

Utilizing the next phase of insights from driving data

Auto Insurance Report National Conference

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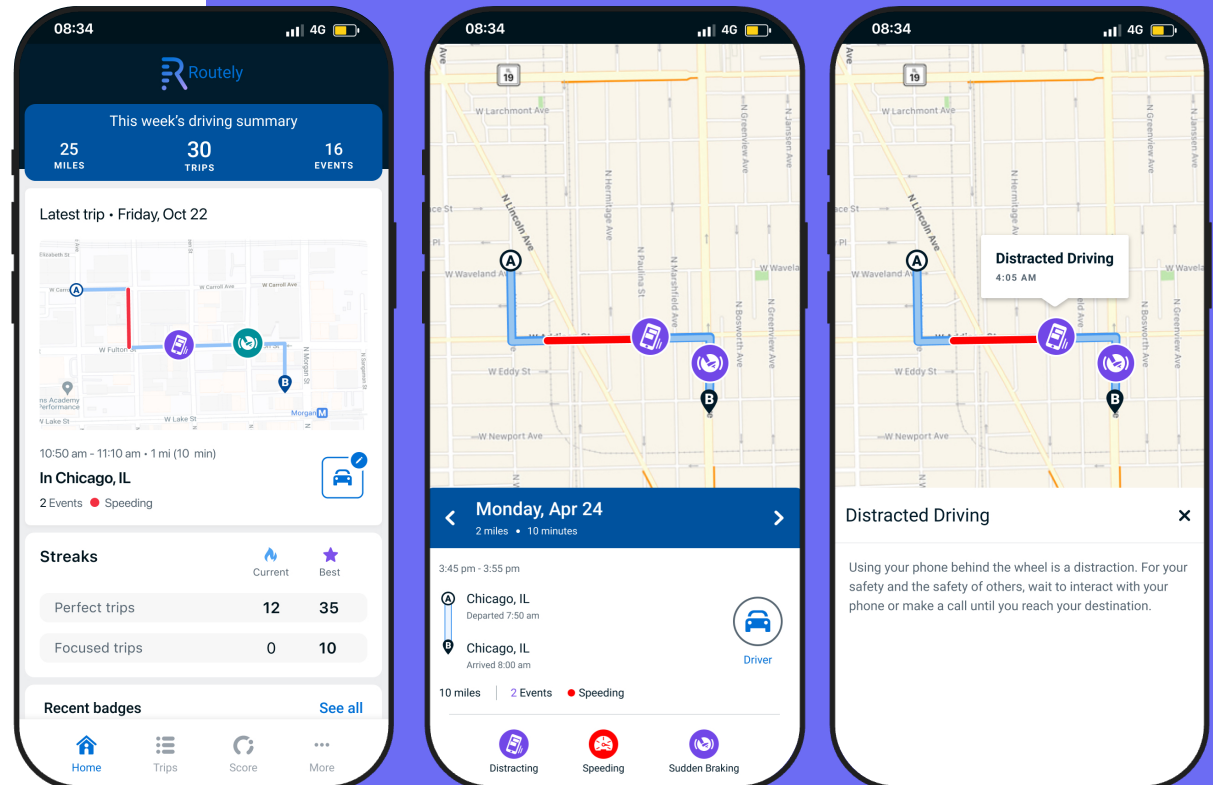
The evolution of telematics

We proved driving
behavior **predicts**
individual risk

We underestimated how
much more it could do
in the aggregate at scale

Telematics 1.0

- Individual data shows real value for pricing + risk but arrives after signing
- Evolved to provide value in retention and coaching
- Promising, but not yet realized the potential in claims
- Below critical mass due to adoption and retention



Telematics 2.0


- Accurate pricing at new business
- High consent rates
- Insurers seeing better underwriting results
- Currently ~25% of drivers have driving data available

Root Insurance Co

You already have safe driving data

Would you like to use your safe driving score to inform your quote?

arity + **Root**



It's all about fairer pricing
We've partnered with Arity to give good drivers discounts based on how they drive. Risky drivers could see their rate go up.


Your data, your choice
It's up to you if you'd like to share your driving data to inform your quote with Root. Arity partners with mobile apps like Life360. [About Arity](#)

By clicking, "Yes, I'm in" you authorize these providers to share your data so that you may get a personalized rate.

Yes, I'm in

No thanks

AAA Insurance



Auto quote

Lower your rate today with driving data

Your shared telematics driving data can earn you a discount.

With your permission:

- We may use driving behavior and vehicle insights from connected vehicles, devices, or mobile apps, such as Life360
- I authorize my service providers to provide this data to be used to inform my quote resulting in a discount or price increase based on my driving habits

Yes, use my data

Continue without data

Continue

If we are not able to find your

If driving behavior predicts risk at the individual level ...

Why not at the territory level?

Individual Driver

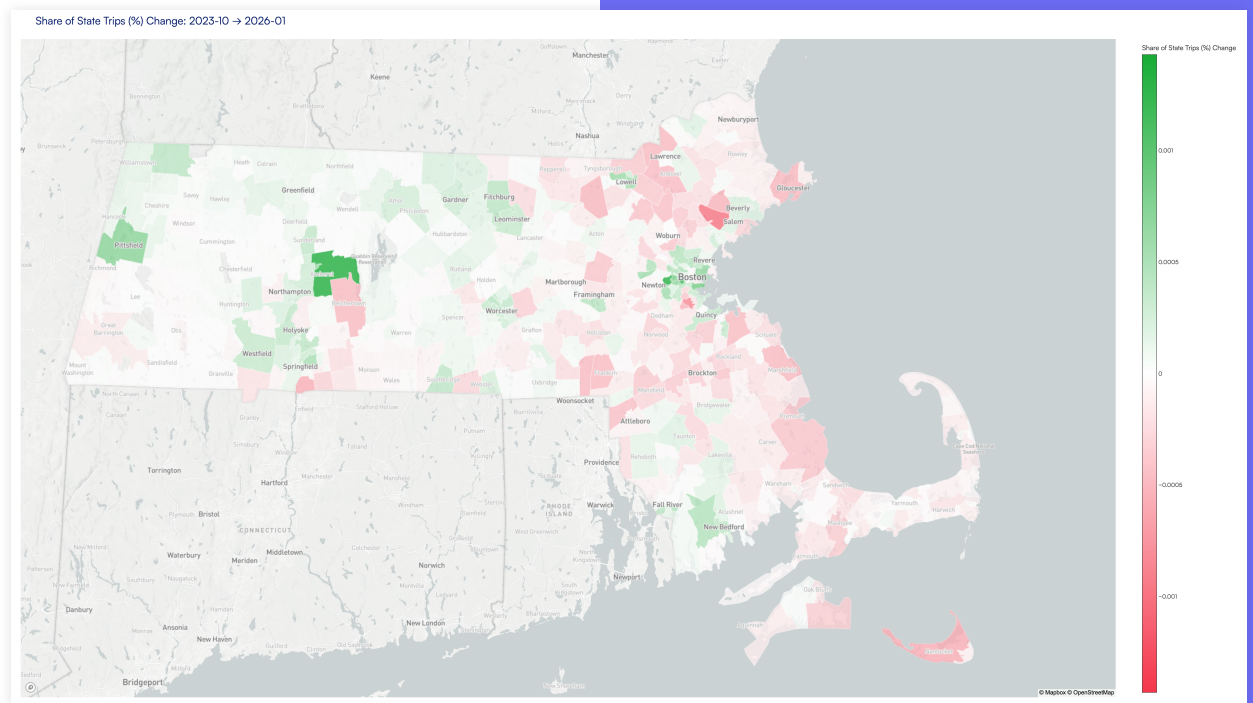
- Pricing. Risk selection. Engagement
- ~25% of drivers reachable

Every Territory

- Counties. Cities. Regions
- 100% coverage, every policy

Telematics 3.0

- Same behavioral data, broader lens
- From individual drivers to counties, cities, and regions

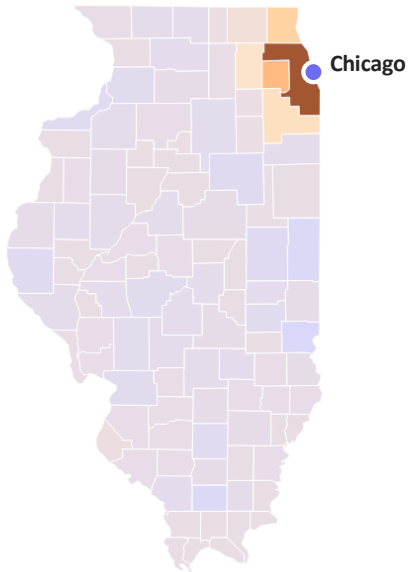


The new power of telematics data has end-to-end potential: Strategy, marketing, and territory modeling

IL example (2019-2023)

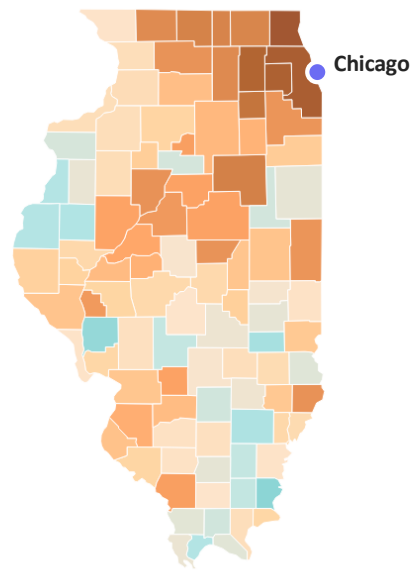
Trip distribution

Smaller % of trips – larger % of trips



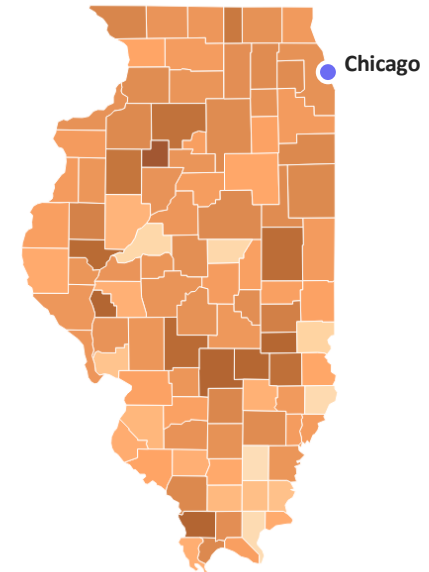
High Speed shift

More 80+ speeding – less 80+ speeding



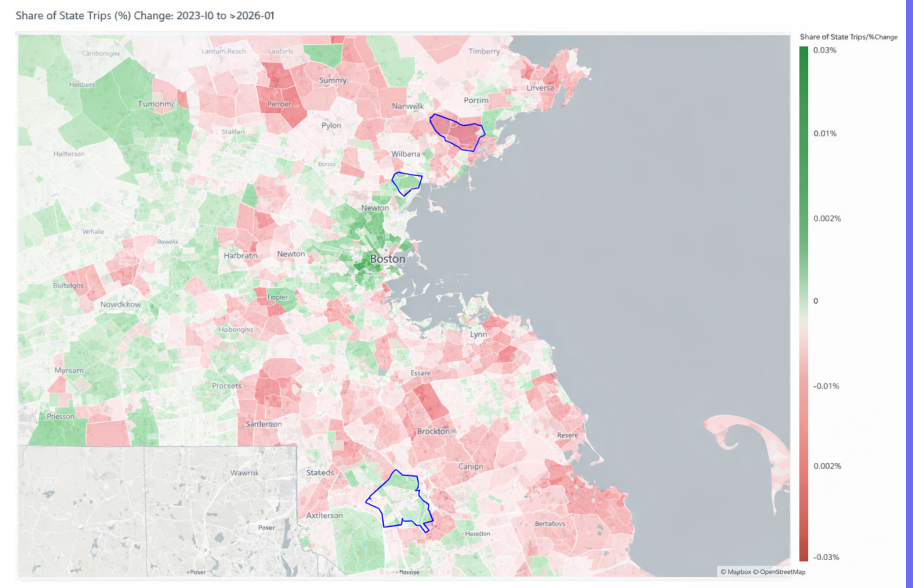
Phone Distraction

More phone distraction – less phone distraction



Geosight: Turning behavior at scale into territory insight

- Shows how risk actually forms, not just where losses happened
- Reveals up to **63-point loss ratio swings** between ZIP codes traditional models treat as equal
- Built on real driving behavior from **tens of millions of trips in 96% of US ZIP codes**
- Drops straight into pricing, filings, and regulatory workflows **(no IT lift)**
- **Updated monthly** to catch risk shifts before claims emerge



At scale, driving behavior reveals how the system works

At scale, driving behavior data stops explaining risk - it starts explaining how mobility is changing

Behavior changes can
be structural, not
temporary

Once patterns shift, they
often don't snap back the
way we expect

That changes how insurers
should price territory risk

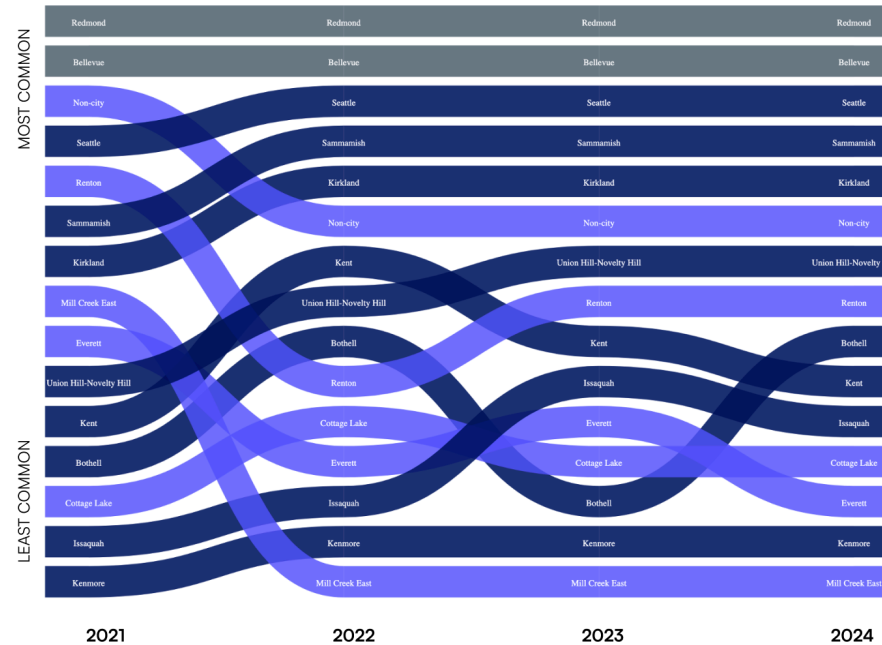
At ZIP-level scale, mobility data reveals how behavior is changing across places

Microsoft employees are back, and commuters tend to be closer to campus

Since 2023, trip distance dropped 18%, duration fell 7%, and trip volume rose over 20%

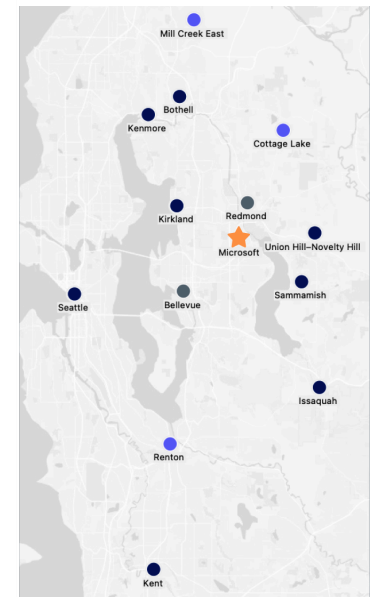
Annual ranking of the most common commute starting points

Is the area that drivers come from changing over time?



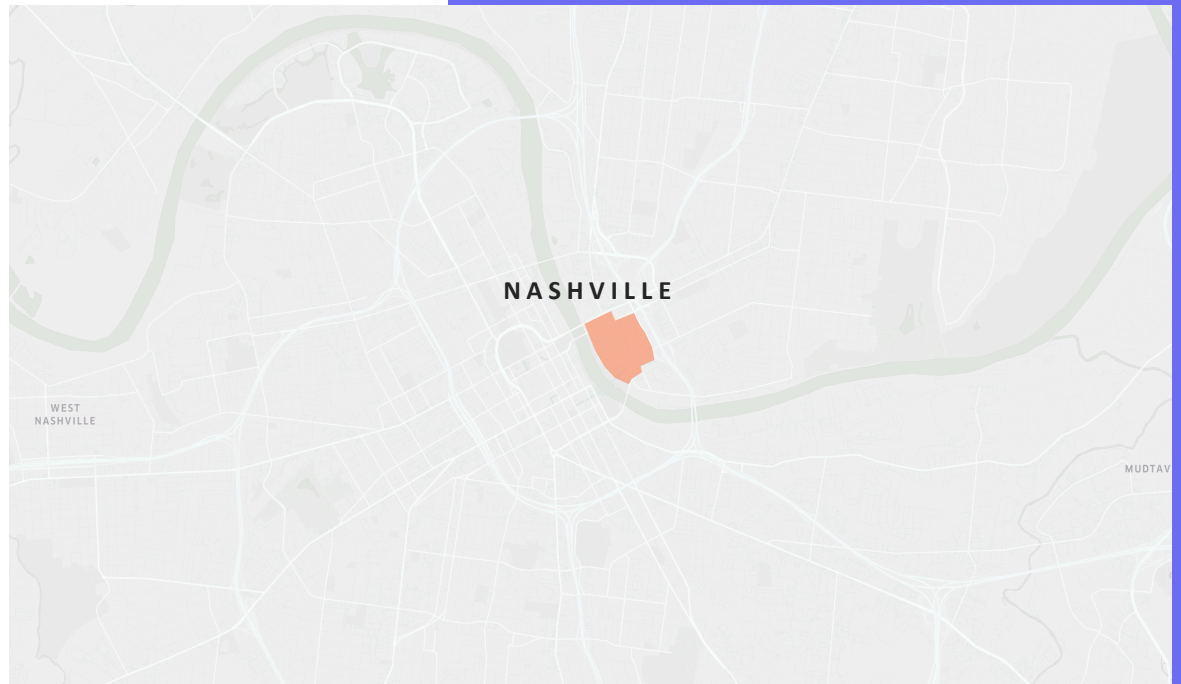
Change in ranking

- Unchanged
- Lower
- Higher

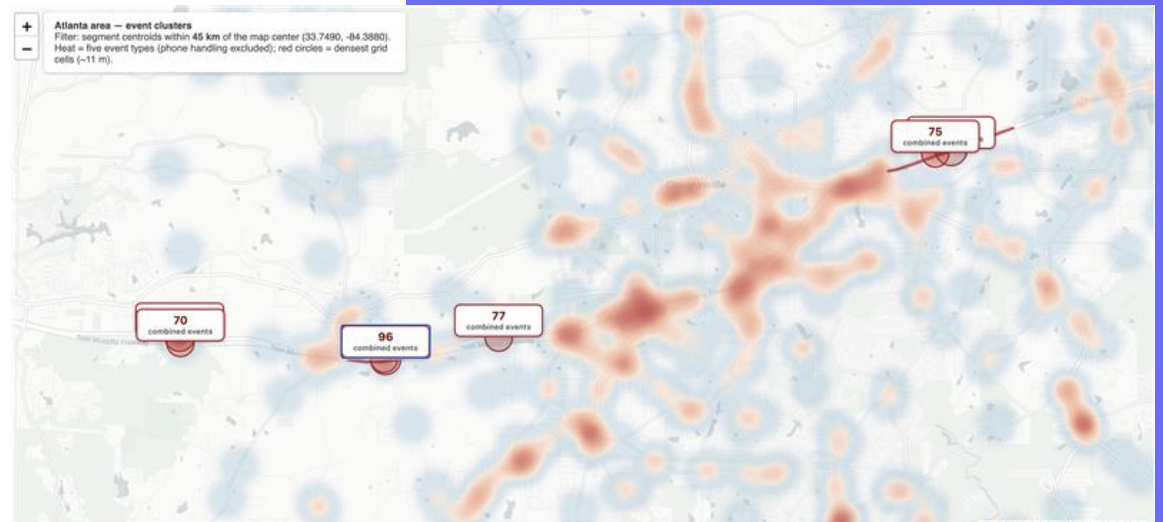


What happens to behavior when a city hosts a major event?

ZIP-code level data reveals how behavior patterns change before, during, and after large events helping **public agencies plan, respond, and allocate resources more effectively**



What if **20% of roads** are responsible for **80% of accidents**?



Driving data shows risk. It doesn't fix it.

We can see hotspots; we can coach drivers...

But the next question is: **what can be done about it?**

**Infrastructure
context**

Intersection design,
corridor layout, road
geometry

Land use + activity

Bike/pedestrian
movement, economic
conditions

Network effects

Upstream and
downstream impacts of
any intervention

**System-level
causation**

Design-speed mismatches
that make risky behavior
inevitable

Our strategic partnership

arity[®]

**Insurance-grade behavioral
intelligence**

+ REPLICA →

**Infrastructure + planning
context**

A shared view of risk

- Not just **WHERE** problems exist — but **WHY**
- Works for both insurers and the public sector
- Not just behavioral signals — but system causation

City rankings on key metrics

Surely not all the worst drivers in the state of Kansas ended up living in Lerby and Lenexa

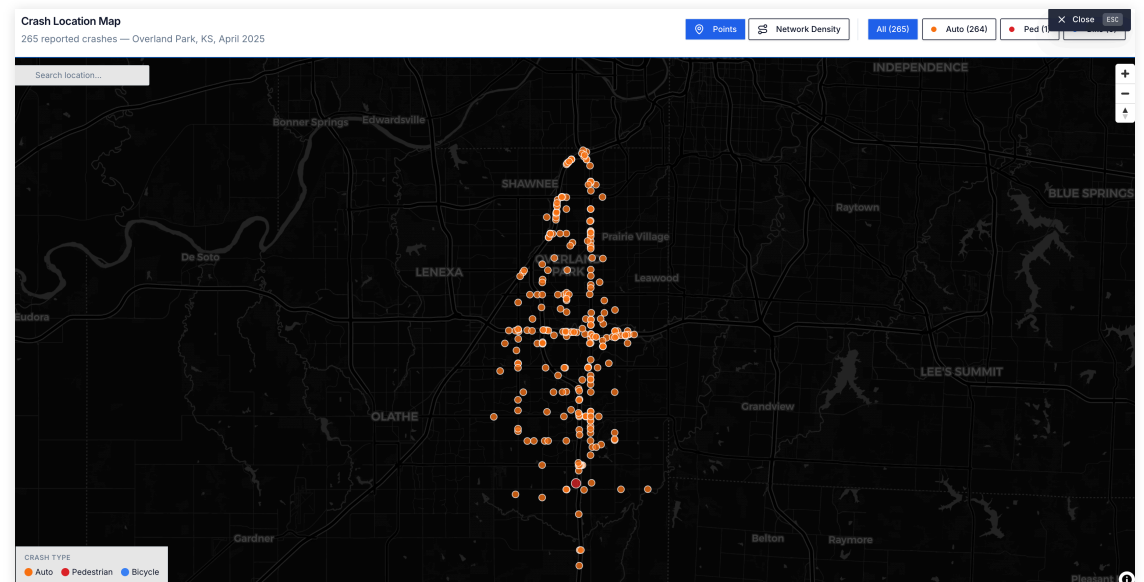
- The difference between the crash rate in the "safest city" and the 20th ranked city is almost 80x
- Dangerous driving events: 10x
- % of drivers driving at or under the speed limit: 22% more in the safest city

City Rankings
Kansas cities ranked by safety metrics — click a city to view its data

| CITY ¹ | CRASH RATE ² | KINETIC EVENTS / RD MI ¹ | SPEED COMPLIANCE ¹ | VRU MODE SHARE ¹ |
|--------------------|-------------------------|-------------------------------------|-------------------------------|-----------------------------|
| Kansas (Statewide) | 1.79 | 134.0 | 50.5% | 9.8% |
| Wichita | 1 1.34 | 15 428.1 | 16 50.1% | 11 9.0% |
| Leawood | 2 5.33 | 19 646.1 | 6 57.4% | 19 7.6% |
| Topeka | 3 5.54 | 11 359.3 | 7 57.2% | 10 9.2% |
| Garden City | 4 5.61 | 9 242.3 | 2 67.5% | 16 8.0% |
| Overland Park | 5 5.65 | 18 626.6 | 4 58.6% | 18 7.8% |
| Hutchinson | 6 6.37 | 6 193.5 | 14 52.1% | 8 9.9% |
| Salina | 7 7.67 | 4 169.1 | 13 52.4% | 9 9.5% |
| Leavenworth | 8 9.85 | 2 165.1 | 11 53.8% | 5 11.4% |
| Emporia | 9 10.00 | 1 63.1 | 19 46.7% | 3 12.1% |
| Kansas City | 10 12.50 | 14 405.4 | 20 45.1% | 7 10.0% |
| Olathe | 11 12.50 | 17 556.3 | 10 56.5% | 17 7.9% |
| Prairie Village | 12 13.33 | 13 394.1 | 18 48.4% | 12 8.5% |
| Manhattan | 13 14.13 | 7 195.3 | 9 56.5% | 1 15.5% |

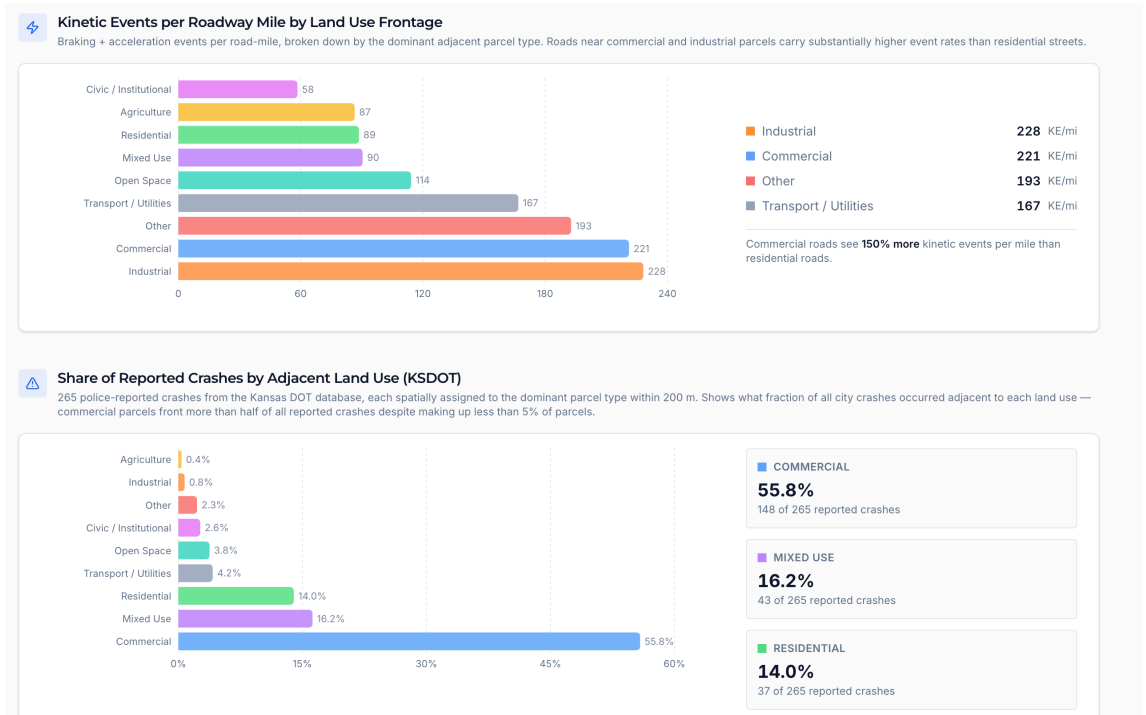
Crashes in Overland Park, KS

- Overland Park is 2nd largest city in KS ~ 210,000 people
- Averages about 250 crashes per month
- Over the last 12 months:
 - 5% of Roads account for 31% of all crashes
 - 13% of Roads account for 51% of all crashes
 - 35% of Roads account for 80% of all crashes



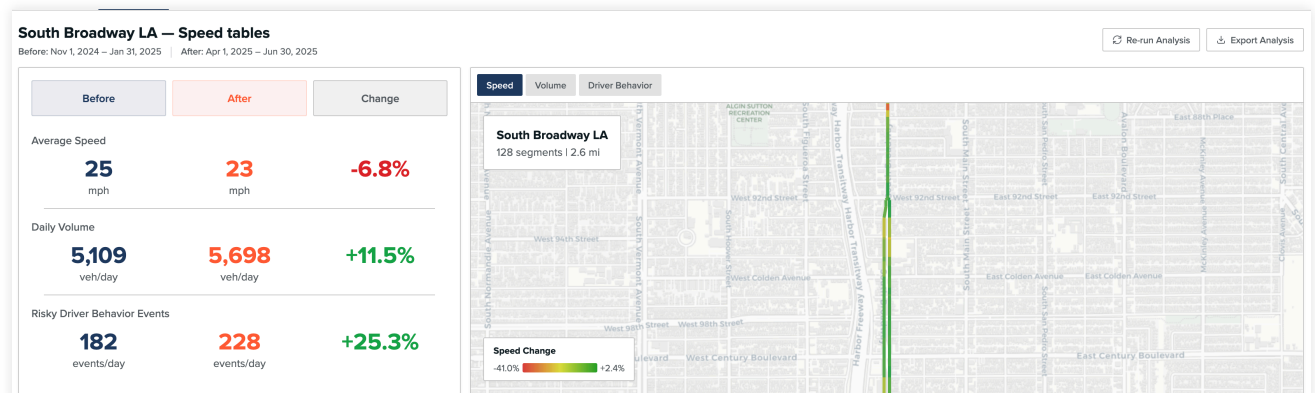
What about land use?

- Roadways that front commercial and industrial land uses see 150% more dangerous driving
- 55% of all crashes in Overland Park, KS occurred in front of commercial land uses



Can we do something about it?

- City of LA installed 4 speed tables / bumps across a "dangerous corridor"
- We can measure the impact the next day
- Within 1 week, speeds dropped ~7% (yay!) except... hard braking went up 25%



So what?

What if a driver's risk profile isn't actually constant?

What if it moved $\pm 50\%$ based on the conditions?
Weather? Construction?
Bad roadway design?
Adjacent land use?

What if insurance companies investing in infrastructure had better ROI on claim reduction?

Insurers and cities are solving the same problem.

**Safer roads. Fewer claims. Better
outcomes for everyone.**

Insurance data alone can only take
us so far

When both perspectives converge,
the impact is bigger than either
alone

Thank you



Gary Hallgren
President



Nick Bowden
CEO

