

# Green Motor Insurance

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# Safe Driving = Green Driving

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Connection between safe driving and eco driving  
(the rules are basically the same)

Green Moto Insurance:

- ❖ promotes safer driving habits (and reduce the risks of accidents)
- ❖ contributes to reduce car emissions

# Benefits of Green Motor Insurance

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For Insurers:

- Better risks assessment (based on the actual driving behavior rather than the demographic group) / Fraud prevention
- Expansion into a new business and market
- Environmental impact
- Positive public image

# Benefits of Green Motor Insurance

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For Policyholders:

- Saving on insurance premiums / discounts
- Saving on fuel / maintenance
- Increased safety
- Pride in the contribution to a greener planet

# The Role of Telematics

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## Black Boxes / App for the smartphone

### The Italian experience

- one of the first companies developing the technology is Italian
- one of the first companies offering a Black Box with an insurance product is Italian
- 9.9 million Black Boxes active in Italy
- 21.5% penetration rate among insured Italian motorists (highest number in the world)

# How does Green Motor Insurance work?

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Telematics Device Installation

Data collection

Data processing (computing system using algorithms)

Driving behavior analysis

Scoring / Rating system

# The real-time data collected

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- speed
- acceleration and deceleration
- braking intensity
- distance travelled
- time of day
- idling time
- engine performance
- fuel consumption
- GPS location
- used gears
- security systems activated

# Premium Adjustment and other incentives

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- Premium Adjustment / Discounts
- Personalized insurance policies (better assessment of risks)
- Usage-based insurance programs (UBI)
- Pay As You Drive (PAYD)
- Other incentives (alternative fuel premium discounts, hybrid vehicle premium discounts)

Feedback and Education of drivers

# Environmental Impact (from black boxes to green boxes)

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Possible interaction with Governments

Benefits of Green Motor Insurance to be extended to the entire community (data to be used for urban planning / transportation management etc.)

Symbiotic relationship where safer, greener driving leads to reduced insurance premiums, fostering a positive impact on both the environment and road safety

# Regulations

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European Regulation 2019/2144 (on EDR Event Data Recorder)

Italian Competition Law 4 August 2017 n. 124 - Art. 132-ter (Compulsory discounts)

➤ Risk of duplication of black boxes

# Concerns and Legal Issues

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Privacy and security

Potential system inaccuracies

Consumers protection

Environmental claims (green claims)

Inverse selection (vs. adverse selections)

Lock in

Open insurance

# Future prospects and trends

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## Future prospects and trends

- growth of green motor insurance market
- advancements in black box technology, including AI-driven analytics and more comprehensive data collection
- cross-industry cooperation in the worldwide effort for sustainability
- importance of green insurance in promoting sustainable development in developing countries