

## Insurance Industry Calls for Tax Relief on Telematics For Younger Drivers

### *Calls grow to improve safety and reduce the price of insurance as costs soar*

LONDON, 10 August, 2016: Octo Telematics, the number one global provider of telematics for the auto insurance industry, today joined growing calls for the government to improve road safety and offer Insurance Premium Tax relief (IPT) on telematics insurance products for drivers under 25 years old.

Brake, the road safety charity, also said it supported incentives and rewards for drivers to increase telematics adoption and make the roads safer. This follows a proposal made by the British Insurance Brokers' Association (BIBA) in light of soaring insurance premiums.

The Insurance Price Index from BIBA and Acturis showed motor premiums in Q2 2016 reached their highest level since it started tracking prices in 2010. Premiums for private car insurance were up by more than 11% compared to Q2 2015. Young motorists were hit hardest as premiums are often over £1300 and they could face an annual increase of £200.

Telematics insurance products collect contextual vehicle and driver data to correctly assess risk and accurately price premiums. They provide actionable intelligence to motorists to help them improve their driving, become safer road users and take more control of the insurance premium they pay. BIBA member research shows that there is a 40% drop in crash risk for new drivers that use a telematics device. The association included the call for IPT relief on telematics products in its 2015 manifesto.

Jonathan Hewett, Executive Vice President at Octo Telematics, said: "The cost of motoring goes beyond the soaring insurance premiums for younger drivers. Younger drivers make up a disproportionate amount of casualties in accidents on our roads. They need every incentive to be educated and informed about their driving behaviour, for their own safety and that of other road users. However, telematics is not just for younger drivers. A telematics policy can be a 'guardian angel' that encourages safer driving and a more reflective approach to motoring for motorists of all ages as well as saving them money."

Richard Coteau, corporate fundraising manager at Brake said: "Telematics can play a crucial role in helping to monitor and improve driver behaviour. Drivers who choose to install telematics to their vehicle have made a positive choice to try and improve their driving habits, and it is important that insurers work with these drivers to help them to understand how telematics can help them to be safer on our roads. Incentivising or rewarding those who decide to use telematics would be a positive move, helping to encourage more people to utilise technology which will make our roads safer."

Research shows that driver aged 17-24 years old are at a much higher risk of crashing than older drivers<sup>1</sup>. Drivers aged 17-19 only make up 1.5% of UK licence holders, but are involved in 9% of fatal and serious crashes where they are the driver<sup>2</sup>. Drivers aged 16-19 are a third more likely to die in a crash than drivers aged 40-49<sup>3</sup> and one in four 18-24 year olds (23%) crash within two years of passing their driving test<sup>4</sup>.

---

<sup>1</sup> Full and provisional driving licences by age and gender, Driver and Vehicle Licensing Agency, 2015

<sup>2</sup> Reported road casualties Great Britain 2014, Department for Transport, 2015, table RAS3001

<sup>3</sup> Reported road casualties Great Britain 2014, Department for Transport, 2015, table RAS30025

<sup>4</sup> Young drivers at risk, The AA, 2012

Telematics can benefit all motorists and the advent of the connected car means that the technology is evolving beyond after-market devices into in-car connectivity and smartphones apps such as Octo U. Penetration of global integrated telematics is expected to reach 88% for new cars by 2025<sup>5</sup>, making the technology central to the future safety of all drivers.

Telematics has already become key to reducing the number of accidents involving people who are driving as part of their job, according to research by RAC Business<sup>6</sup>. More than half (52%) of the 500 UK businesses surveyed said telematics has reduced the number of collisions for their fleets, while 58% reported a reduction in speeding incidents and fines. For the second year running, Octo has partnered with Brake, the road safety charity operating across the UK, for Road Safety Week 2016. Taking place on the 21<sup>st</sup> to 27<sup>th</sup> November 2016, Road Safety Week is the UK's biggest road safety event. It involves thousands of schools, organisations and community groups.

Octo Telematics has a strong commitment to creating safer drivers. The company is at the forefront of telemetry technology and has developed powerful analytics that transform driving behavior by providing drivers with actionable intelligence. Octo is constantly improving algorithms that assess contextual driving behavior and provide crash alerts and accident reconstruction, ultimately to make the roads safer.

- Ends -

#### **Press contacts**

John Merva or Alex Clelland for Octo Telematics  
020 7796 4133  
[octo@hudsonsandler.com](mailto:octo@hudsonsandler.com)

#### **About Octo Telematics**

Octo is the number 1 global provider of telematics and data analytics solutions for the auto insurance industry. Founded in 2002, Octo pioneered the insurance telematics industry. Today, Octo is the largest and most experienced insurance telematics company in the world, transforming auto insurance through behavioral, contextual and driving analytics for more than 60 insurance partners. Octo has more than 4.4 million connected users and the largest global database of telematics data, with over 127 billion miles of driving data collected and 340,000 crashes and insurance events analyzed (as of 30 June 2016). Octo applies proprietary algorithms to this market-leading database to deliver powerful new insights into driver risk, informing solutions that benefit both auto insurance companies and policyholders. The company is headquartered in London, with offices in Boston, Rome, Stuttgart, Madrid, and Sao Paulo. <http://www.octotelematics.com/>

---

<sup>5</sup> EY research report 'The quest for Telematics 4.0'

<sup>6</sup> Research carried out by 3Gem Media among 500 UK businesses with vehicles, on behalf of RAC Business in September 2015.