

# Nationwide Telematics – Advancing our Capabilities with Connected Car Solutions

**Kelly Hernandez, AVP Personal Lines Telematics**

December 7<sup>th</sup>, 2023



# Nationwide SmartRide and SmartMiles programs provide a streamlined telematics experience powered by connected cars



Sharing data through connected vehicles is the **easiest** way to **participate** in these programs and **save**

## SmartRide



Earn 15% savings when you enroll. **The more safely you drive, the more you could save – up to 40%**

- Nationwide offers one of the **highest telematics savings** – customers on average save 24%
- **SmartRide Instant** - When a customer comes directly to Nationwide for a quote and adds a connected vehicle that has at least 85 days of driving data available, Nationwide can offer the earned SmartRide discount instantly – with no need to complete a participation period.
- **SmartRide Connected Car** – If a vehicle does not have enough historical driving data, but is connected, the customer can enroll in SmartRide and capture data using their connected vehicle. This is the easiest way to participate in our programs.

## SmartMiles



If you **drive less, pay less**. The same great coverage but with a flexible monthly rate that's based on how many miles you drive

- In this program, **low mileage drivers are saving on average 34%**, which includes a safe driving behavior discount (up to 10%).
- At time of quote, estimated mileage is gathered and **SmartMiles is suggested if it's a good fit**.
- **Variable bill** each month based on how many miles the vehicle was driven in the prior month
- This program is now **available through Connected Car** partnerships.

# Nationwide is an innovator in ADAS telematics capabilities



Nationwide is one of the first US insurers with a Driver Assistance Discount (DAD) program in market, illustrating our dedication to creating innovative insurance solutions to proactively meet the needs of a changing automotive landscape.



**Opportunity:** Today, only automakers have access to how often ADAS features are being used. This has led to new partnerships across our industries with an aligned goal of helping our customers save.

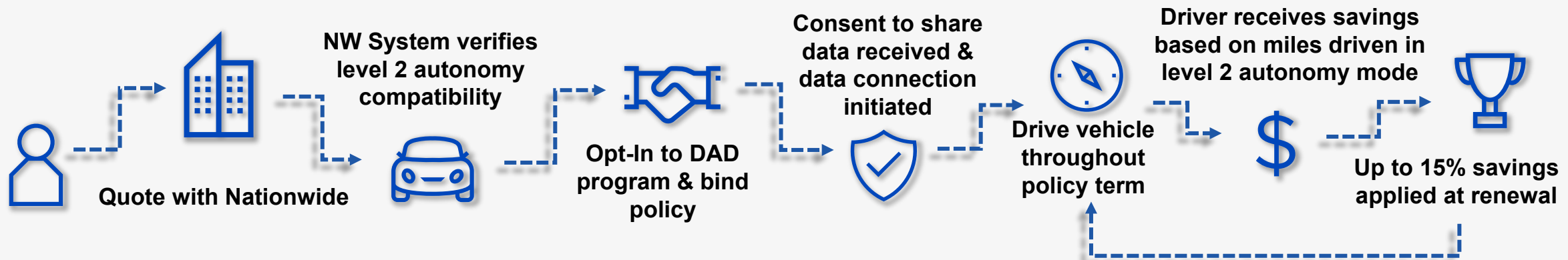


**Result: Savings** (up to 15%) are calculated based on the percent of miles driven in Level 2 autonomous mode. These features are shown to reduce the frequency of accidents, as they ensure the vehicle remains focused on keeping a safe distance and staying in its lane. The DAD program can be applied in addition to SmartRide and SmartMiles.



**Future Development Opportunities:** In addition to what is already offered in-market, Nationwide is actively working to identify new enhanced rating features using ADAS data, through our automaker partnerships.

DRIVER ASSISTANCE  
CUSTOMER FLOW



# Where we are today



## Innovative

**First major carrier** in market with automaker white label partners

**First major carrier** in market with ADAS rating capabilities

**Only Independent carrier** to apply a discount instantly at point of sale using connected car data

**Only carrier** with countrywide pay-per-mile program - now supported by automakers

**First carrier** in market with a telematics-based discount on their major home-owners product

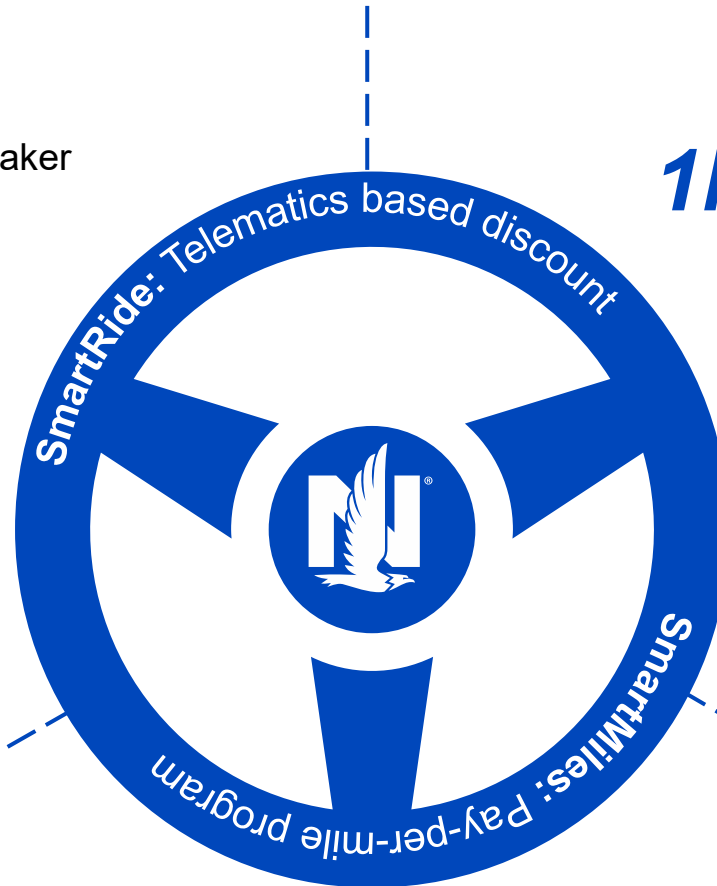
## Customer Focused

**24%**  
Average SmartRide discount

**10%**  
reduction in distracted driving

**6**  
Automakers supporting in market programs

**34%**  
Average SmartMiles savings



## Industry Leading

**1M+** customers utilizing telematics

First offering launched in 2011, positioning us as **early adopters**

**2+ pts** higher retention

**Best in class experience**  
**★★★★4.5★**  
stars app rating

# Driving towards the future – Some food for thought



The first Level 3 vehicle is coming to market in 2024 – California and Nevada have approved the new Mercedes. As with all new innovations, this creates challenges that will need to be addressed.

## AUTOMAKER CHALLENGES

Do consumers understand what the autonomous levels mean? Does it align with consumer expectations?

Will consumers pay extra for the new technology?

- When will they be affordable to the average consumer?
- What level of adoption is needed to see the full safety benefits?

Are they properly educating consumers on the new features, or will it be assumed based on advertising materials?

## INSURANCE CHALLENGES

How will this impact claims costs – expect frequency to drop, but will it be offset by increasing severity?

- Vehicles are being built by technology companies – are they thinking about how best to repair when designing these vehicles?
- For those repairing these vehicles, do they have the right skillsets – technician vs engineer?

As technology advances, how can we create consistency in regulation across state lines?

## CONSUMER CHALLENGES

Will all future AVs be EVs? Do consumers want to drive an EV?

Do consumers understand what's expected of them?

- Vehicle manuals still require intervention, but do consumers know what that means?
- Will that inhibit them from using these new features?

Do they know which roads and conditions qualify?

- What happens if they don't?
- How do they stay up to date?



**Nationwide**<sup>®</sup>  
is on your side