

# WILL THE AUTO INSURER OF TODAY RECOGNIZE THE INSURER OF TOMORROW?



Personal lines auto insurance is facing a perfect storm of COVID-related challenges, inflation, and new automotive technologies that add complexity and cost.

Overcoming these short-term challenges – and embracing emerging structural change – requires new ways of thinking about what it means to be an automotive insurer.



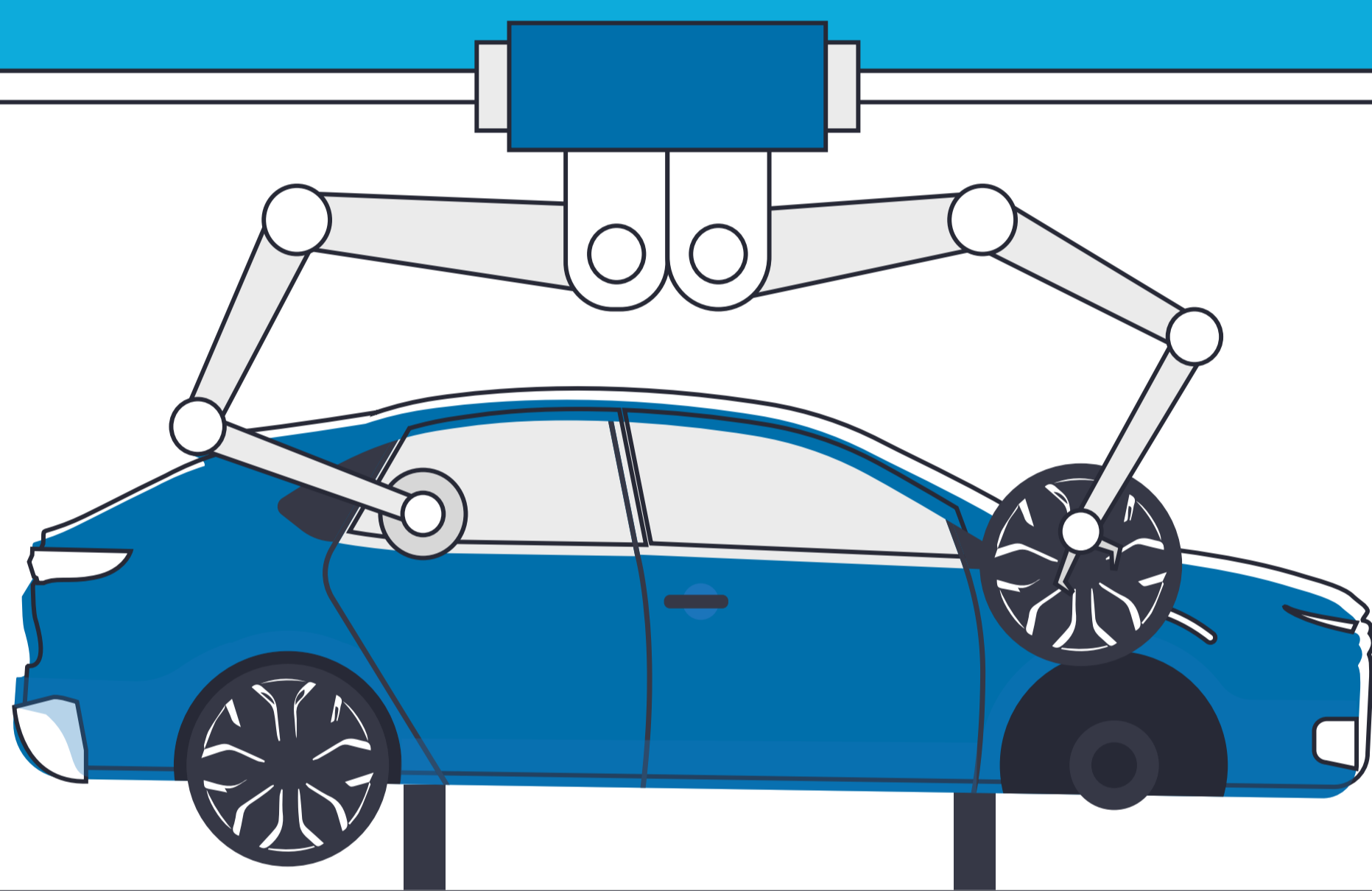
## AUTO CLAIMS COST PRESSURES REMAIN AN ONGOING CHALLENGE FOR CARRIERS

# 2X INCREASE

Some carriers report that costs of vehicle repairs have doubled, accelerated in part by global supply chain challenges, but also by new parts and sophisticated methods of repair

# 200% DIFFERENCE

As vehicles become more sophisticated and connected, the costs of associated parts are increasing – in some cases, a 200% difference between traditional and intelligent parts



## THE CHALLENGE IS NOT DISAPPEARING ANYTIME SOON

As vehicle manufacturers design and build more personalized cars, more vehicles will be come with built-in on-demand features – potentially increasing repair costs across all new models.

## CUTTING COSTS ALONE IS NOT SUFFICIENT

Successful insurers of the future will reimagine their business and take decisive action



### WHAT IF...

Claims could be processed and finalized minutes after an accident – **directly from the vehicle itself?**



### WHAT IF...

**Insurers became lifetime safety partners** – helping consumers learn to drive safely through advanced technology solutions?



### WHAT IF...

**OEMs and insurers partnered to learn from drivers and vehicles on the road** – to provide insights for municipalities to design smart infrastructure projects?



### WHAT IF...

**Automakers sold and distributed vehicles based on customer behavior** – informed by the insured's loan repayment and insurance premium budget?



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