

Connect
Concept
LTE
Connected
Program
Services
Vehi
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mobile
in-car
high
home
entertainment
drivers
devices
endless
experiences
convenience
generation
exciting
security
monitoring
road
platform
visit
records
network
offers
music
interactive
innovative
Experience
including
information
device
Inc
cloud-based
Atlantic
cent
ar
tent
easily
chumby
players
Software
Sales
Motor
QNX
Toyota
technolog
cloud
control
broadband
development
catalog
becomes
applications
Evolution
features
Enhanced



Sean Carey – President SCG



- 30 Years experience in the Automotive Landscape
- Degrees in Mechanical Engineering. Marketing & International Business
- Private Client Consultant with clients in each of the claims/collision segments:
 - OEMs
 - Insurer
 - Shop/MSO
 - Supply Chain, IT, Refinish
 - Private Equity Advisor as SME on MSO Acquisitions
 - Member of the executive board of directors for IBIS (International Bodyshop Symposium)
- Provides strategic direction, market making & tactical implementation support to clients
- Segment expert in Connected Vehicles



Key Issues Defining the Future of Connected Car Insurance:

The Mobile Shift - Consumers First:

As device data quality rises, develop engaging mobile applications that empower the connected insurance customer. Is this the death of the dongle?

ADAS & Autonomy Rips Up The Rule Book:

With active safety systems changing driver behavior & autonomous vehicles set to upend liability, understand the tech. that is transforming auto insurance

Portability - Data for Everyone:

From Insurers & OEMs to service providers & consumers, the whole ecosystem needs data. With deadlock over standardization, explore clearing houses & exchanges as the key to data sharing

The Auto Mobility Minefield:

Emerging mobility models – i.e. ride-hailing to P2P – are revolutionizing the way people use vehicles. Create innovative insurance offerings relevant to the sharing economy

Automakers - The Most Valuable Partner:

Tap into existing OEM brand trust to remove the data sharing fear factor. Become a vital part of a connected car VAS package that consumers desire

Market – Prevailing Conditions



- The claims/collision market is highly fragmented and somewhat dysfunctional
- The insurers dominate the landscape
- The MSO segment has grown to become a significant barometer of the industry
- These dominant entities are forging “relationships” that further accelerates the consolidation dynamic
- The independent repair community is a drift
- The Consumer is getting lost in all of this
- Vehicle technology requires different repair methods and procedures creating a technical tsunami
- There is a technology tsunami following closely behind
- The OEMs are responding to market forces (its now about brand reputation)
- There are significant disruptive forces taking effect that will be prevalent as soon as 2020 that will change the market forever



IBIS 2014

- The Connected Car will change the Claims and Repair Landscape forever
- The Component Parts are there...But no one has put them together
- New Entrants will change the Landscape
- Change happens quickly.....Technology Compresses Time



IBIS 2015

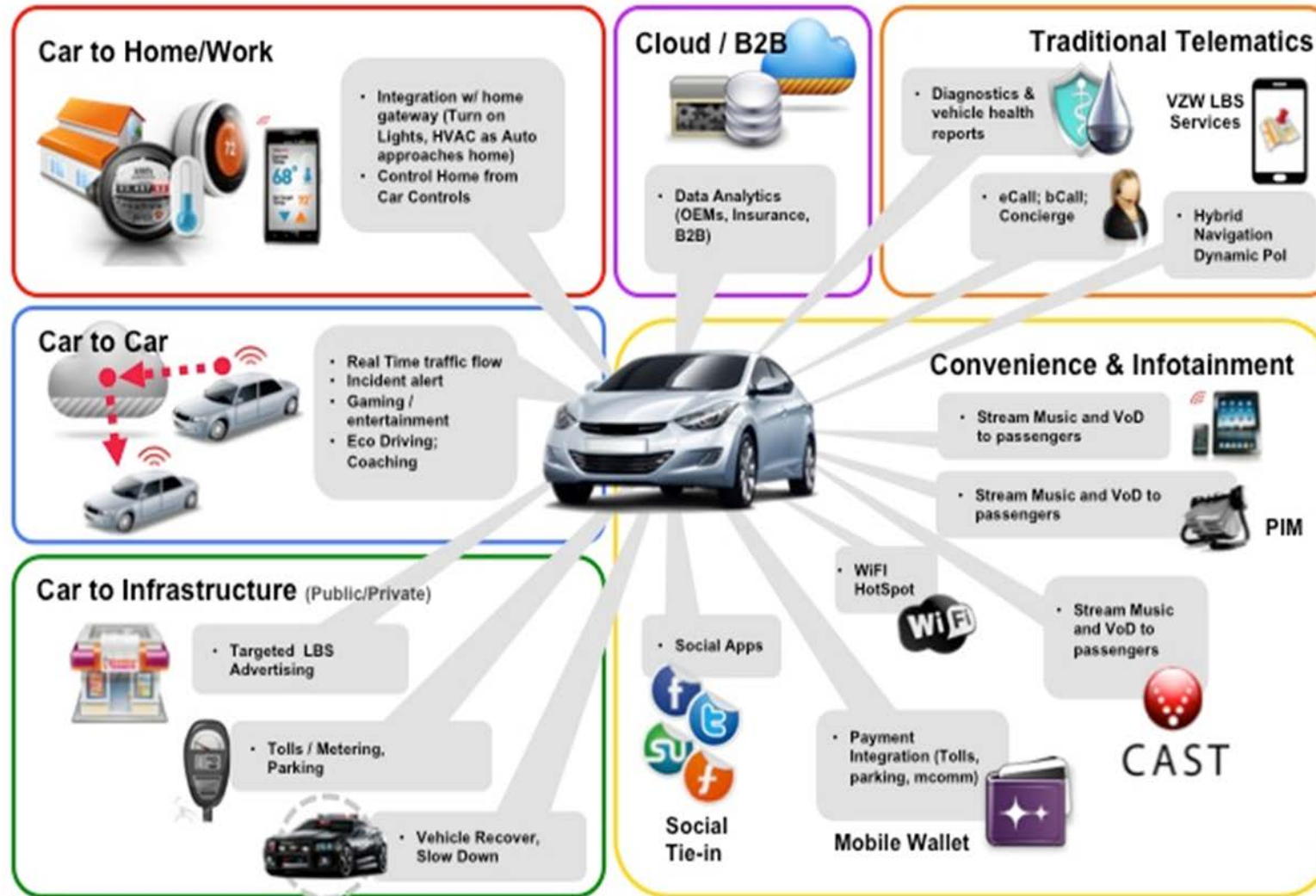
- Claims still remains the red headed stepchild of the Connected Car
- The new Entrants are with us....Verisk, Apple, Google, OCTO
- The pace of change has increased....Technology Compresses Time
- It's not full Autonomous it's the journey...ADAS, Mobility, Car Share/Hail....Rapid Change



IBIS 2016

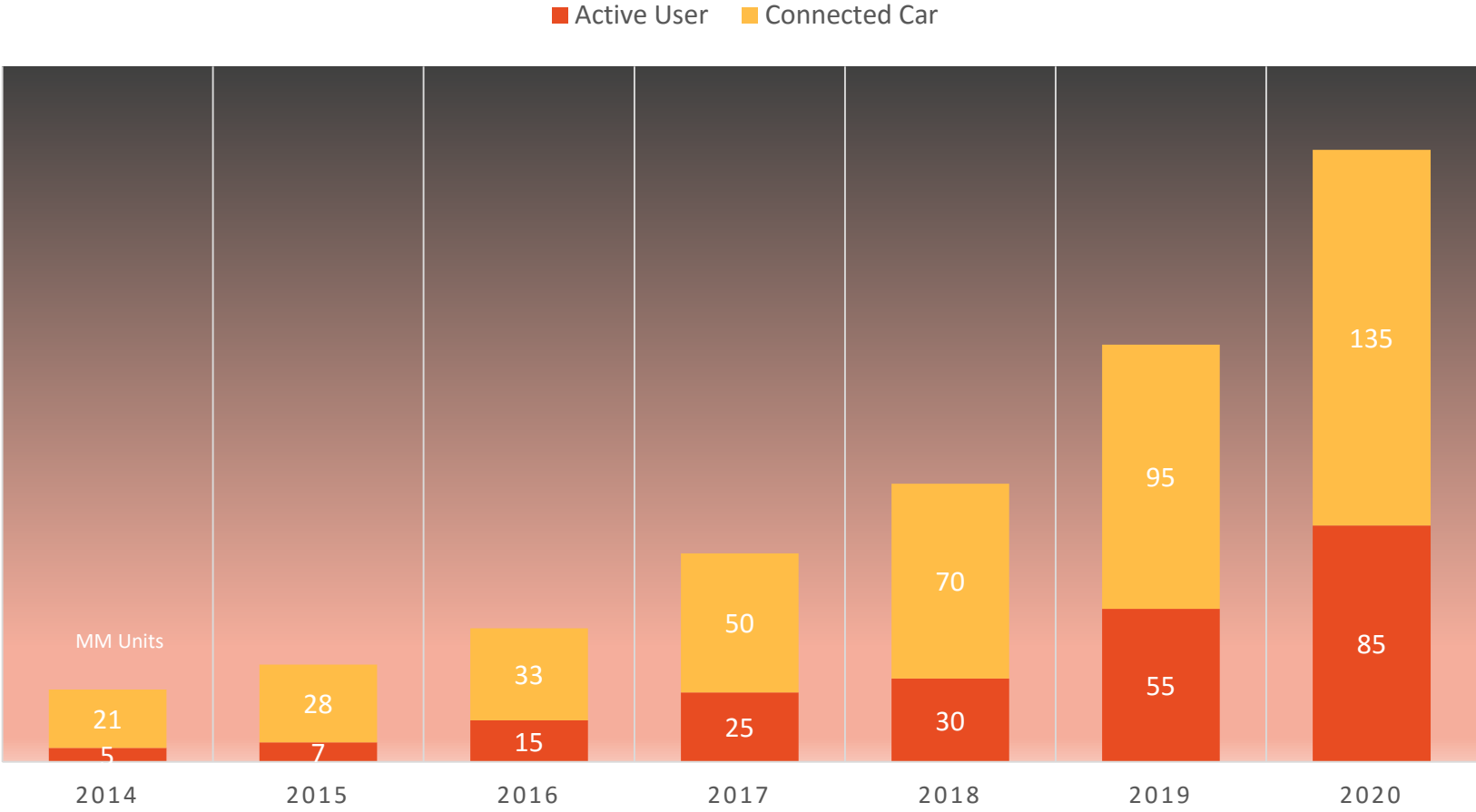
- ADAS
- Mobility
- Connected Cars
- Autonomous Vehicles

The connected car is connected to everything



The Connected Car Market

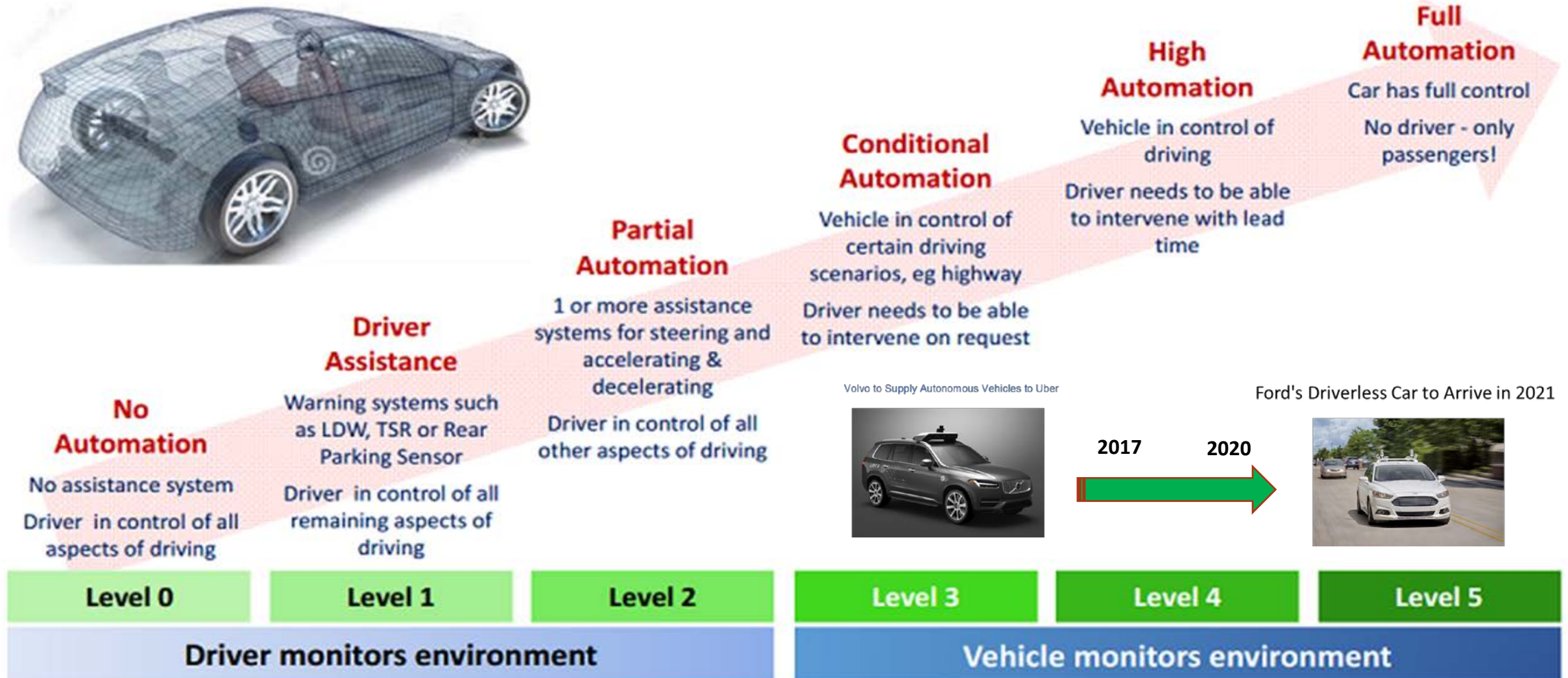
Significant and rapid growth – 45% CAGR



BI Intelligence, 2015.

Technology Compresses Time

The road to autonomous vehicles



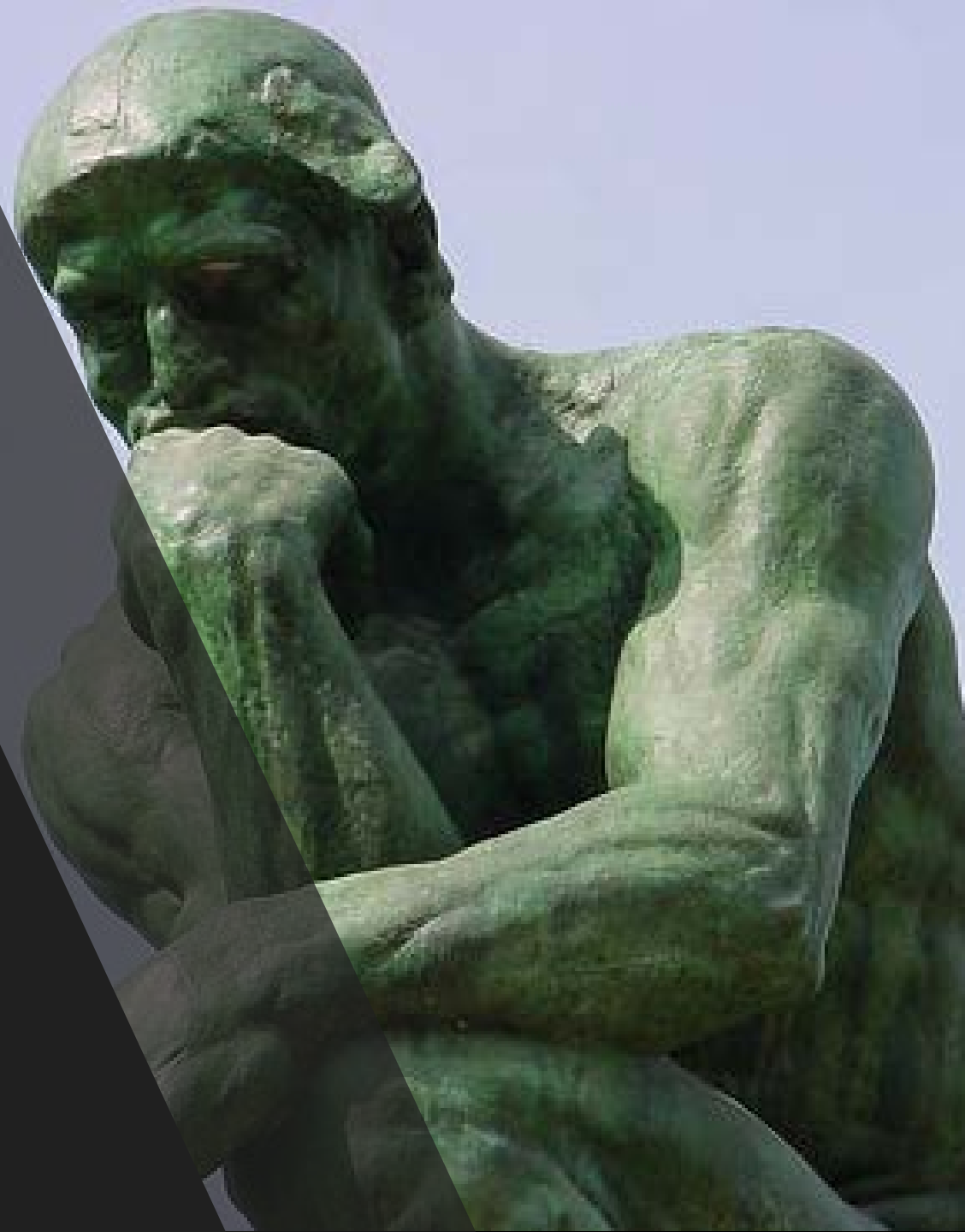
Advanced Driver Assistance Systems (ADAS)

- Adaptive cruise control (ACC)
- Adaptive high beam
- Glare-free high beam and pixel light
- Adaptive light control: swivelling curve lights
- Automatic parking
- Automotive navigation system with typically GPS and TMC for providing up-to-date traffic information.
- Automotive night vision
- Blind spot monitor
- Collision avoidance system (Pre-crash system)
- Crosswind stabilization
- Cruise control
- Driver drowsiness detection
- Driver Monitoring System
- Electronic stability control in hybrid vehicles
- Emergency steering
- Forward collision warning
- Intersection collision warning
- Hill descent control
- Intelligent speed adaptation
- Lane change assistance
- Parking sensor
- Pedestrian protection system

Examples of ADAS applications



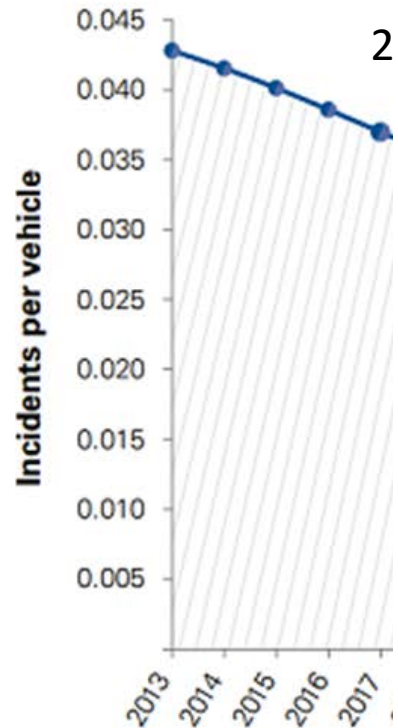
What do the
Academics think?



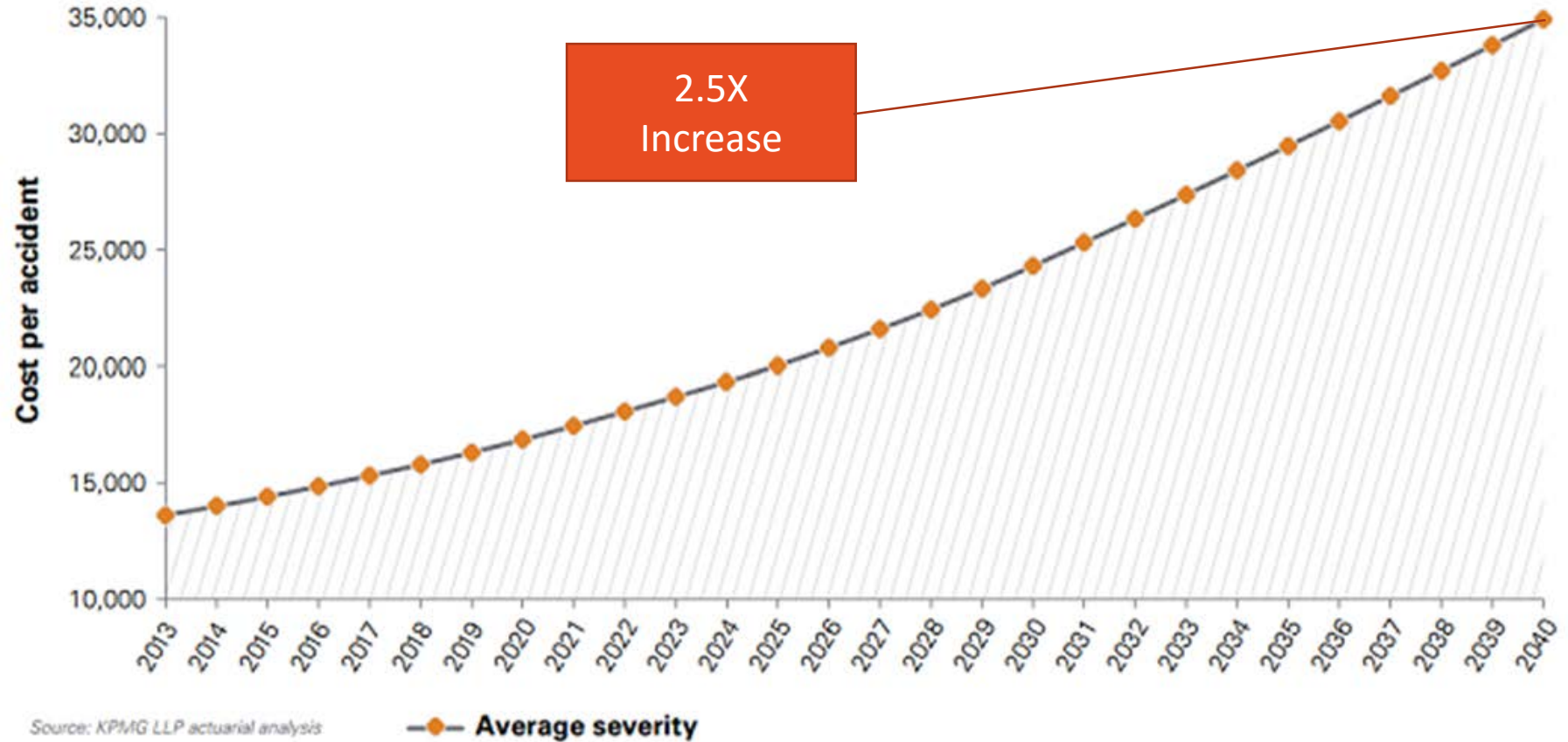
Accident Rate Impact

Severity per accident

Accident frequency per vehicle



Source: KPMG LLP actuarial analysis



Source: KPMG LLP actuarial analysis

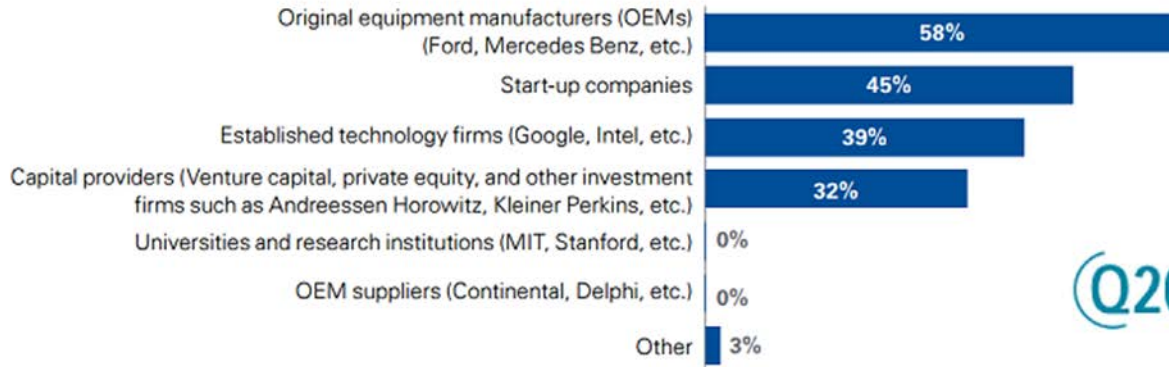
The Connected Car

Focused on safety, user experience and data



Source: KMPG Self Driving Cars – Automobile Insurance in the Era of Autonomous Vehicles

Q19 Other than insurance companies, which of the following entities do you think will be a major provider of vehicle insurance in the future? (Select all that apply)



Multiple responses allowed

Survey participants believe OEMs, start-up companies, established technology firms, and capital providers may become major providers of vehicle insurance in the future.

Q20 Which entities do you believe will “own” the data related to driverless vehicles? (Select all that apply)



Multiple responses allowed

Respondents believe established technology firms and OEMs will be the primary “owners” of data related to driverless vehicles.

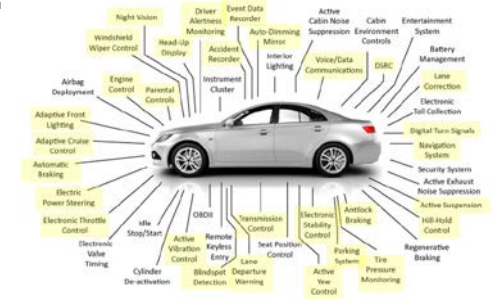
OEMs Will Leverage FNOL

Toyota launches a new, US-based company combining telematics and insurance.



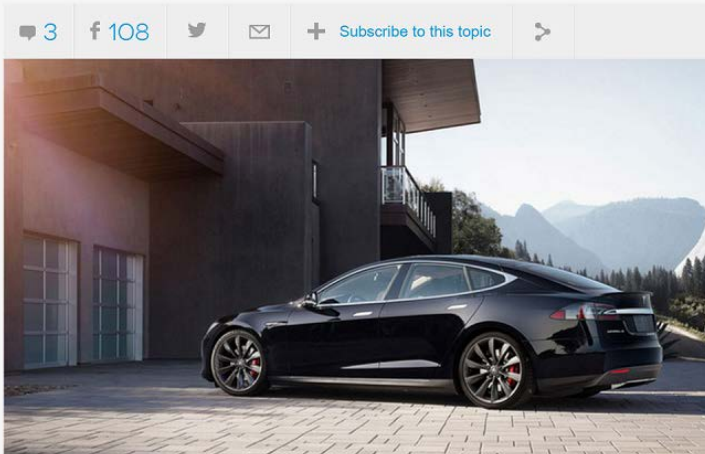
New Telematics Car Insurance Services Company to be Launched in U.S.
Consolidating Toyota's Data, Financing and Insurance Knowhow
to Help Make Driving Safer and More Convenient

Toyota City, Japan, April 13, 2016—Aioi Nissay Dowa Insurance Co., Ltd. (AD), Toyota Financial Services Corporation (TFS) and Toyota Motor Corporation (TMC) announced that their respective U.S. subsidiaries established the jointly owned telematics car insurance services company Toyota Insurance Management Solutions USA, LLC (TIMS), on April 1.



TESLA HAS DECIDED TO GO INTO THE AUTO INSURANCE BUSINESS

By Bruce Brown — August 31, 2016 5:33 AM



DON'T BEHIND
Stay current

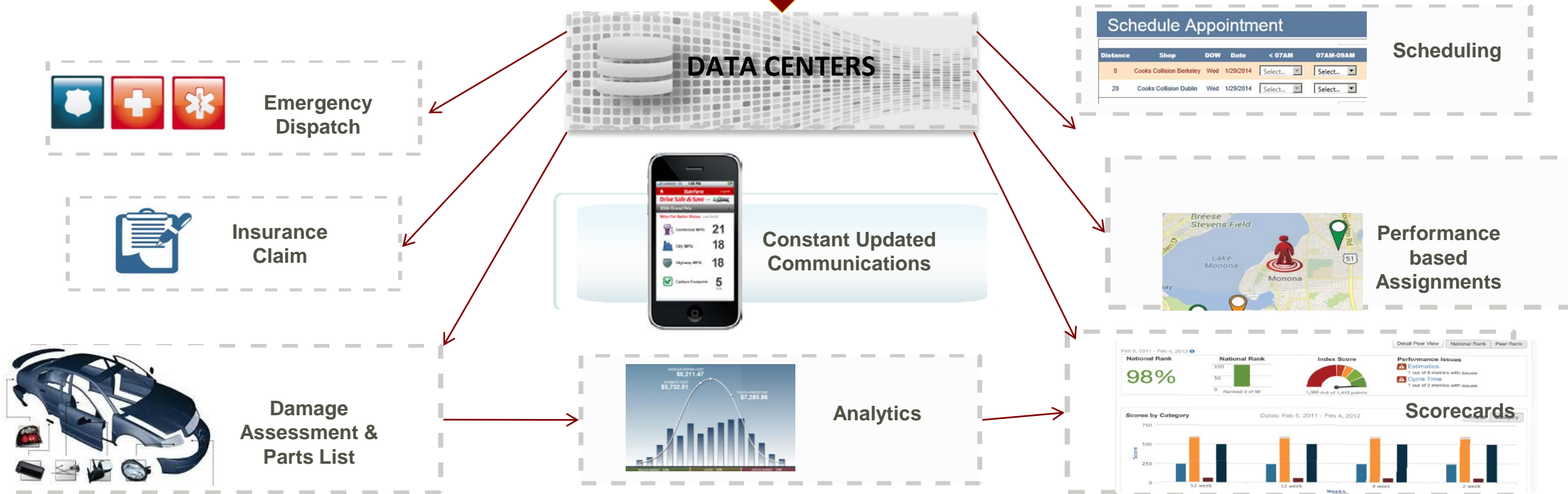


Open
Exchange



UBI, Other

What if the car made the claim ?



So how do you prepare?



Trust me Insurers are preparing for this future landscape and have specialist teams working hard to figure it out

OEM's are at the forefront of creating this future and it's making it's way into the claims/repair segment



Repairers should be planning for a future whereby there are less repairs, coming from a different source, requiring higher and different skill levels and using different procedures, equipment and technology than today.



If you're not preparing for a different supply chain model....you should be. How close are you to the vehicle

Renault-Nissan Will Launch 10 General Motors Invests Lyft

JANUARY 4, 2016 BY COLLISIONWEEK EDITOR



APRIL 29, 2016 BY COLLISIONWEEK EDITOR

Volvo Cars announced an ambitious autonomous speed up the introduction of autonomous vehicle a leap forward in car safety," said Håkan Samuelsson. "The sooner AD cars are on the roads, the sooner lives will be saved."

UN Calls for Active Safety Systems to Be Standard Equipment in Automobiles

APRIL 18, 2016 BY COLLISIONWEEK EDITOR



Measure promotes the adoption of active safety systems such as electronic stability control and autonomous emergency braking. The United Nations General Assembly adopted a resolution which represents the strongest ever commitment to the adoption of active safety systems.

Pittsburgh, Pa. will be able to survive the ride hail in the city. The city is currently testing self-driving cars through the ride hail service.

GM and Lyft Reported to Test Self-Driving Taxis Within a Year

MAY 6, 2016 BY COLLISIONWEEK EDITOR

The Wall Street Journal reported yesterday that General Motors (GM) and Lyft, Inc., the ride-hailing service, will begin testing self-driving Chevrolet Bolt EVs within a year. In January, General Motors invested \$500 million in Lyft to create a long-term strategic alliance to create

Nearly \$4 Billion for

accelerate



**KEEP
CALM
AND
ASK
QUESTIONS**

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