

Redtail Telematics/YouGov research reveals that insurers are not promoting the savings and benefits offered by telematics based motor insurance to their customers

Submitted by: Touchdown PR

Wednesday, 8 June 2022

CAMBRIDGE, UK — 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. The intransigence of insurers to promote telematics is at odds with consumer demand as the popularity of telematics based insurance continues to rise as consumers recognise the savings that can be achieved by switching to a telematics-supported motor insurance policy.

- Only 4% of respondents have received any communication from their insurer to discuss adopting a telematics based insurance policy
- 76% of respondents have never had their insurer contact them regarding the benefits of a telematics-based motor insurance product
- A report by Compare the Market found telematics quotes are cheaper than standard car insurance for 78% of drivers aged between 17 and 20 and 69% of those aged 21-24
- On average, those drivers who switched to By Miles were able to save around £300 a year

Redtail Telematics commissioned the research in partnership with YouGov, whereby 2,000 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.

In January, 2022, new rules were introduced to prevent insurers quoting a higher price 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 such 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: “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

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

A leading Telematics Service provider (TSP) 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, enjoys the unique benefits among TSPs in designing and manufacturing its own devices as opposed to purchasing them from a technology provider.

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