



Verisk Analytics Recognized as the

2021

Company of the Year

North American

Telematics Data Exchange Industry

Excellence in Best Practices

Strategic Imperatives

Frost & Sullivan identifies three key strategic imperatives that impact the vehicle systems and technologies industry: disruptive technologies, geopolitical chaos, and transformative Mega Trends. Every company that is competing in the vehicle systems and technologies space is obligated to address these imperatives proactively; failing to do so will almost certainly lead to stagnation or decline. Successful companies overcome the challenges posed by these imperatives and leverage them to drive innovation and growth. Frost & Sullivan’s recognition of Verisk is a reflection of how well it is performing against the backdrop of these imperatives.



Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Verisk excels in many of the criteria in the telematics data exchange space.

AWARD CRITERIA	
<i>Visionary Innovation & Performance</i>	<i>Customer Impact</i>
Addressing Unmet Needs	Price/Performance Value
Visionary Scenarios Through Mega Trends	Customer Purchase Experience
Implementation of Best Practices	Customer Ownership Experience
Leadership Focus	Customer Service Experience
Financial Performance	Brand Equity

Addressing Unmet Needs and Visionary Scenarios Through Mega Trends

Vehicle connectivity has changed the way we interact with our cars, streets, and the cities we navigate. Amidst this rapid proliferation of V2X technology, new business models have emerged to deliver better customer experiences. At the forefront of this industry are insurers, who are now scaling and refining usage-based insurance (UBI) policies. For years UBI offered insurers a “snapshot” of driving behavior or continuous tracking of customers. Despite the integration of connected devices to monitor behavior, customers still did not enjoy seamless vehicle-to-vehicle or company-to-company experiences. Although telematics service providers have been instrumental in enabling the collection of data from vehicles through aftermarket or smartphone devices, few have attempted to consolidate vehicle and driving data in a central repository until the Verisk Data Exchange.

“Verisk has successfully built a platform that adds value in the present to major stakeholders such as insurers and OEMs while planning for the future of connectivity.”

- Niranjan Manohar, Consulting Director, Mobility

Verisk has successfully built a platform that adds value in the present to major stakeholders such as insurers and original equipment manufacturers (OEMs) while planning for the future of connectivity. Insurers benefit from instant access to vehicle data from multiple leading automotive brands as well as telematics service providers (TSPs) and other sources of driving data, allowing them to assess risk more

accurately and on a more granular and frequent basis. The resulting increased operational efficiency allows insurers to not only streamline the usage-based insurance experience but identify and retain safer drivers and increase customer touch-points. As connected use cases and business models continue to evolve, the Verisk Data Exchange has effectively anticipated the rollout of connected vehicles on a mass-market level and developed a purpose-built platform for auto insurers to benefit at scale.

“In a space that has seen many new entrants emerge, Verisk remains a trusted name with years of experience. That’s why four of the largest OEMs in North America have already signed on to the platform: Ford, GM, Honda, and Hyundai all connect to the Verisk Data Exchange.”

- Niranjan Manohar, Consulting Director, Mobility

Nearly seven years in market combined with experience across major OEMs and other telematics data sources also gives the Verisk Data Exchange a significant advantage in data normalization. Verisk uses its hundreds of billions of miles of trip data to pioneer advanced, analytics-driven processes that transform raw trip data into a source-agnostic format. Insurers who use driving behavior insights from Verisk do not need to perform additional work – allowing them to rate drivers and calculate safe-driving discounts uniformly, regardless of which vehicle they drive or telematics data source they may have.

Verisk’s point-of-quote data and scoring solutions, part of their DrivingDNA brand, have become a flagship use case and are implemented by numerous insurers.

Leadership Focus

Verisk has spent years amassing a wide-spanning network of data and partners in North America. As this network continues to grow, few competitors can compete with a data platform that, with consumer consent, actively collects data from more than 8 million telematics-equipped vehicles through alliance partnerships with four major OEMs – General Motors, Honda, Hyundai, and Ford. Such an approach is a clear advantage to insurers and OEMs alike, as users of the data exchange can not only derive industry-level insights but provide seamless experiences, at lower premiums, between customers that switch vehicles or insurers. OEMs are able to deliver enhanced connected services that enrich the overall ownership experience for their drivers and develop new business models. While others may be integrated in millions of vehicles, competitors in North America have just begun rolling out telematics data exchanges. Few, if any, can boast the network effect achieved by the Verisk Data Exchange.

Price/Performance Value

Although the true return on investment on data exchange membership has yet to be fully achieved, the value to insurers is instantly recognized as it no longer necessary to produce, manufacture, and distribute telematics hardware or deploy and manage costly smartphone apps to track and monitor vehicle behavior continuously. Through the Verisk Data Exchange, Verisk offers ready-made, source-agnostic solutions that allow insurers to easily utilize in-vehicle telematics, existing aftermarket hardware solutions, or smartphones to expand the potential audience of their UBI programs. The approach changes the dynamic between insurers and customers, enabling continuous and ongoing interactions in a relationship that previously rarely saw engagement beyond policy purchase, renewal, and transactional touchpoints. As connected vehicles become standard, insurers will have an easier task

of onboarding new customers to UBI policies as embedded telematics require no additional monitoring (e.g., via aftermarket devices or smartphones).

Customer Ownership and Purchase Experience

While insurers that connect to the Verisk Data Exchange enjoy access to a wealth of vehicle data, they further appreciate Verisk's full breadth of service offerings. Unlike competitors focused on specific telematics hardware, Frost & Sullivan notes that Verisk's telematics products also allow customers to leverage data and driver behavior from smartphones, aftermarket devices, or via integration of telemetry data from provider partners such as Geotab, Omnitracs, and Webfleet in their commercial auto insurance operations. This allows insurers from both lines of business to benefit, as data from millions of vehicles can be leveraged to more accurately assess risk, create driver scoring models, and improve customer engagement tools benefitting policyholders. While many companies offer telematics-based solutions that enable UBI, Verisk has united stakeholders that were previously siloed. As a result, it can tap into previously unrealized potential between market participants (e.g., OEMs) that have been long reluctant to share data between competitors.

Brand Equity

In a space that has seen many new entrants emerge, Verisk remains a trusted name with years of experience. Four of North America's largest OEMs have already signed on to the platform: Ford, GM, Honda, and Hyundai are all participants in the Verisk Data Exchange. New vehicles from these OEMs are increasingly connected, adding new makes and models to the exchange on an ongoing basis. Frost & Sullivan finds this is a major boon for Verisk insurance partners, resulting in 5 of the top 10 insurers in North America currently utilizing the company's telematics platform, along with numerous other mid-market, regional, and insurtech customers. Verisk shows no signs of slowing growth as competitors launch data exchanges—the company has a 100% retention rate of OEM and insurance partners. As connected vehicles become standard, the Verisk Data Exchange is poised to scale and adapt to the needs of insurance partners, OEMs, and most importantly, drivers.

Conclusion

Vehicle connectivity has created new industry relationships between insurers, original equipment manufacturers (OEMs), and consumers. At the heart of this evolving ecosystem are telematics data service providers. Understanding the core value of data, Verisk is pioneering a new technology: the connected telematics data exchange. Verisk provides instant value to all stakeholders along the value chain by uniting the largest stakeholders in the automotive insurance industry. Consumers benefit from personalized premiums, seamless experiences and a transparent, consent-driven data sharing solution while insurers increase operational efficiency and gain broad access to multisource telematics data and scores used to evaluate risk. Meanwhile, OEMs are able to deliver enhanced connected services that enrich the overall ownership experience for their drivers built on the largest data repository of connected vehicle and driving data in North America.

With its strong overall performance, Verisk earns Frost & Sullivan's 2021 Company of the Year Award in the North American telematics data exchange industry.

What You Need to Know about the Company of the Year Recognition

Frost & Sullivan's Company of the Year Award is its top honor and recognizes the market participant that exemplifies visionary innovation, market-leading performance, and unmatched customer care.

Best Practices Award Analysis

For the Company of the Year Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Visionary Innovation & Performance

Addressing Unmet Needs: Customers' unmet or under-served needs are unearthed and addressed by a robust solution development process

Visionary Scenarios Through Mega Trends:

Long-range, macro-level scenarios are incorporated into the innovation strategy through the use of Mega Trends, thereby enabling first to market solutions and new growth opportunities

Leadership Focus: Company focuses on building a leadership position in core markets and on creating stiff barriers to entry for new competitors

Best Practices Implementation: Best-in-class implementation is characterized by processes, tools, or activities that generate a consistent and repeatable level of success

Financial Performance: Strong overall business performance is achieved in terms of revenue, revenue growth, operating margin, and other key financial metrics

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

