

Redtail Telematics/YouGov research reveals insurers are not promoting savings and benefits of telematics-based motor insurance to their customers

- *Only 4% of respondents have received any communication from their insurer to discuss adopting a telematics-based insurance policy*
- *76% of respondents have never been told the benefits of telematics-based motor insurance by their insurer*
- *On average, those drivers who switched to By Miles were able to save around £300 a year*

CAMBRIDGE, UK – A survey conducted by Redtail Telematics, the long-established provider of telematics solutions for the automotive, insurance and fleet sectors, and YouGov reveals that insurers are missing opportunities to win new telematics motor insurance customers. *Only 4% of respondents have received any communication from insurers about adopting telematics-based insurance to help reduce premiums.*

This low number is partly owing to the lack of transparency offered by price comparison websites and is at odds with consumer demand as the interest in telematics-based insurance continues to rise. Motorists, more than ever recognise the savings that can be achieved by switching to a telematics-supported motor insurance policy.

Redtail Telematics commissioned the research in partnership with YouGov. Two thousand UK respondents were surveyed about their attitudes to using telematics-based insurance policies. Telematics offers a wealth of benefits ranging from reduced motor insurance costs to improved driver safety and lower environmental impact. There are over one million registered telematics policies in the UK (BIBA – British Insurers Brokers Association). However, this research highlights the need for insurers to both utilise the huge amounts of data and improve communication to promote these benefits to consumers.

The issue is that, while most insurers now have some form of telematics proposition, whether through a broker partnership or as a distinct part of their in-house capabilities, it is still seen as a niche part of their business and the benefit is limited to how telematics

data is used to rate for risk, and how it can be used to better inform and incentivise drivers.

In January 2022, new rules were introduced to prevent insurers quoting higher prices to existing customers than they would a new customer. The practice, known as 'price walking', was outlawed in an attempt to make insurance pricing fairer and more transparent. This is an opportunity for insurers to offer their customers telematics policies that can not only reduce premiums, but also deliver a wealth of benefits, including improved driver safety and advanced FNOL (first notification of loss).

James Blackham, CEO at By Miles, said: "The cost of living crisis is baring its teeth for drivers - with fuel, repairs and the price of cars on the rise - and many of us are having to make changes."

"Half of road users have reduced their mileage through the cost of living crisis and may now be better off with pay-by-mile insurance. On average, those drivers who switched to By Miles were able to save around £300 a year - which will help with expenses elsewhere," James Blackham concludes.

Commenting on the Redtail Telematics/YouGov research, Redtail Telematics CEO, Dr Colin Smithers said: "This round of research has been particularly revealing about how the insurers' message is not getting through for a variety of reasons. The public's understanding of all the benefits Telematics policies can bring is correspondingly poor as a consequence. The richness and relevance of telematics data remains invaluable to those insurers committed to fair pricing, improved road safety and responding to environmental concerns. Redtail is passionate about our data informing insurer data to make a discernible impact on all three."

About Redtail Telematics

A leading Telematics Service provider (TSP) provider of telematics solutions to usage-based insurance (UBI), automotive, fleet tracking, and stolen vehicle recovery (SVR) sectors globally. Redtail draws on its joint heritage with sister company, Plextek, the communications technology design house. The Redtail team has supplied over six million devices into the automotive aftermarket in over thirty countries since 1993.

Redtail Telematics Ltd is headquartered in Cambridge, UK with subsidiary Redtail Telematics Corp in San Diego, California. Redtail enjoys the unique

benefit among TSPs in designing and manufacturing its own devices as opposed to purchasing them from a technology provider.

The company has expanded significantly beyond exclusively offering telematics device design and manufacture to offer a broad set of services. Offerings include APIs, portals, apps, all of which underpinned by the capture, analysis, and processing of valuable telematics. In short, a one-stop-shop IoT solution for insurers and enterprise customers with control over the whole stack, vital for optimised and customised solutions.

Redtail devices and services are used by Admiral, ingenie, ByMiles, TRACKER UK, Lojack, CalAmp, Concirrus, Acorn and JLR, among others.