

Risk Managed Insurance

by eDriving®

Telematics-Enhanced Risk Management Designed for Insurance



The Problem

- > Commercial auto insurance industry loss and combined ratios were 89.9% and 110.8%, respectively, in 2017*
- > The lowest performing insurance carrier of the top 25 had a combined ratio of 135%*
- > The industry statutory combined ratio rose to a 16-year high of 111.1% in 2017.**
- > 11 of the top 15 companies reported overall underwriting losses over the 5-year period spanning 2013-2017.**

Trending shows losses in commercial auto insurance lines have persisted for the past 7 years, despite consistent increases in premiums. Attempts to address the commercial auto insurance situation solely through pricing have not yielded positive results. Why? Because the underlying risk doesn't change, meaning losses remain the same or worsen. And, as Einstein said, 'The definition of insanity is doing the same thing over and over again but expecting different results.'

* Conning Insurance Research (Insurance Journal 10/1/18)

** Fitch Ratings, Inc. (Business Insurance 7/18/18)

Break the Cycle

Risk Managed Insurance (RMI) by eDriving goes beyond rating and pricing to address the profitability issue from a different perspective. We attack the real issue – **losses**. RMI uses sophisticated techniques to identify the scope of the risk, and subsequently deploys state-of-the-art risk mitigation tools to reduce collisions/incidents/injuries and near-misses. The combination of clearly identified exposures and reduced losses, combined with accurate pricing, can dramatically improve the performance at both the customer and portfolio levels.

The Next Generation of Telematics Insurance

RMI provides visibility into the customer with minimal impact on internal resources. Using automated but verifiable systems, RMI reinstates traditional insights through its multi-faceted Loss Control program composed of the following:

Customer loss analysis

Munich Re's LossDetect® tool provides a systematic evaluation of automotive collision data, identifying potential solutions that address a customer's specific causes of loss.

Customer risk assessment

Online risk assessment is completed by the insured (or agent) to provide deeper insight into policies, practices, and other potential areas of risk

Recommendation deployment and monitoring

Based on LossDetect® and the Risk Assessment output, eDriving generates recommendations focused on risk improvement actions.

Complete reporting to underwriters

Package for underwriters includes LossDetect® and Risk Assessment results and recommendations addressing technology, policies and practices.

Mentor by eDriving

A comprehensive and patented driver risk management program that helps organizations to reduce collisions, injuries, and license violations, resulting in bottom line improvements for customers and insurers, alike. RMI's comprehensive program provides actionable behavioral insights to help organizations build a total view of driver risk within a company-wide crash-free culture®. The program includes eDriving's patented five-stage, closed-loop approach to driver risk management that comprises its Virtual Risk Manager® offering. To this proven foundation, eDriving adds Mentor's smartphone technology that captures individual driver risk behavior, a FICO® Safe Driving Score validated to predict likelihood of crashes/incidents, gamification, and in-app micro-training to reduce driver risk levels. The full set of features and options are described here:

	Platinum	Gold	Silver	Bronze	Corporate Family
MentorSM Smartphone App - iOS/Android	✓	✓	✓	✓	✓
Safety Culture Pack	✓	✓	✓	✓	
Manager Dashboard - with Mentor data and training completions	✓	✓	✓	✓	
Manager Coaching Toolkit	✓	✓	✓	✓	
RoadRISK[®] Driver Risk Assessment	✓	✓	✓		
MVR Continuous Alert Program	✓	✓	✓		
DriverINDEX[®] - with Mentor, crash, and MVR history	✓	✓	✓		
RiskCOACH[®] eLearning modules - 2 per year based on client benchmark data	✓	✓	✓		
eDriving Leading Risk Indicator Benchmark Report	✓	✓	✓		
Program Implementation Planning/Support	✓	✓	✓		
Performance Warranty - Reduce collisions by 20% in 1st year or money back (excluding MVR fees)	✓	✓			
Loss Detect[®] by Munich Re - Auto Claims Data Analysis	✓	✓			
Professional Coaching - Conducted post-collision and/or when FICO [®] Safe Driving Score falls below 710	✓				
Three60 Digital Road Safety Magazine	✓	✓	✓	✓	✓
24/5 Customer Support	✓	✓	✓	✓	✓

Deeper Insights. Higher Confidence.

Looking for an even more thorough evaluation of your commercial auto business, with deeper insights regarding losses and opportunities? Additional options include:

Benchmarking

Best practice calls for evaluating performance at the portfolio, business segment, driver, team, and organizational level and comparing against best practice results and strategies. To facilitate this process, eDriving provides:

- > DriverINDEX® platform integrating disparate driver data into ONE SYSTEM and providing an unprecedented view of total risk across an organization. It combines telematics data (FICO® Safe Driving Score), collision and incident data, driver assessment data (RoadRISK®) and MVR/license violation data and delivers timely and relevant insights to fleet managers regarding their most at-risk drivers.
- > Monthly / Quarterly & Annual analytics including lagging indicators, such as Collisions, Incidents, License Violations and Collisions Per Million Miles and leading indicators including RoadRISK® behavioral factors
- > Portfolio / Country / Organization / Division Scorecards
- > Industry Benchmarks
- > Global Crash, Incident and Near-Miss Reporting Systems
- > NEW: eDriving LEADING INDICATORS Annual Benchmarking Report – Dec 2019

Commercial Auto Risk Solutions Assessment (CARS) by Munich Re

The CARS initial evaluation consists of a portfolio-level LossDetect® analysis and a series of interviews with Company Management, Underwriting, Distribution, Pricing, Claims & Fraud Control, and IT/MIS aimed at understanding:

- > The loss drivers and savings potential within the auto portfolio
- > Appetite for retaining existing risks, rehabilitating failing risks, growing the portfolio
- > Management perspective around the submission review and underwriting process
- > Processing systems/functionality and data points currently utilized
- > Departments that have an involvement in the underwriting process
- > Interactions and sharing between the claims team and underwriting

Recommendations focus on portfolio concerns and opportunities across:

- > Data Usage and Collection
- > Underwriting
- > Claims
- > Loss Control/Risk Mitigation
- > Road and Fleet Safety Awareness and Impact

Benefits of Risk Managed Insurance by eDriving



Improved profitability at the portfolio, business segment, and customer levels



Improved customer service



Reduced claims



State-of-the-art technology and predictive modeling



Dramatically deeper insights



Measurement and benchmarking at customer, business segment, and portfolio levels



Minimal impact on internal resources



No interference with legacy systems

