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How to meet your customers
insurance expectations now

Beat Elon Musk
at his own game



Introduction

Elon Musk has sent shockwaves across the industry, launching direct motor insurance for Tesla customers.

Tesla is in the middle of expanding its direct insurance offer with usage-based policies for customers across more US states.

Now, it looks like Ford is following in Tesla's footsteps, launching a similar direct insurance product in partnership with State Farm.

Insuring a Tesla or EV the traditional way is hugely expensive for customers, and this direct offer will help some customers with more affordable premiums.

But Musk isn't just doing his customers a favour here; this is a savvy strategic move to keep expanding his motor empire (and raise alarm bells for insurers everywhere). And it's only a matter of time before UK car manufacturers follow suit.

The insurance industry has been slow to react to electric vehicles and other innovations.

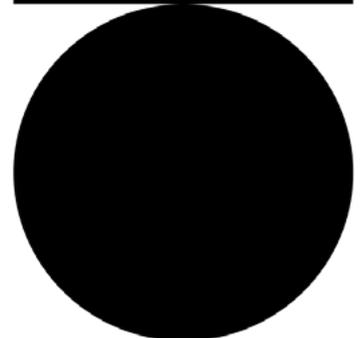
And Musk was never going to wait around. By removing one of the

biggest barriers to buying an EV or self-driving car – the high cost of insurance – Musk paves the way to increase Tesla's sales, cutting out traditional insurers in the process.

Musk is also changing the narrative around insurance as a product, challenging its status as a distress purchase. Tesla's usage-based model turns insurance into an asset, actively rewarding customers for brand loyalty and good driving behaviour.

In doing so, Musk creates an 'us and them' dynamic between Tesla and traditional insurers; the former will reward you, and the latter will punish you.

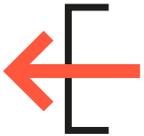
Now, buying a Tesla has become a brand choice, and traditional insurers risk being left behind if they don't raise their game, fast.



The impact on insurers

What does this mean for your business?

If the insurance industry doesn't start changing now, Tesla's latest move will have a number of consequences:



You might be left out

The direct insurance model lessens the need for traditional insurers, cutting them out of the sales process for many customers.



You'll be competing with lower-cost models

UBI is operationally cheaper than traditional insurance models, because the platform and acquisition costs are much lower.



It won't be easy for you to evolve

Without a tech platform that gives you the flexibility to innovate, or a brand platform to communicate successfully with your customers, it'll be harder to launch new products and services.



You'll be at the mercy of consumers

Thanks to the rise of UBI policies, your customers will have much more choice at renewal time. And you'll have to work much harder to attract and retain them.



A data monopoly will make your life harder

Tesla is constantly expanding their customer and claims data. Compared with traditional ins

The solution

Ready to hear the good news?

It's not all doom and gloom! Insurers who adapt now can get ahead of the change, with early UBI adopters set to stay competitive in the long-term.



Build stronger customer relationships

Through innovative app-based servicing, you can add value where it counts, achieving longer-lasting relationships with your existing customers.



Make your customers feel good

While behavioural monitoring can be divisive, embracing UBI is a great way to refresh your offer, rewarding your customers' choices about when, where and how often they drive.

And embracing UBI doesn't have to mean a total overhaul of your tech – with our help, there are quick, simple and risk-free changes you can make now.

The key thing is not to waste any time – once your competitors embrace UBI technology, it'll be much harder to catch up.



Be proactive about risk

Why wait to use your risk data at the point of claim? Prevent accidents before they happen by advising your customers about the safest times and routes to drive.



Give your customers what they want

Your customers want to make greener driving choices, and they'll be influenced by changing vehicle legislation. Empower them with the information to make smarter decisions about their driving.



Be the first to innovate

With the right technology platform in place, you'll have the flexibility to innovate faster than your competitors, putting your customers at the heart of any change you make.

How to get started

3 things you should do right now

To stay competitive and keep Elon away from your customers, here are 3 simple ways we can help your business now:

1

Focus on data

Data collection, collation and application will be key to forging ahead. To get your business ready for the change, turn your attention towards your tech stack and processes. With a little bit of flexibility, you can start to build in more exciting, value-add insurance products that your customers will love.

2

Put your customers first

Your customers will soon expect more flexible insurance policies to match their changing lifestyles. Anticipate their new needs and make the transition easier for your business by adopting products like UBI. Plus, develop better customer engagement processes to keep your customers for longer.

3

Get ready for AI

AI is only going to become more important with the rise of driverless cars. To stay ahead, build a technology infrastructure and data strategy that can accommodate AI. This way, when your customers are ready to embrace AI, you'll be able to offer them more accurate risk and policy calculations.

An implementation timeline

Ready to get started?

Now, you've got 6 months to get ahead, future-proofing your business by the end of 2022.

The best way to use the time? Choose the By Bits platform, with maximum impact to your customers and minimal disruption to your operations.

Consisting of our rating engine, policy engine and user app, it's a reliable, budget-friendly way to take usage, mileage and other variable factors into account:

Deliver integrated pay-by-mile policies without overhauling legacy tech.

Avoid costly disruption and the need for complex internal developer resource.

Easily adapt to new, varied data streams with our UBI rating and policy engines.

Flex and evolve over time with an app-based platform and API integrations.

The best part?

We'll get you up and running fast, with implementation in just 12 weeks.

Get in touch now to see how we can help you.

Don't get left behind

Kickstart your UBI journey today

Get in touch to see how we can help

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About us

By Bits doesn't just create insurance technology - we're providing the means for insurers and insurtechs globally to deliver compelling new propositions and supercharge their capabilities. We're also the creators of the UK's first real-time pay-by-mile car insurance policy, together with By Miles. By Bits and By Miles have insured more than 100 million miles, managed tens of thousands of policies, served more than 100 million quotes and worked with some of the biggest insurers in the world. That's how you know we're not another upstart wannabe – we're the industry authority.



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