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Telematics: Building Momentum Now for the Future



Over the last two editions of Telematics Today we've taken a look at the importance telematics has on the industry while staying ahead of the competition and how it's helping Allstate grow its business. This month we will cap things off by addressing how we are building momentum for telematics both now and into the future. Here is a clue. It cannot be done without key partnerships in place.

But before we address what we are doing to build momentum for telematics, it's important to recap what we are doing to keep us industry leading and telematics as a big part of our overall strategy.

Telematics Strategic Importance

All of our major competitors offer UBI programs and overall, customers are increasingly not only embracing them, but expecting them. Leveraging Allstate's experience and innovation in UBI will be a competitive advantage for our agencies, and in turn provide customers best in market products that enable greater control and transparency of their auto insurance costs.

In fact, many recent insurance and business articles addressing the increase in auto rates across the industry have featured Allstate as a company that is well prepared and leading the way through telematics in providing customers options and solutions through our Drivewise and Milewise products to help customers manage cost.

In addition to this advantage, we are currently working on our Affordable, Simple, Connected (ASC) Auto product which will incorporate telematics, with an eye towards replacing credit scores as the industry faces increasing regulatory challenges. For these reasons and others, increasing our focus on the awareness, adoption and utilization of our UBI programs now will ensure we are well positioned for the future.

Building momentum now for the future

The partnership between Agency Distribution and UBI is instrumental to the success of telematics and Allstate. Over the years, our Go-to-Market teams have worked closely together to deliver training and communication to support new launches, updates to our products and changes in the industry. Over the past year, with telematics evolving at such a rapid pace and competitors investing heavily in this space, we have collectively embarked on work to identify and address key opportunity areas. Through this work, we look to learn, adapt, and meet this exciting challenge together across the enterprise. The following work is a great illustration of last month's topic of "It takes a village", in the sense that while these efforts are meaningful, they truly make more of an impact when we leverage the full strength of our partnerships. Here are some examples:

- **Telematics Refocus Work** – Based in large part on Agency and Customer feedback, we took an inventory of our processes and tools from point of sale through to ongoing communications and support to improve the understanding and ease of use within our telematics products.
- **Root Cause Problem Solving** – Conducted workshops within our teams and with stakeholders to identify key areas of focus to grow and mature awareness and adoption of telematics.
- **Agency Interviews** – Using segmented Agency utilization metrics we have conducted and continue to host Agency Interviews across programs, states, and different levels of utilization to better understand what is working well and where we have areas within our programs to increase understanding and confidence of telematics.
- **Zone Growth Playbook** – Telematics is now a featured part of our Zone Growth Playbooks for Q2 and will continue to be built upon over time. These state specific playbooks support PL's goal of increasing new business growth and highlight the value of telematics for customers and agencies.
- **Agency Level Reporting** – Creating actionable reporting at the agency level on telematics utilization and onboarding success to raise awareness and measure performance in support of consultation discussions.

- **Zone Meetings and Training** – Ongoing collaboration within our teams and extended teams, focusing on telematics and delivering effective and repeatable Zone and State level training for our current and future products.

What does this all mean?

Going back to the first installment of this series, it means telematics in the industry is evolving, and evolving fast. In a space that we have historically been industry leading, we need to ensure that we protect and advance our competitive advantage. To do this, we need focus and strong partnerships, and we need to continue to listen to the voice of the customer and deliver on the value that telematics provides. To help inspire and build confidence in telematics, we need to bring products to market that our agencies see as easy to use and provides them a competitive edge. And finally, we must be agile in our thoughts, decisions, and actions to build and sustain our momentum.

I am confident in the investment that we are making in the success of our telematics products and that success only accelerates when we work together to ensure that we are delivering the best products for our customers both now and well into the future.

-Erica Anderson, Vice President, Agency Operations

Highlights

Auto Insurance Report Telematics Program Growth Surged During Pandemic

May 9, 2022

The sudden drop in driving during initial coronavirus shutdowns provided a boost to many auto insurance telematics programs in 2020, and higher adoption rates have persisted into 2022 even as mileage has returned. Drivers, stuck at home with idle cars in spring 2020, looked to enroll in programs that charge lower rates for fewer miles traveled, as well as programs that track just driving behavior. Now Allstate reports that twice as many new policyholders choose telematics programs compared to before the pandemic.



Read more about what Dave MacInnis, Vice President of product for telematics and usage-based insurance at Allstate, and others in the industry are saying about telematics. Click [here](#).

Comparison Summary

Let's compare Q1 2022 Allstate's Milewise Pay-Per-Mile KPIs to that of our main competition of Metromile. Throughout this past quarter Milewise grew PIF by 9%, whereas Metromile only grew by 3%. Similarly, Milewise grew earned premium by 3%, whereas Metromile grew by 1%. By June 2022 we are forecasted to be twice the size of Metromile by PIF count.

Also, to note that Allstate crossed over the 2M connection milestone for Milewise and Drivewise mobile connections.

Comparison Summary



Allstate
Pay Per Mile

metromile

vs

194K	Q1 2022 Policies in Force	101K
8.7%	Q1 (QoQ) PIF Growth	2.9%
7.5%	Common State Q1 (QoQ) PIF Growth	2.9%
297K	Q1 2022 Items in Force	N/A
8.1%	Q1 (QoQ) IIF Growth	N/A
\$60.7M	Q1 2022 Premium	\$28.1M
3.1%	Q1 (QoQ) Premium Growth	1.2%
9.8%	% Std Auto Production	N/A

Lean into Telematics

What We Delivered

May (on or before May 25)



- Displayed Drivewise policy score and # of qualifying operators for agents (policy view) to help customers understand the rate impact Telematics has on renewal premium outside of the participation discount (MI & NY)
- Displayed Drivewise Score and Qualifying Operator information in the Premium Change Reasons in greater detail (MI & NY)
- Created Job Aid to understand how driving score and operator participation are impacting a customer's renewal premium (MI & NY)
- Launched ASC Auto with driving behavior score incorporated into the rating plan
- Included Telematics in the second edition of the Zones growth playbook in partnership with distribution to support agents with Telematics adoption and awareness
- Began a 6-week series of Drivewise notifications aimed to drive engagement within the app
- Launched updated Milewise communications with more self-service focused messaging for addressing device reporting questions

What's to Come

May (after May 25) / June

- Android 11+ auto-reset permission to improve trip capture
- Android 12 precise location permission to improve trip capture
- Drivewise content changes in Allstate Online sales to include crash detection, replace "cash back" with "policy credit" and replace "hard breaking" with "sudden breaking"
- Enhance Milewise lock functionality to reduce negative customer experience due to the aging locks
- Build education and Go to Market materials for Verified Annual Mileage launch in existing Milewise states of New Jersey and Texas
- Host meetings with each Zone to share results, trends, opportunity areas, resources, and field questions/feedback

- Q3 Growth Playbooks updated with enhanced metrics
- Add prompt within POE/PRE/MyAccount when there are household operators not activated Drivewise
- Enhance unenrollment logic to unenroll policies after 183 days if operators do not enroll or participate in the program
- Update agent communications to add customer name/policy number to email in addition to email address
- Introduce Advanced Drivewise Pricing into Maryland, Nevada (dark), and Oregon with full utilization of Drivewise driving behaviors for purposes of rating plan sophistication
- Strengthen Drivewise messaging in Customer Touchpoint (activation reminder) Onboarding Emails (Plus Program)
- Remove references to cash rewards in all our communications and marketing materials
- Add an indicator in eAgent system of customers who haven't taken 50 trips and create eAgent email template
- Add content to Allstate Mobile App to notify customers that Drivewise is not compatible due to sensors; Add content to notify users their operating system needs to be updated to keep tracking trips
- AdvisorPro Enhancements for Drivewise to help improve activation rates
- Add Drivewise videos on value proposition of Drivewise features, benefits, onboarding, and troubleshooting in POE, PRE and MyAccount
- Offer Milewise refresher webinars to agents/LSPs in Oklahoma
- Update all device return label creation processes from integrations with FedEx to new integrations with USPS

Telematics Key Performance Indicators

[Click for KPI and April Results Document](#)

Rated Policies

Rated Policies	Current	Var to Prior Month	Goal	Var to Goal	% to Goal
Drivewise Mobile Connections & Other rated policies	1.73M	+29.6K	1.72M	+6.0K	100.3%
Milewise Vehicles	305K	+8.5K	316K	-10.9K	96.5%
Total (for 2022 Goal)	2.03M	+38.1K	2.04M	-4.9K	99.8%

Other Connections

Other Connections	Current
Drivewise Device	132K
Drivesense	115K
Total Overall Rated Policies	2.28M

Drivewise New Business Funnel (3MM)

Drivewise New Business Funnel	Total Channel	Agency	CCC	Web
Intent	76.9%	77.5%	82.4%	67.4%
Operator Added	51.8%	51.1%	60.1%	44.2%
DW Activated	27.1%	25.1%	29.6%	36.0%
First Trip Taken	26.1%	24.1%	28.6%	35.2%
50 Trips Taken	19.7%	17.8%	21.7%	28.5%

Mobile Engagement

Mobile Engagement	Current	6MM	Goal	Var to Goal
Drivewise Mobile Users*	22.9%	24.6%	30.0%	-7.1%
Milewise Mobile Users*	50.2%	51.5%	50.0%	+0.2%
Drivewise Relative NPS^	-1.9	-1.3	4.0	-5.3
Milewise Relative NPS	4.2	4.8	-	-

*Unique Users

^Goal is 6MM

Crash Detection

Crash Detection	
Crash Events Detected	10,079
Notifications Sent	7,290
Interactions with Notification	3,162
Clicked 'Start a Claim'	385
Clicked 'Roadside Assistance'	108
Clicked 'Call 911'	22

App Stability

App Stability	Current	6MM	Goal	Var to Goal
DW Mobile Defection Rate^	2.3%	2.8%	2.0%	+0.8%
% of Users with a Trip in last 14 Days - iOS	71%	66%	-	-
% of Users with a Trip in last 14 Days - Android	73%	71%	-	-

^Goal is 6MM

Telematics Dashboard



For detailed information on Connections, New Business Funnel, Defections and Penetration please visit the Telematics Dashboard: [Click Here](#)

If you don't currently have access to the dashboard, please contact [Keith Clotfelter](#)

Resources

Telematics:

- [Milewise home page](#)
- [Milewise FAQs](#)
- [Drivewise home page](#)
- [Drivewise information center](#)

Allstate Mobile app:

- [Allstate Mobile app home page](#)
- [Allstate Mobile app feature details](#)
- [Allstate Mobile app FAQs](#)
- [Allstate Mobile link to a.com](#)

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Thank you for your support!

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