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## Octo Telematics partners with IBM and The Weather Company using data to help drivers score savings with pay-as-you-drive insurance

**IBM INSIGHT 2015, LAS VEGAS - October 26, 2015:** IBM (NYSE: [IBM](#)) and The Weather Company today announced that Octo Telematics, the leading insurance telematics services provider, is using real-time weather data from the two companies as a critical input to its driver behavior scoring app. Octo U is a free mobile app that uses proprietary algorithms to offer personalized pay-as-you-drive – or usage-based-insurance – quotes based on driver behavior. Octo U has currently launched in the UK, Italy and Spain.

Usage Based Insurance (UBI) telematics solutions are gaining traction in North America and in European markets like Italy and the UK. Telematics technology enables insurers to offer insurance policies that are customized according to the policyholder's driving patterns and performance. According to SMA Research, approximately 36 percent of all auto insurance carriers are expected to use telematics UBI by 2020.<sup>[1]</sup>

Octo Telematics' new Octo U app uses a unique algorithm based on GPS point-retrieving technology to gather journey information and rank each trip based on factors such as speed, braking and acceleration. It also takes into account outside variables often directly affected by weather, such as road and traffic conditions, to determine driver scoring. For example, in the UK, drivers with good scores are rewarded with the option of a discounted insurance quote from a panel of insurers, which they can choose to accept at their discretion. Octo is in advanced discussions with insurance partners to launch this model in a growing number of international markets.

Weather data is an important element in refining the risk-scoring algorithms insurance providers use to evaluate driver behavior. From ice to rain, hail and snow, inclement weather has a direct impact on road safety. From 2002-2012, roughly 1.3 million weather-related vehicle crashes occurred each year in the U.S., on average, according to the Federal Highway Administration<sup>[2]</sup>. By accessing The Weather Company's current weather API through IBM Insight Cloud Services, Octo U is able to construct a more accurate and reliable scoring algorithm based on the precise weather conditions at the place and time of the driver's trip.

"Until recently, insurers have had difficulty creating unique profiles on which to offer auto insurance for individuals," said Fabio Sbianchi, CEO of Octo Telematics. "By integrating weather data from IBM and The Weather Company with other data streams, we're able to digest real-time information on road conditions and get a better view of driving habits."

"We already gather, process and store up to 228,000 data points every minute resulting in 191 billion data points analyzed to deliver insights every year. Telematics and UBI let insurers move from analyzing aggregated historical information to processing large volumes of near real-time data. Octo U will both use the insights gained from this experience and help the evolution of big data analytics," said Sbianchi.

### About Octo Telematics

Founded in Italy in 2002, Octo is the global brand leader in telematics services for insurance companies and car makers, as well as pioneering applications in motor rental and fleet management, car manufacturing, governmental sectors and a fast growing range of specialist applications. Its analytics-based software extracts telematics data from systems installed on cars and motorcycles to support insurance companies' rate plans, manage the costs of claims and fraud. More than 150 customers and over 3.8 million subscribers currently use Octo services (June 2015). The company is headquartered in London, with offices in Rome, Spain, Germany, Brazil and the USA. For more information, please visit [www.octotelematics.com](http://www.octotelematics.com)

Octo U is available as a free download for iPhones, iPads and Android devices on [Google Play](#) and [Apple app store](#).

For more information on the IBM and The Weather Company partnership, please visit [www.ibm.com/IBMANDWeather](http://www.ibm.com/IBMANDWeather).

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<sup>[1]</sup> SMA Research. 2013. "How Do Insurers and Agents Think Telematics Will Impact the Industry." SMA, Insurance Telematics ExecuSummit, Nov. 6, 2013.

<sup>[2]</sup> Federal Highway Administration "How Do Weather Events Impact Roads?" <https://ibm.biz/BdHrCe>