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Can sustainable telematics and personalized pricing save the world from climate change?

Dawid Kopczyk & Dino Bertolis

Speaker introduction



Dawid Kopczyk

- Fellow Actuary since 2018
- Co-founder & CEO of Quantee
- Previously worked for Aviva, Royal London, Hannover Re
- One publication in quantum physics (quantum information)



Dino Bertolis

- Fellow Actuary since 2016
- Founder & CEO of Breez
- Previously Head of Product at Vitality,
- Founding employee of Vitality car insurance
- Jiu-jitsu black belt



Introduction: Quantee



Our mission: Enable **smarter insurance** with next generation software



Revenue growth **6x** in **2023**, the most **modern end-to-end pricing platform**



Global presence (Poland, UK, Spain, Canada, Thailand, South Africa, ...)



Hiring **the best experts** from insurance, pricing and technology space

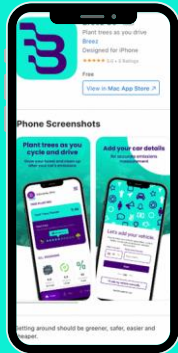


Introduction: Breez

Breez helps companies and their employees measure, reduce & counteract emissions from travel and commuting.

Measure

In-house mobile app telematics



Reduce

Behaviour change programme



voi.



beryl TIER



Green Commute Initiative



BOOK MY GARAGE

Counteract

Environmental initiatives



Eden Reforestation Projects



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Insurance and sustainability

22 January 2024

“The most valuable commodity I know of is information.”

- Peter Drucker

Quantifying emissions is a priority for most companies

Why

EU Corporate Social Reporting Directive (CSRD)

GB Task Force on Climate-Related Financial Disclosures (TCFD)

us Securities and Exchange Commission (SEC) Climate Disclosures

How

 Green House Gas (GHG) Protocol



GB GHG Conversion Factors

Insurance Industry

Seen as a key industry to reach Net Zero:



Losses



Protection



Capital



Reputation

The concept of *Insurance Associated Emissions* (IAE) has created in recognition of the insurance industry's importance

Emissions

Emissions = f(Mileage, Vehicle, Driving Behaviour)

Emissions = Mileage x Emissions per Vehicle



Mileage

There are 3 types of data sources for mileage:

- Mileage question on quote.
- MOT data which you can get through an API.
- Telematics - can be done via in-vehicle telematics, device or mobile app telematics.





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Pricing and underwriting implications

How emissions can be integrated within insurance pricing

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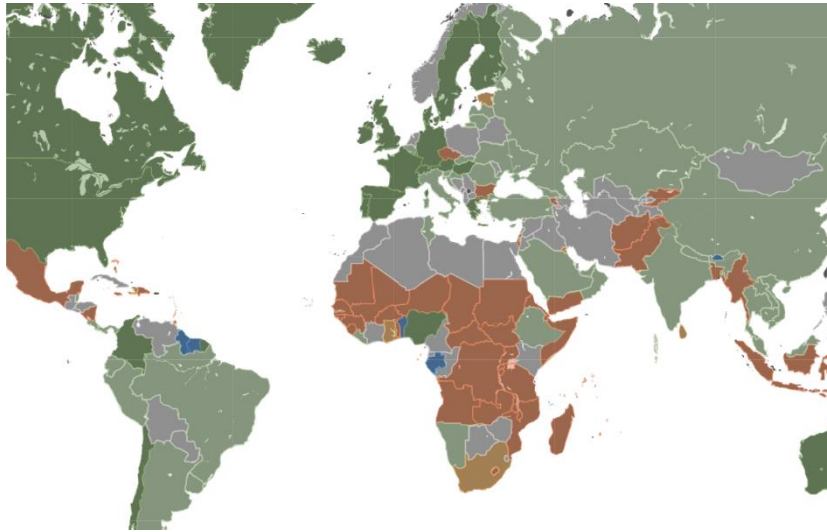
Emissions reduction

Why motor insurers are best placed to accelerate Net Zero

22 January 2024

Net Zero commitments are taking shape globally

Country-specific Net Zero commitments



Committed Policy Doc Proposed No target

Source: <https://zerotracker.net/>

- Measurement is just the first step in global decarbonisation plans.
- Emissions reduction is the next key step.
- This is key to achieve Net Zero.



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Motor insurers will be pivotal in achieving net zero goals

Motor insurers are in a unique position to leverage shared risk and emission dynamics

$$\textit{Insurance Risk} = f(\textit{Mileage}, \textit{Vehicle}, \textit{Driving Behaviour})$$

$$\textit{Vehicle Emissions} = f(\textit{Mileage}, \textit{Vehicle}, \textit{Driving Behaviour})$$

This provides a basis by which motor insurers can profitably reduce risk and emissions simultaneously.



How this may translate to sustainable insurance products

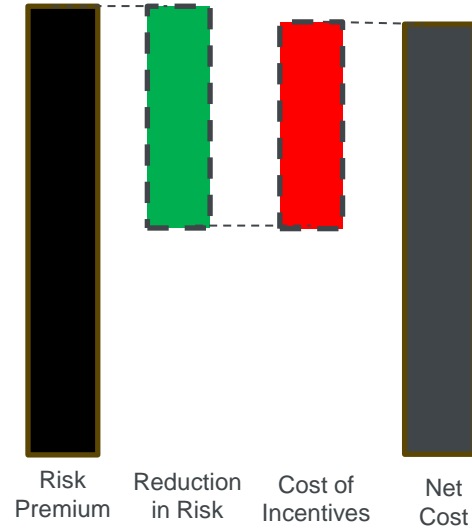
Use Case 1: Offsetting of policyholder's vehicle's emissions



Cost:

- £0.3 - £20 per 1000 miles

Use Case 2: Insurers provides free or discounted alternatives to car use.



Launching sustainable insurance product has never been easier

New physical and digital infrastructure & technology has enabled sustainable motor insurance products to exist



Measurement (telematics)



Incentives



Pricing & Actuarial



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To conclude...

Insurers, leveraging the correlation between risk and emissions, have a key role in reducing CO2 emissions, and need the appropriate tools to effectively do so.



Questions

Comments



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