

Redtail Telematics/YouGov research: UK insurers should do more to use and promote the benefits of telematics data

Prospective motor insurance customers left in the dark regarding savings and benefits offered by telematics based motor insurance

CAMBRIDGE, UK (June 11th, 2019) — A survey conducted by Redtail Telematics, the long-established provider of integrated telematics solutions worldwide for the automotive, insurance and fleet sectors, and YouGov reveals that insurers are missing opportunities to win new telematics motor insurance customers. Their conservative use of the data available from telematics is hampering use of the technology, being poorly communicated and therefore fuelling consumer misconceptions into/of the possible benefits and savings.

Redtail Telematics commissioned the research in partnership with YouGov, whereby 1,500 UK drivers were surveyed regarding their attitudes to using telematics-based insurance policies. With telematics delivering motorists a wealth of benefits ranging from a reduction in the price of motor insurance to improved driver safety and lower environmental impact, the research highlights that even though there are over one million registered telematics policies in the UK according to BIBA, (British Insurers Brokers Association), insurers need to take steps to both utilise the huge amounts of data and improve communication to promote the significant benefits to consumers of using telematics.

The issue is that, while the majority of 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.

The insurance sector has work to do in convincing UK drivers of the benefits delivered by telematics. Nearly 30% of those surveyed by Redtail/YouGov stated that they could think of no reasons to change from traditional motor insurance policies, citing the cost of installing the telematics device as a factor (42%), despite this not being borne by the policy holder, , while 38% of respondents believed that using telematics could potentially increase the cost of motor insurance.

In addition:

- 37% of respondents cited their negative perception of telematics being because it 'Tracks all your car movements'
- 42% did not want to abide by 'curfews' for night-time driving that are operated by some insurers
- 55% were unaware that there were any potential financial savings

Commenting on the Redtail Telematics/YouGov research, Redtail Telematics CEO, Dr Colin Smithers said: “The benefits of using telematics for motor insurance purposes are widely documented, however our research reveals that insurers need to continue engaging ever more deeply with drivers to better highlight the benefits and real savings that can be generated and to ensure their buy-in. Not only can safety be improved, and premiums therefore lowered, but the long tail of lost no-claims discounts can also be avoided. The richness and relevance of telematics data must be ever more valuable for those insurers committed to fair pricing, improved road safety and responding to environmental concerns. Redtail is passionate about our data informing insurer data in order to make a discernible impact on all three.”

About Redtail Telematics

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About Redtail Telematics

A leading provider of telematics solutions to the 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, and have together supplied over 6 million devices into the automotive aftermarket in more than 30 countries since 1993.

Redtail Telematics Ltd is headquartered in Cambridge, UK and, together with subsidiary Redtail Telematics Corp in San Diego, California, is unique among telematics service providers (TSPs) in designing and supplying its own devices - known as onboard units (OBUs) - as opposed to purchasing them from a technology provider.

However, the company has expanded significantly beyond exclusively offering telematics device design and supply to offer a broad set of services – including APIs, portals, analytics and apps, all of which underpinned by the capture, analysis, and processing of valuable telematics data.