



Redtail Telematics and Aeris: Changing the Insurance Game Plan



CASE STUDY

“Accurate insights, delivered by carrier-agnostic solutions, have enabled us to unlock and grow UBI potential in other markets, including mileage only based policies, and increasingly sophisticated driver behaviour analysis that utilises Redtail’s sixteen enhanced parameters to better identify risk.”

Redtail Telematics, Ltd.

Innovative advancements in the motor insurance industry have led to the evolution and deployment of new products and services using IoT telematics, such as usage-based insurance (UBI). The latest iteration of UBI (also known as black box insurance, or pay-as-you-drive, or pay-how-you-drive insurance) more closely aligns driving behaviors with determining insurance premiums. In fact, UBI has become more popular with both insurers and drivers in the last few years as a way to lower premiums for all drivers, but especially young drivers.

Globally, Allied Market Research predicts that the UBI market is expected to grow at a compound annual growth rate of 36.4% from 2016 to 2022. With this huge market opportunity, telematics companies must have a scalable and reliable solution to cater the demand. Already, in the UK alone, more than 750,000 UBI policies have been issued. And in the USA, approximately 20 percent of all auto insurers will offer UBI within the next five years, according to the National Association of Insurance Commissioners.

How It Works

Not only is UBI a popular choice amongst drivers to help reduce premiums, but it also has been adopted by insurers as a way to analyse driver risk, as UBI has the ability to monitor driver behaviour, gathering various data points such as speed, mileage, location, time and trip duration, hard stops, rapid acceleration, air bag deployment, and more. The basic premise is that an on-board unit (OBU) is placed within the vehicle. This connected device gathers the intel and supplies that knowledge to the insurance provider.

The increased access to in-depth telematics enables insurance providers to assess driver behavior, evaluate risk, and develop customised UBI policies based on driving habits. Additionally, the astronomical increase in connected cars will contribute significantly to the growth of UBI as the data generated from the connected vehicle can be used, once again, to gauge driver conduct.

The Challenges

In order to provide accurate data-driven driver insights that help inform insurance providers, it is essential that telematics companies can track and collect data in real time, regardless of location, carrier, or connectivity protocol. What is needed is a SIM that is capable of dealing with multiple connectivity providers, thereby ensuring the device always is online and able to collect and send data. Additionally, the ability to switch providers, on-the-fly, in order to maintain always-on connectivity further ensures that data would not be lost.

If device connectivity drops due to provider issues, then the device does not collect all of the data needed. Insurers are left with incomplete information and they cannot identify high-risk drivers accurately, which, ultimately, puts them in a position to lose money in pay-outs. Additionally, access to timely and robust data increases both claims efficiency and consumer satisfaction with their insurers' management of the claims process. Therefore, reliable, always-on connectivity is a must at all times. A single, carrier-agnostic provider would be the solution. Even better would be a solution where all device connectivity status is visible on one screen, regardless of who or how many providers are involved.

Case in Point: Redtail Telematics

Founded in 2010, Redtail Telematics, 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 manufacturing its own on-board units as just the starting point of its full-service telematics offering. Redtail devices collect precise, high-quality data about the driver to enable insurance partners to offer vehicle insurance based on real, rather than perceived risk. This gives Redtail incredible flexibility in how it delivers tailored solutions to its customers.

Initially, Redtail was founded to explore the potential of GPS technology—turning location and accelerometer data into meaningful insight for consumers, fleet managers, automotive OEMs, and the insurance industry. Today, Redtail is a full-service telematics solutions provider—delivering raw or managed data, including fleet management data and driver scoring apps, for Android and iOS.

BENEFITS



GLOBAL CELLULAR SUPPORT
GSM / CDMA / LTE AND MORE



SINGLE GLOBAL ACCESS POINT
SAVE TIME AND MONEY



REAL-TIME DATA FOR USAGE INSIGHTS
PERFORMANCE / SUPPORT / GROWTH



RED-FLAG ALERTS
ADDRESS ISSUES BEFORE ESCALATION

Benefits of a Solution

Aeris' global support of major cellular technology standards, such as GSM, CDMA, and LTE, help enable customer flexibility, opening new connectivity avenues, along with the potential for growth across the globe. To that end and after rigorous initial testing, Redtail found that Aeris was the perfect fit as it could utilise multiple networks from one SIM and, consequently, enable Redtail to switch networks in the event of an outage.

Aeris' technical and contractual flexibility ensures Redtail is not charged for devices when they are not in use. This enhances Redtail's business model by enabling the company to be more competitive in terms of price, as well as its ability to provide differentiated solutions to match individual customer needs.

Redtail can provide clear communication to both consumers and dealers at the right time with the right information. For example, it has the ability to post alerts on OEM apps when there is a red flag around a vehicle's battery life, stopping dangerous issues from arising by catching the problem and resolving it before it escalates.

For global deployments, Aeris offered a single SIM that works in more than 180 countries. With a single connectivity management portal (AerPort) for managing every device, Redtail has one login for billing, support, APIs, VPN, and more. And everything is backed by a top-rated customer support teams dedicated to success.

With this technology support, Redtail has been able to tap into new markets within the automotive insurance industry.

The quality and accuracy of the data captured by Redtail devices—thanks to the connectivity flexibility of Aeris SIMs—provides more insights than ever before. Not only does this level of connectivity allow Redtail to collect data on performance, it also unlocks a supportive capability for OEMs, making service more relevant and reassuring.

This level of connectivity means Redtail can provide accurate insights that help inform insurers of driver risk. The data can be used retrospectively to determine premium costs via behaviour across a six-month period, or to intervene, helping to identify where a driver could pose a risk and coach them towards better driving habits and, ultimately, improving road safety.

Redtail now has the opportunity to work with local authorities and highway agencies to improve roads. Due to the granularity of the data, Redtail can inform authorities on everything from potholes that are causing driving issues to the reasons behind why people are having accidents on particular motorways.

Redtail is in position to meet the growing demand for UBI because it can provide its insurance customers with reliable connectivity for data transmission, regardless of their location and without the fear of a damaging network outage. This growing demand of telematics-based UBI is not isolated to UK or U.S. markets. The Aeris carrier-agnostic solution has allowed Redtail to unlock UBI potential in other markets, such as North Africa and Asia Pacific.

ABOUT REDTAIL TELEMATICS LTD:

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 manufacturing its own devices—known as on-board units (OBUs)—as opposed to purchasing them from a technology provider. Redtail's rigorous approach to quality sustains throughout their full-service offering combining APIs, portals, raw or managed data and b2b/b2c apps.

Redtail is a leading provider of telematics solutions to the usage-based insurance (UBI), fleet tracking, and stolen vehicle recovery (SVR) sectors globally. The company draws on its joint heritage with sister company, Plextek, the communications technology design house, which has supplied more than six million devices into the automotive aftermarket in more than 30 countries since 1993.

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ABOUT AERIS:

Aeris is a technology partner with a proven history of helping companies unlock value through IoT. For more than a decade, we've powered critical projects for some of the most demanding customers of IoT services today. We strive to fundamentally improve their businesses by dramatically reducing costs, accelerating time-to-market, and enabling new revenue streams. Built from the ground up for IoT and road tested at scale, Aeris IoT Services are based on the broadest technology stack in the industry, spanning connectivity up to vertical solutions. As veterans of the industry, we know that implementing an IoT solution can be complex, and we pride ourselves on making it simpler.

Visit www.aeris.com/india or follow us on Twitter @AerisM2M to learn how we can inspire you to create new business models and to participate in the revolution of the Internet of Things.

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