

## News

Transport



## Telefónica Insurance Telematics: New M2M solution can reduce car insurance costs

In-car telematics can increase traffic safety and reduce insurance premiums for safer drivers. The next step towards a "connected car"

**Munich, 16th April 2013** – Telefónica Germany today announced its new and innovative insurance telematics solution at the 19th Handelsblatt Jahrestagung TK Europa. Telefónica Insurance Telematics is based on Machine to Machine (M2M) technology and analyses driving behaviour to more accurately calculate the cost of car insurance. The new service is now available for insurers who can use driving information in their risk calculations to offer their customers a completely new kind of car insurance.

Many studies have already proven that driving behaviour data enables more conclusions to be drawn about the individual risk of damage for car insurance than the factors currently used, such as age, annual distance driven and location. This is where Telefónica Insurance Telematics comes in, to enable insurers to differentiate themselves by designing more attractive and fairer tariffs.

According to the motto "safer drivers deserve cheaper premiums", insurers can offer competitive price reductions to those customers who drive more responsibly, and therefore help to attract low risk new customers. This is especially good for young drivers with good driving habits. British and American insurance companies have already established that these telematics systems can reduce claims expenditure by up to 30 percent.

"With Machine-to-Machine a completely new type of vehicle insurance is possible," says [Markus Haas](#), Chief Strategy Officer of Telefónica Deutschland. "The insurers have an ace up their sleeve to prove themselves in the highly competitive market and to offer made-to-measure tariffs for their customers. Logistics companies and other sectors will also benefit greatly because M2M enables big cost savings and new services like digital logbooks."

The innovative solution for the insurance sector consists of a complete telematics platform, which Telefónica Digital has already successfully launched in partnership with Generali Seguros in Spain. It is now also available in Germany where Telefonica is already working with a number of major insurers.

The utmost attention is paid to the safe transfer and storage of data. Driving information is encrypted and processed separately from the insurance provider's systems. Aggregated values in the form of a score are transferred to the insurer, incorporating factors like exceeding speed limits, braking behaviour and night driving. This score is then used to adjust the monthly insurance premium without the insurer seeing any detailed driving or location data.



The new product from Telefonica also offers great advantages to policy holders who can see their driving progress through a web portal and a smartphone app (iOS, Android). In addition they can benefit from value-added services such as stolen vehicle tracking and GPS breakdown calls.

#### **About Telefónica Deutschland Holding AG**

Telefónica Deutschland Holding AG, listed at the Frankfurt Stock Exchange in the Prime Standard, and its wholly-owned, operationally active subsidiary Telefónica Germany GmbH & Co. OHG belong to Telefónica Europe and are part of the Spanish telecommunication group Telefónica S.A. The company offers its German private and business customers post-paid and prepaid mobile telecom products as well as innovative mobile data services based on the GPRS, UMTS and LTE technologies with its product brand O<sub>2</sub>. In addition, the integrated communications provider also offers DSL fixed network telephony and high-speed internet. Telefónica Europe has more than 103 million mobile and fixed network customers in Spain, Great Britain, Ireland, the Czech Republic, Slovakia and Germany.