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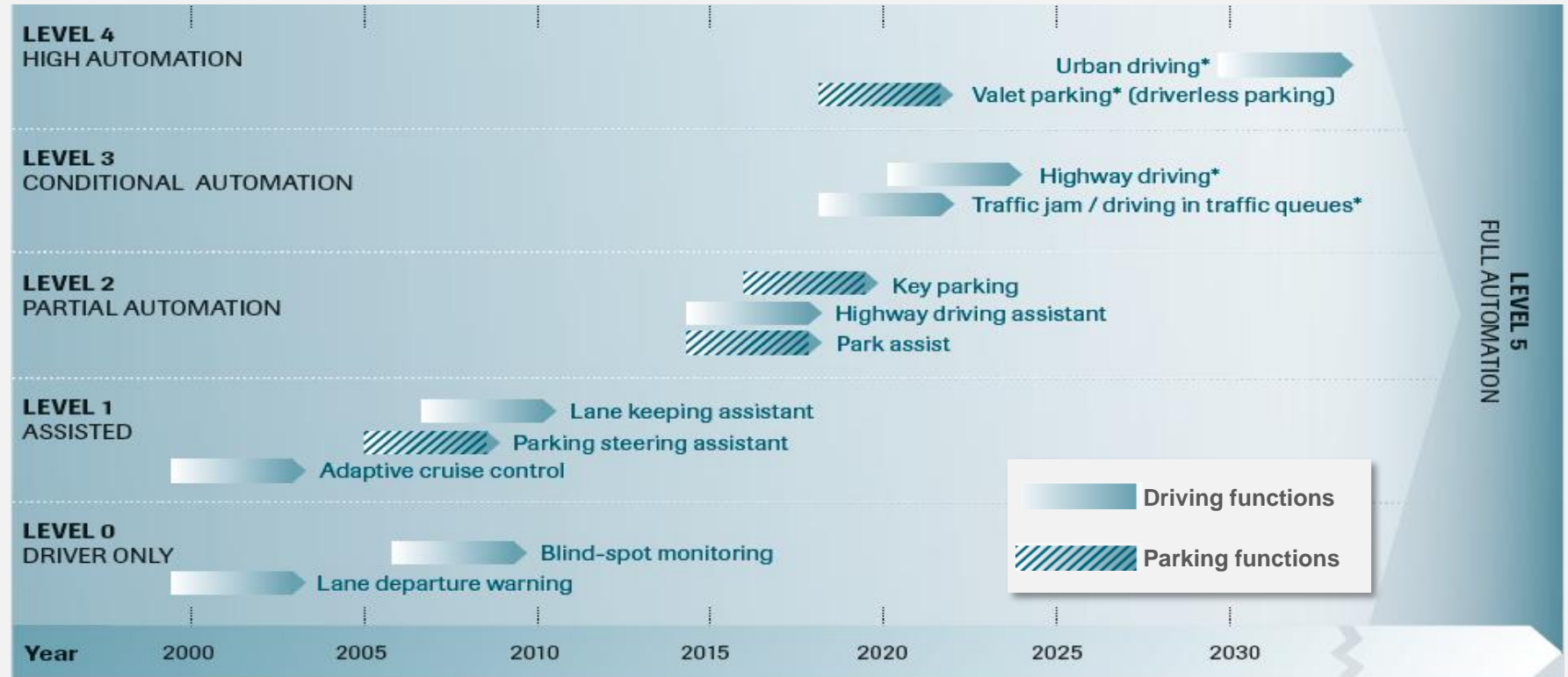
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Innovative vehicle technology and its impact on insurance

18th Hydra Meeting
Hydra, 22 September 2016

Joachim Michaely

Introduction of automated driving and parking functions



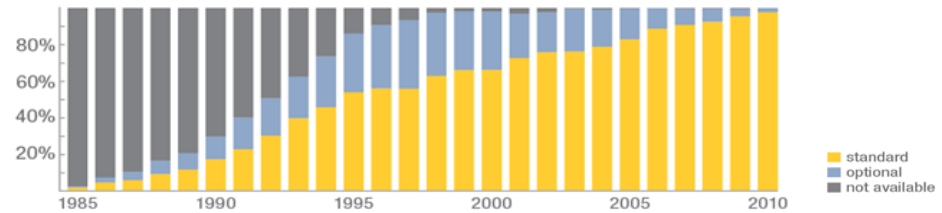
Safety potential of driver assistance systems

Driver Assistance System	Impact on frequency ¹
Emergency Braking System	-11.4%
Active Brake Assist	-19.6%
Active Brake Assist with Pedestrian Detection	-24.5%
Active Brake Assist with Pedestrian & Bicycle Detection	-43.4%
Lane Departure Warning / Lane Keep Assist	-4.4%
Blind Spot Detection	-1.7%
Reversing Assistant	-2.3%
Electronic Stability Control	-9.0% - 15.0%

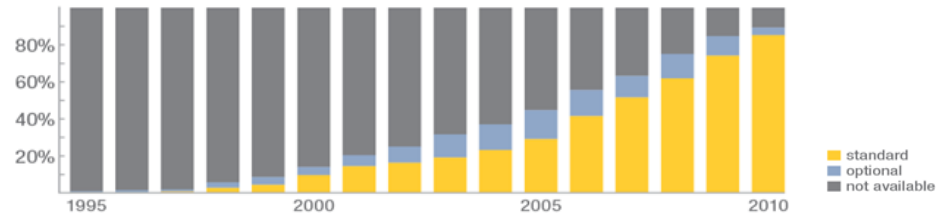
¹ % of all passenger vehicle accidents

How long will it take ?

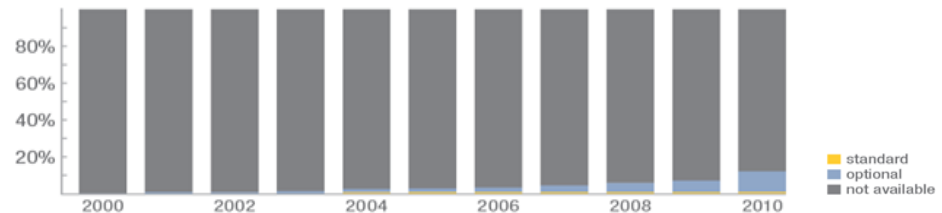
Anti-lock Brakes (ABS)



Electronic Stability Control (ESC)



Forward Collision Warning (FCW)



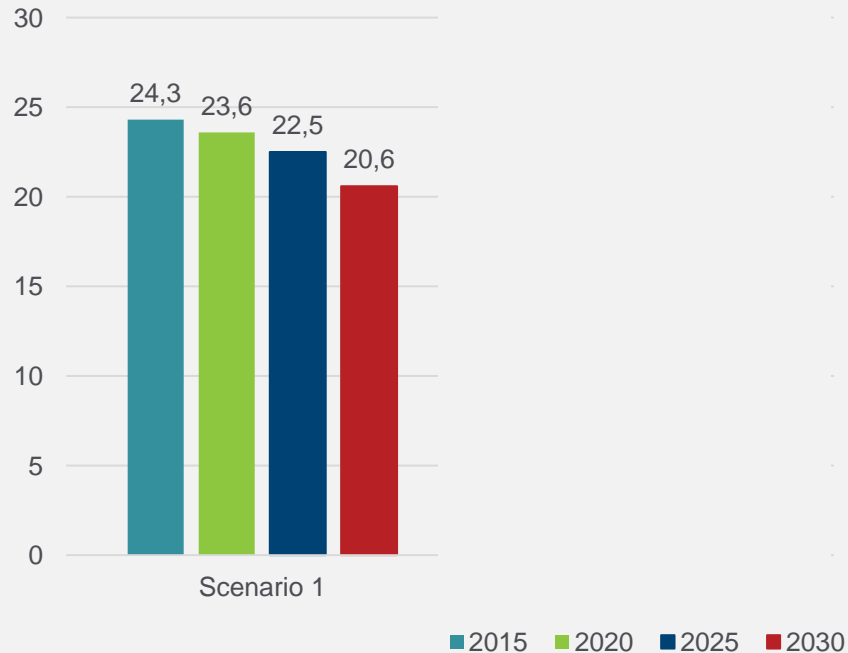
Positive impact

- Car sharing
- Improved public transport
- V2V and V2X communication
- Aging societies
- Automated traffic law enforcement

Negative impact


- Increasing driver distraction
- More expensive parts
- Mixed traffic
- Mixed driving modes
- Aging societies
- eCall-Initiative


Development of total motor premium in billion Euro



Changeover from manual to assisted driving:

Scenario 1: 22 years

- 
- Loss of income
 - Drop in investments
 - Reduction of staff
 - Potential cost problems
 - Massive changes in distribution
 - Transformation of traditional motor products
 - Further market concentration

- 
- “Motor insurer” as service provider
 - Shift towards other products
 - Product liability / recall
 - Professional indemnity
 - Cyber cover
 - Reputational cover
 - D&O
 - Changing business model



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Thank you very much
for your attention

Joachim Michaely