



Implementing Telematics with National General

How Arity helped National General get to market quickly with the most predictive model for pricing risk

National General partnered with Arity on a telematics program that provides customers a premium discount at enrollment, encourages safer driving through a mobile app, and provides opportunities for additional savings at renewal.

Why telematics?

A behavioral-based telematics program allows customers to gain a better understanding of their driving habits and provides the opportunity for lowered premiums.

The challenge

Now that all top 10 personal lines insurers offer telematics, it stands to reason the industry knows profitability depends on it. In fact, driving behavior has been considered the single most predictive rating variable by Progressive, the company using it the longest. To effectively match premium to risk, carriers will struggle to compete on traditional rating factors alone. Now the 14th largest personal auto insurer, National General understood their use of telematics data would be critical for making strategic and timely risk and pricing decisions.

To continue growing market share in this environment, National General sought to:

- : Better understand their customers' driving behaviors
- : Create an engaging experience for the price-conscious, safest drivers
- : Provide awareness and insights to customers on how to become safer behind the wheel

"The Arity team had a solid footprint of states where the scoring model had been approved as an RSO which made it much quicker for us to adopt in our programs."

TOM WILLIAMS, DIRECTOR OF PRODUCT, NATIONAL GENERAL

Deciding factor

The Arity scoring model is based on matching loss cost data. This was the #1 reason National General chose Arity as its end-to-end telematics partner.

The approach

National General evaluated 12 companies in its search for a mobile-based telematics solution, choosing Arity based on the following key criteria:



Superior scoring

Arity develops insights that account for correlations with traditional rating factors to deliver the best prediction of driving risk, making it easy to implement into an existing rating plan.



Insurance industry background

Arity combines decades of claims information and millions of active telematics connections, leading the way in better managing risk in this new era.



Volume of driving data

Arity has analyzed nearly 400 billion miles of driving data, making its scoring model the most comprehensive in the industry.



Experience working with regulators

The Arity Drivesight® score is filed in 41 states for use by insurers, and its Rating Services team can assist roll-out prioritization, communication with departments of insurance, and more.



Engaging mobile-app experience

The Routely® app by Arity is based on over 5,000 research touchpoints with consumers and includes features such as in-app messaging, driver coaching, and gamification badges.

"We retro-validated Arity's scoring model on our book of business and have found it provided pure premium lift consistent with the modeled factors. It is the most comprehensive score on the market."

RICK CARTER, SVP OF ENTERPRISE ANALYTICS, NATIONAL GENERAL

"We hear from customers the Routely app really allows them to drive safer."

BRENDA CASTELLANO, EVP OF SALES & STRATEGY, NATIONAL GENERAL



The solution: Routely® + DriveSight® 2.0

Leveraging our off-the-shelf Routely app and best-in-class mobile driving score, Drivesight 2.0, National General launched its branded telematics program quickly and effectively, offering customers an engaging app experience, an accurate driving score, and a participation discount just for signing up.

Participants are also offered value beyond the participation discount:

- : Opportunities to earn additional premium discounts at renewal
- : Coaching tips to improve driving behaviors
- : Badge-earning for reaching milestones

The results

- : Customers enrolled in the program perform 10 percentage points better from a pure premium perspective, more than justifying the participation discount
- : Over 3/4 of customers realize a net premium discount at renewal for safe driving
- : The 90-day retention rate for National General customers who enroll is 6 percentage points higher than those who do not enroll

NATIONAL GENERAL + ARITY: BY THE NUMBERS

30,000+

customers
enrolled

3 / 4

customers earn a net
discount at renewal

6ppt

higher
retention

10ppt

better premium
performance

Are you ready to talk about telematics?

To learn more about Arity's market-leading mobility solutions, please contact dan.barrington@arity.com (Business Development Senior Manager).

About Arity

Arity is a mobility data and analytics company that provides data-driven solutions to companies invested in transportation, enabling them to deliver mobility services that are smarter, safer, and more economical. Insurance companies, automobile manufacturers, and sharing economy companies turn to Arity to better understand driving behavior, manage risk, operate more safely, and ultimately increase their bottom line.

The Arity platform is built on billions of miles of historical driving data from nearly 80 million active telematics connections and 10 years' experience analyzing driving data from cars and mobile devices.



Engineering
the future