

Access to in-vehicle data can maximise the benefits consumers gain from motor insurance



Consumers must be able to decide who can access this data, and for what purposes

Technological advances are fundamentally changing the concept of driving. The day when your car can drive itself to a destination of your choice is not too far from becoming a reality.

At the same time, the huge volume of in-vehicle data produced by modern cars will provide drivers with the opportunity to access a wide range of innovative products and services.

More tailored and innovative products

For example, the information obtained from in-vehicle data can provide insurers with a better understanding of how their policyholders drive.

This allows insurers to offer, and consumers to opt for, more tailored products, such as those that are based around the time spent driving — “pay as you drive” policies — and those that adapt to driving habits — “pay how you drive” policies.

The information gained from in-vehicle data also gives the insurers the opportunity to provide feedback and coaching on the consumers’ driving. This makes it possible to improve

driving, thus contributing to greater road safety and fewer accidents.

Access to a vehicle’s data — particularly real-time access — also allows for improved claims-handling, by providing a speedier response following an incident and reaching a decision on the claim faster.

This data also enables insurers to provide sophisticated claims-related services, such as theft notification, stolen vehicle recovery and advanced breakdown assistance.

Finally, in-vehicle data also allows insurers to offer innovative services beyond pure insurance, such as location-based services — for example, directing a driver to the nearest garage, petrol station or hotel — and traffic or weather information.

Understanding future risks

Data in general is essential for insurers to understand the risks they underwrite. It is even more important when dealing with new risks, for which there is no, or little, historical data.

Access to in-vehicle data is therefore essential if insurers are to carry on providing the protection required for users of connected and highly automated vehicles as well as, in the near future, users of fully autonomous vehicles.

Drivers must control their vehicle data

Some safeguards are necessary at EU level in order to ensure

Quick fact

Motor insurance is the most widely purchased non-life insurance product in Europe, accounting for 27.3% of non-life premiums and total premium income of €124bn in 2014.

consumers, and society at large, make the most of opportunities arising from these technological developments.

Firstly, drivers must remain in control of their vehicle data and be free to share it with the service providers of their choice.

Access to this data should take place through an open platform that allows fair competition between service providers and free consumer choice. It should not take place through a proprietary model under the control of a single stakeholder, such as a vehicle manufacturer, which would be to the detriment of consumers.

Secondly, any EU action regarding access to in-vehicle data must leave some flexibility to allow for future technological innovations.

Such innovations may not only result in new types of data becoming available, but also in existing data becoming available in new formats and/or at new frequencies.

This would, in turn, allow insurers to continue developing new applications and services, while stimulating competition and improving consumer choice.

Industry involvement

Insurance Europe is involved in a number of EU-level initiatives seeking to promote new automotive technologies. These include, most notably, the cooperative intelligent transport system (C-ITS) Platform, which seeks to make recommendations for an EU-wide deployment of C-ITS technologies, and GEAR 2030, which gathers representatives from the whole EU automotive value-chain to look into ways to make the European automotive industry more competitive, notably through wider use of the new technologies. In these two groups and other platforms, Insurance Europe's objective is to ensure that all aspects of the issues are taken into account, including safety concerns, emerging risks and all the related regulatory issues.

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The future of driving

Nearly or fully autonomous vehicles are one element of a broader change in transport technologies that encompasses connected vehicles and intelligent transport systems (ITS). Whereas autonomous vehicles are equipped with sensors allowing them to navigate autonomously, connected vehicles are those that, simply put, have access to the internet and other networks.

ITS apply information and communication technologies to the transport system, thus creating an environment in which transport users, vehicles and the infrastructure are interconnected. This results in a safer, greener and more efficient transport system.

There has been a degree of connectivity and automation in vehicles for some time. This process is now accelerating and amplifying and, as part of a wider expansion of ITS, it is redrawing the existing business models of all the sectors involved with mobility, including that of motor insurers.

