



# Proposal discussion from Risk Classes to UBI

---

Mario La Femina  
CEO Toyota Insurance Services - Italy  
CEO AIOI Nissay Dowa Italy - Italy

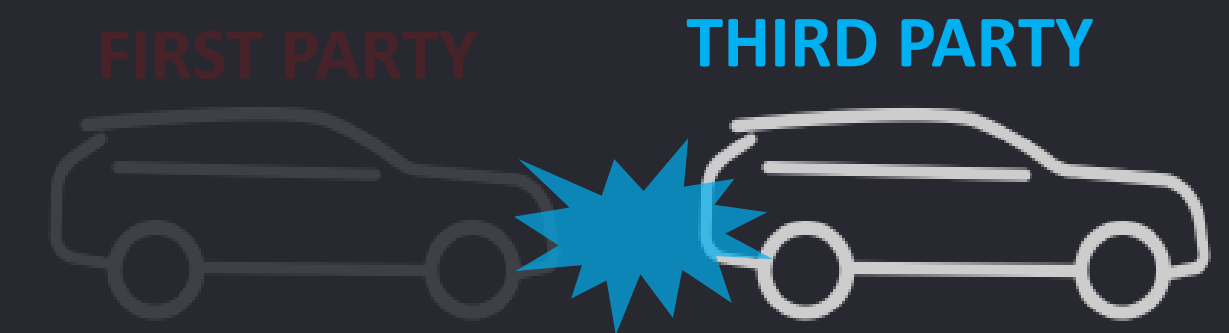


# BACKGROUND

# RISK KPIs IN ITALY

## 1. Risk Classes

- “after event” approach
- over 80% of customers in Class 1 (the cheapest)



Based on third parties involvement in crashes

## 2. Usage Based Insurance

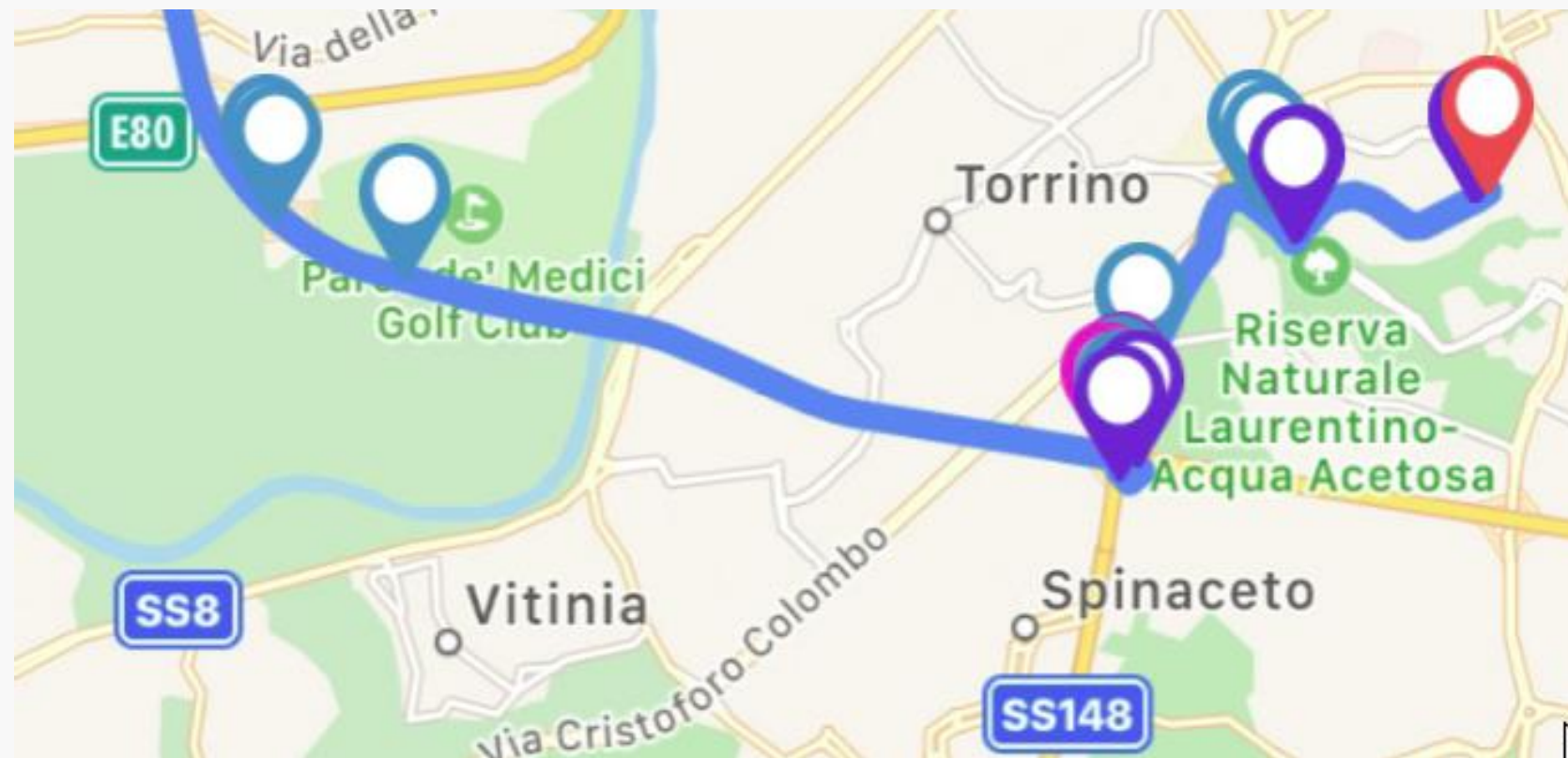
- “Prevention” approach
- complexity of devices management
- legal boundaries with special focus on GDPR implications
- customer reluctance to abandon the risk class achieved



Based on customer's driving behaviour



# USAGE BASED INSURANCE (UBI)



70  
DRIVING SCORE

## UBI

Driving data are constantly collected from a connected car:

- ACCELERATING
- BRAKING
- CORNERING
- SPEEDING

Data are turned into a **DRIVING SCORE** by an algorithm



# DISCUSSION PROPOSAL

# DISCUSSION PROPOSAL 1/3

- **UBI scoring to work together with the risk class system – pilot phase, 3/5 years**  
example: no class increase in case of accidents if UBI is 80% (or higher)
- **UBI bonus/malus based on driving points and civil sanctions**  
examples:
  - 2 points on driving license if UBI is lower than 60% (in one year) independently of negative events in the period
  - heavier sanctions, like longer periods (es: +3 months) without driving license, if UBI is lower than 60% ,
- **UBI scoring to replace the risk class system after 3/5 years**





# DISCUSSION PROPOSAL 2/3

## Options to overcome data sharing and device portability issues:

- Insurance companies to issue a yearly “attestato di rischio” containing **only the customer UBI score** of the year
- Each insurance company **to manage their own UBI scoring** and data storing
- Set up of an official “**Master UBI scoring**” to be developed by an independent provider
- “Master UBI scoring” to be **owned by IVASS**
- Insurance companies scoring to be **certified** by an Official Institute before market introduction
- Insurance companies scoring must be **correlated with the UBI Master** (es: correlation 70%)

# DISCUSSION PROPOSAL 3/3

How it could work. Example :

- At the end of Year 1, Mr Customer receives by his Insurance Company X his “attestato di rischio” containing his driving score (example: 78)
- At the end of Year 1, Mr Customer decides to move from Company X to Company Y.
- Company Y can quote Mr Customer on the basis of Company X UBI scoring, **because it's a certified scoring**
- Mr Customer can move from Company X to Company Y **without the need to transfer data from X to Y**
- At the end of Year 1, if the “attestato di rischio” score is lower than a legal level (example 60), **Company X sends the score to the Authorities.**  
Authorities apply sanctions to customer (example -2 points on driving license)





# THANK YOU

## Mario La Femina

CEO Toyota Insurance Services - Italy  
CEO AIOI Nissay Dowa Italy – Italy

[mario.lafemina@toyota-im.com](mailto:mario.lafemina@toyota-im.com)