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**Use of Data Analytics to Help Revolutionize
the Heavy Vehicle Insurance Market**



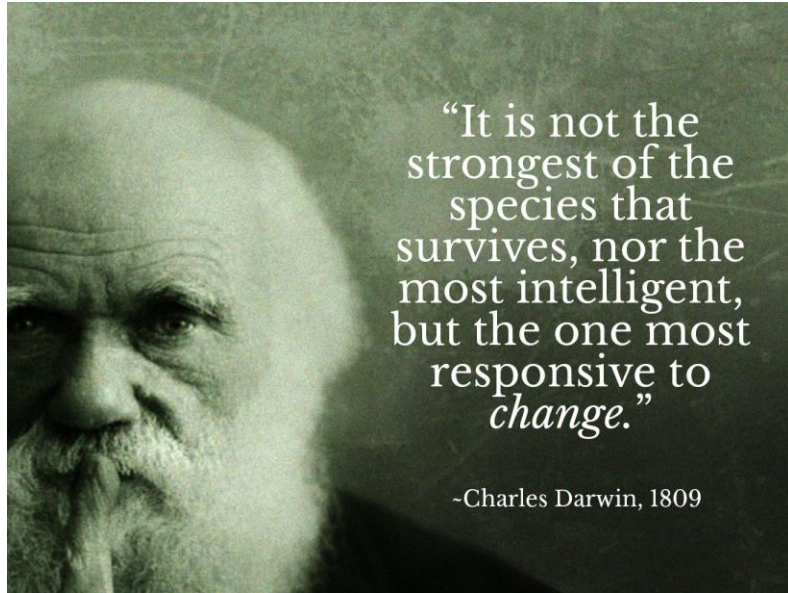
Dinosaurs are an apt and widely used metaphor.



- If a firm can't or won't adapt, it's straight to the dustbin of business oblivion.
- Ignore rapidly changing circumstances, and a leader authors his or her company's demise.
- Adapt to rapid changes better than your competitors and you'll make great strides.



Failure to adapt was the dinosaur's Achilles heel.



In his landmark 1859 book, *The Origin of Species*, Charles Darwin showed that those species that adapt best to their changing environment have the best chance of surviving, while those who do not adapt do not make it.

Substitute a business enterprise for the species and you have powerful advice for executives facing changing business conditions.



Concept of user-based insurance using GPS data applications to determine insurance premiums has been exclusive thus far to the light vehicles.

How it works—A little device is the key to saving



The Snapshot device fits right into a little port in your car, generally located below the steering wheel.

We look at your driving habits to see if you could be saving more. You can track your projected savings online.

Now your rate is fully personalized; any discount you earned is in full effect. Simple! (And [these FAQs](#) cover the little details.)



The heavy vehicle insurance market faces a more daunting task in underwriting risks.



- More complex set of variables to consider and analyze
- Default proposition the truck is at fault
- Historic lack of data to facilitate precise underwriting



An ERUC system makes data available to underwriters and to motor carrier managers.

Data is recorded



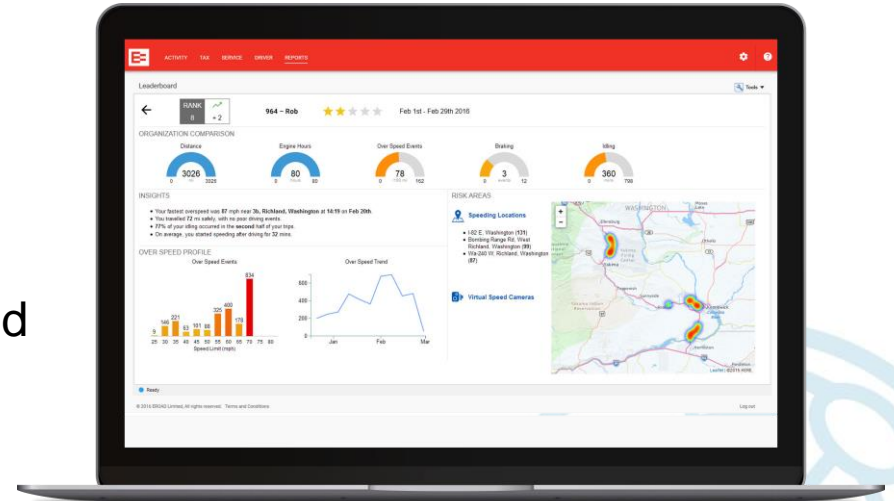
- Ehubo in-vehicle hardware
- Data capture – distance, location, route, and vehicle
- Depot – view, save, export or download data for tax prep, and fleet management operational data

Data is viewable



What kind of data is available?

- Route of travel
- Travel time
- Speed
- Origination / Destination
- Harsh braking incident
- Excessive acceleration
- Harsh cornering
- Highway locations where excess speed occurred
- Industry classifications
- Weight



Recognize the interests of insurers and motor carriers.



More objective data is better than less and allows for a precise estimation of risk of operations = insurance rate calculation.

A motor carrier which is able to objectively define a robust risk mitigation policy should be reasonably entitled to anticipate reduced premiums.



Finding a quid pro quo economic equation.



- Truck insurance premiums represent USD \$0.064 of a total marginal costs per mile result of \$1.676 or USD \$2.57 of a total marginal cost per hour calculation of \$67.00. The six year average for truck insurance premiums represents 4% of total marginal costs.
- FMCSA reports the average cost of a fatal truck accident involving one semi pulling a single trailer clocked in at over \$7.2 million.
- Litigation is expensive.



Motor carriers stand to benefit from partnering with their technology providers.



- Trucking company managers can benchmark their own performance against industry averages
- Performance targets can be established
- Results can be monitored and real time driver feedback enabled
- Annual driver performance appraisals can incorporate objective data
- Safety programs can include pertinent driver training
- Formal driver awards programs can be tailored to achieve specific improvement targets





THANK YOU!

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