

Speaker: Prof. Montserrat Guillen

Talk Title: Driving Data: telematics to improve insurance rates.

Talk Abstract:

Many insurance companies have begun to collect telematics data about drivers' exposure to traffic (i.e. distance driven and type of road) and their driving behaviour (excess speed and aggressiveness). This information can improve the insurance ratemaking process and also allows conclusions to be drawn about how to make driving safer. After analysing telematics information on exposure to risk and driving habits from a Pay-as-you-Drive sample of insureds, in this talk we will review three key findings: (1) There is a learning effect for large values of distance travelled, so that longer driving should result in higher premium, but there should be a discount for drivers that accumulate longer distances over time. This fact has strong implications on how to design pay-per-mile schemes. (2) Advanced driver assistance systems will contribute to a lower frequency of motor accidents and will have a significant impact for the automobile insurance industry. (3) Inertial measurement units collect huge amounts of data on driving, but the translation of such data into value is still a challenge. We discuss how telematics information can be used to design better insurance and to improve traffic safety.

Speaker Bio:

Montserrat Guillen is Full Professor of Econometrics at the University of Barcelona, Director of the center for Risk Analysis and the Institute of Applied Economics. She holds a degree in Mathematics and a PhD in Economics from the University of Barcelona and an MA in Data Analysis from the University of Essex. She is honorary visiting professor of the Faculty of Actuarial Science at Cass Business School, City, University of London. She is full member of the Royal Academy of Economics and Finance of Spain. Her research focuses on actuarial statistics and quantitative risk management. She is a member of the editorial board of the most prestigious academic journals in actuarial science and she is also the most highly cited women in this discipline.