



Driving the NEXT
in motor risk
September 2022

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1. An introduction to Apollo ibott

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 4. Territorial differences

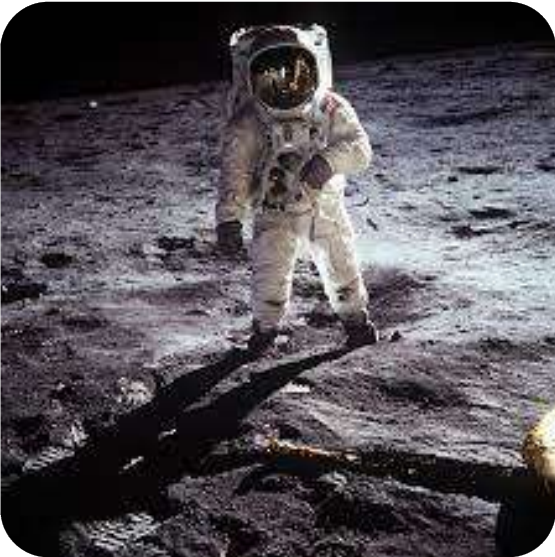
 5. The regulatory framework

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Who Are Apollo ibott?



Data driven solutions for the sharing economy & new mobility

Sub-Classes

- Ridesharing
- Autonomous Vehicles
- On-Demand Delivery
- Micro-Mobility
- Accommodation Sharing
- Vehicle Leasing
- Service Sharing

A collage of images illustrating various sharing economy services. It includes a person holding keys, a person using a smartphone app, a person holding a box, a person using a power tool, a plate of food, a person using a smartphone app, a person using a keyboard, and a futuristic car dashboard.

A history of innovation....



Apollo History of Writing AV Business

We started developing AV solutions in 2016

- Small start up operation partnerships
- Extremely controlled testing operations
- Small limits of liability purchased



The Growth

- **2018:** 7 Number of accounts
- **2019:** 18 Number of accounts
- **2020:** 22 Number of accounts
- **2021:** 20 Number of accounts
- **2022:** 18 Number of accounts Year to Date



Collaboration

- Collaboration with Clients
- Collaboration on pricing approach and rating factors with Insurers/Re-Insurers
- **We are only just getting started**

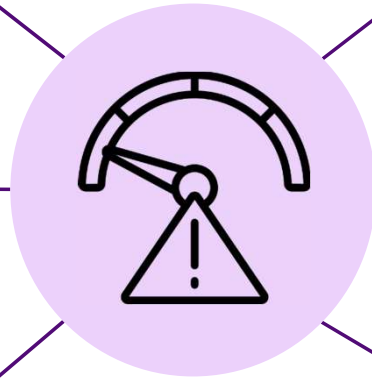


Re-setting Our View of Risk

We **CANNOT** just tweak our approach to Motor Insurance

We need to change our view of the Exposure Metric – '**Vehicle Years**'

We need to embrace **Data driven underwriting** and a UBI model with dynamic pricing



We need to educate the insurance industry through strong **long-term client partnerships**

We need to **build tools** to adequately rate AV risks and not load existing traditional Motor models

We need to create **new rating factors** and forget the old human related motor factors:

- Time of Day
- Territory Factors
- Miles per annum
- Utilisation – *it will soon all be commercial*



The Regulatory Framework



- Personalised Motor – Low MFR Limits. In California: \$35,000.
- TNC Laws – Typically \$1,000,000 required
- Autonomous Vehicles – Minimum of \$5,000,000 (Large 'Deep Pocket' exposure)



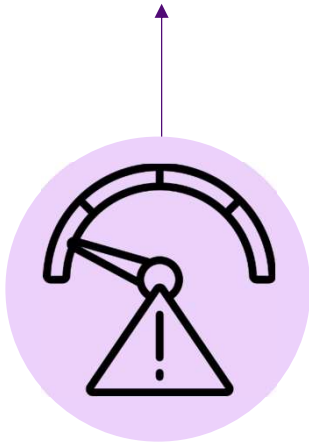
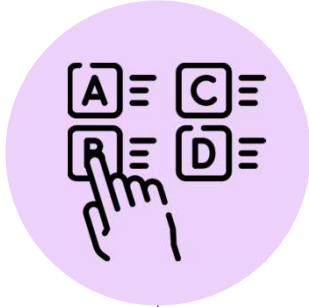
- The Insurance requirements differ by territory but the US is an example where there is a higher burden placed on AV companies – why – a lack of **TRUST**
- Whilst in testing mode, there has not been a huge amount of insurance specific regulation passed. Will this change when we enter large scale commercialisation?
- The presence of safety engineers – **How does this effect the risk and the coverage?**
- Tele-operations requirements and how this impacts coverage
- The role of Insurers in shaping fit for purpose regulation



Underwriting Challenges

Risk Selection

We need an AV Risk Assessment Framework to delineate the good risks from the bad.



Claims Handling

Legal defence specialties tend to be insurance line of business specific. AV is a new class and crosses multiple traditional insurance classes.

Which Line of Cover?

Motor Liability, Products Liability, Public Liability, Cyber Liability?

Self-Insurance Appetite

Most AV companies (balance sheet permitting) will want to have skin in the game so that they can influence the case law set in claims handling.

Limit Requirements

Motor/Auto has typically been a Horizontal exposure. AV risks will undoubtedly require a vertical solution. Punitive Damages and Deep Pocket Claims are of real concern.




Territorial Differences



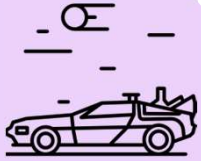
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- A purple circular icon containing a black outline of a globe showing the continents of North and South America.
- USA v Europe – differences in testing, the type of use and vehicles themselves
 - There are granular differences with the specific states of the USA and the specific countries of Europe
 - Insurance for Motor (*which is where the majority of AV solutions sit today*) tend to be highly localised
 - There is no consistency or uniformity from Insurance carriers approaching AVs
 - Insurer appetites differ greatly by region. There is rarely a global approach adopted by Insurers for Motor
 - There are very few Insurers or reinsurers that have a dedicated team focussed on AVs despite the size of the opportunity
 - There are infrastructure and weather impacts that differ by territory



Autonomous Vehicles Coverage



- Who is an Insured? - The effect of AV on car ownership
- What is the fit for purpose solution – Motor? Products? Public Liability? Cyber Liability?
- Why can we not create a new insurance product for a new risk? Autonomous Vehicle Liability insurance?
- What would such a policy look like? An All Risks policy?
- The wider effect on the insurance industry
- Public Perception is a huge hurdle - Building trust via insurance
- Punitive damages
- Pro-active claims defence



The Evolution of The Insurance Product

