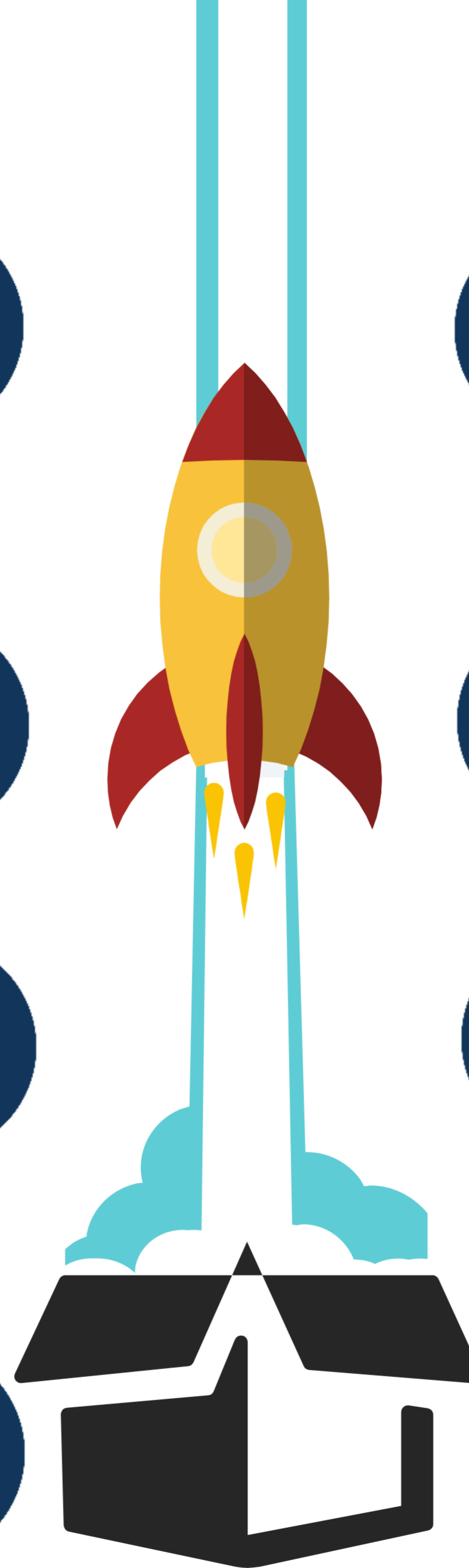
The service localises the vehicle position providing the client with the its exact location via three different modalities:

- SMS
- WEB (Map)
- Smartphone App (Map)



Target Area

Target Area is a service that allows the client to identify the target area he/she wants to control (i.e. where the vehicle is parked) choosing it on a map, setting a range distance around it and monitoring entries and exits from the predetermined area of the insured vehicle.



Driving Statistics

Driving statistical Platform offers an end-to-end solution to collect, analyse, publish Driving statistical indicators to the users. It offers an accurate picture of their style of driving:

- Speeding
- Hard braking and acceleration
- Cornering (Fast driving through corners)
- Sprinting (Quick Changes of direction)

Stolen Vehicle Recovery (Theft)

The SVR service is an end to end solution that, in the case of a car theft, allows the Security Control Room to locate the vehicle and, in compliance with the local law, to liaise with Police to recover the vehicle.



Speed Limit

Speed Limit allows for monitoring of the insured vehicle's velocity sending a SMS to the client once the client exceeds the speed limits as set.



Crash Reconstruction

This service provides the insurance company with information pursuant to the claim reports received, in order to support the insurance company's claim management process.



Sharing value creation : From B2C to B2B, to B2C

Our Unique Experience

- ✓ **14 Years Experience** managing Telematics Services as a **Direct Insurer**
- ✓ Contributor to **Data Standard Setting** for Telematics. The up-coming E-Call is one of them
- ✓ Invested in our own **TSP*- AlfaEvolution** to provide the **Insurance Market** with a native digital **Open Platform** for telematics services & management
- ✓ **Proprietary Crash Simulation** tool based on Big Data analysis
- ✓ **Multi Lingual Crash Simulation** tool based, including UK driving dynamics & regulations
- ✓ **Tailor-Made** specification for hardware to augment reliability of Telematics Data from the Insurance Market's point of interest
- ✓ Branching out to **Internet of Things** connectivity for Home & Life Insurance
- ✓ Dedicated UnipolRe telematics **Implementation Team**

*Telematics Service Provider