



Nationwide®

August 2021

Nationwide Agency Forward

Telematics

Survey Report

METHODOLOGY



Audiences

Independent Insurance Agents

Self-reported as being an Independent Insurance Agent and sell either personal and/or commercial lines of insurance.

N=400

General Consumers

Self-reported adult 18+ years old, with at least one insurance policy, and be a primary or shared decision maker of insurance needs.

N=1,000



Sample Size



Methodology

**20-Minute
Online Survey**



Timing

**Survey fielded
June 22nd – July 7th, 2021**

RESEARCH NARRATIVE

Agents Need to Overcome Their Own Misperceptions to Deliver Safer Roads

Nearly half of consumers are interested in telematics options and what the solutions can do for them, an opportunity that agents haven't recognized. Consumer interest stems from the belief that telematics can lower the cost of car insurance and help with distracted driving. Agents need to lean into this opportunity more aggressively. 58% of consumers report they have never had a conversation with their agent about telematics with a third reporting they've never even heard about a telematics program yet 87% of agents report they have discussed telematics with consumers. This disconnect demonstrates a clear gap in communication between agent and customer.

While agents have received a high level of resources to help counsel their clients, they still report a lack of knowledge in the telematics space. This knowledge gap may explain their reluctance to initiate discussions about telematics with customers regularly.

This lack of communication, compounded by existing consumer concerns over data privacy and a general unfamiliarity with telematic options or functions, may be holding consumers back from adopting these programs. Agents can speak to cost savings and control over monthly premiums and know that consumers are relatively unworried about telematics data collection (they're less concerned by it than they are by streaming devices).

KEY FINDINGS

1

DISTRACTED DRIVERS AND THE COST OF INSURANCE CONTINUES TO BE CONCERNING FOR CUSTOMERS IN 2021.

A majority of consumers (83%) agree that distracted driving as a result of looking at a mobile phone is a major problem. This is followed by the rising cost of car insurance, up 15 points compared to last year, and approximately 2/3^{rds} noting that paying full price even though they don't drive often or believe that they drive better than others is concerning.

2

AGENTS STILL LAG IN THEIR OVERALL KNOWLEDGE OF TELEMATICS, AND THOSE THAT ARE KNOWLEDGEABLE MAY NOT BE SUFFICIENTLY PASSING ALONG OR INITIATING DISCUSSIONS WITH THEIR CUSTOMERS.

Just 6 in 10 agents and 3 in 10 consumers feel knowledgeable about different vehicle telematics offerings. Agents report having significantly more discussions with their customers about telematics programs, as 58% of consumers say they've never discussed telematics with their agent.

3

WHILE CUSTOMERS REPORT HAVING AN INTEREST IN TELEMATICS, AGENTS FEEL THAT THEY WON'T COMMIT TO PARTICIPATING IN THESE PROGRAMS.

Close to half of consumers are interested in learning more about various types of telematics programs including pay-per-mile (46%) and mobile phone apps that reward safe-driving discounts (45%). Only 32% of agents offer telematics to more than half of their customers. Agents who rarely offer these programs cite that the lack of customers adopting the programs and their notion that customers wouldn't consider adding it to policies, limits them from even having discussions about it.

4

DATA PRIVACY AND THE LACK OF COMFORT WITH TOOLS ARE THE BIGGEST BARRIERS AS TO WHY PEOPLE DON'T PARTICIPATE IN TELEMATICS PROGRAMS.

Those who don't participate in telematic programs cite that sharing driving data with their insurance company is a privacy concern to them (30%). Additionally, approximately 1 in 4 say that they don't feel comfortable using their mobile phone or a device to plug into their vehicle.

KEY FINDINGS

5

AGENTS AND CUSTOMERS AGREE THAT TELEMATICS CAN PROVIDE THEM WITH BETTER PRICES AND MORE CONTROL OVER THEIR MONTHLY PREMIUMS.

Over half of agents (55%) believe that by offering telematics programs they're able to provide their clients with a more competitive price and 36% say that it helps them retain their clients. Customers that are participating in miles-driven programs emphasize that they are looking for more control over their monthly price for insurance (46%) and they don't want to pay full price for insurance knowing that they don't drive often (41%).

6

WHILE THERE'S MORE WORK TO BE DONE, PRODUCERS AND CUSTOMER SERVICE REPRESENTATIVES FEEL MORE PREPARED TO COUNSEL CUSTOMERS ON TELEMATICS THIS YEAR.

Principals (79%) continue to have the highest confidence in being prepared to counsel customers on telematics. Both producers and customer service representatives increased their confidence in the past year. This increase in confidence may be tied to producers (73%) and customer service representatives (51%) being more likely to report having adequate resources to counsel customers on telematics, up 10 points and 19 points from 2020, respectively.

7

CONSUMERS AND AGENTS ARE MORE LIKELY TO THINK TELEMATICS DEVICES COLLECTING DATA ARE MORE ACCEPTABLE THAN STREAMING PLATFORMS CURATING ADS OR SMART SPEAKERS RECORDING YOUR REQUESTS.

Surprisingly, data collection and usage of products and services with high adoption such as streaming platforms and smart home speakers were considered less acceptable than a connected device or smartphone app that collects driver behavior and vehicle performance.

8

AGENTS AND CONSUMERS ALIKE CONTINUE TO SHARE CONCERNS OVER THE SAFETY OF AUTONOMOUS VEHICLES.

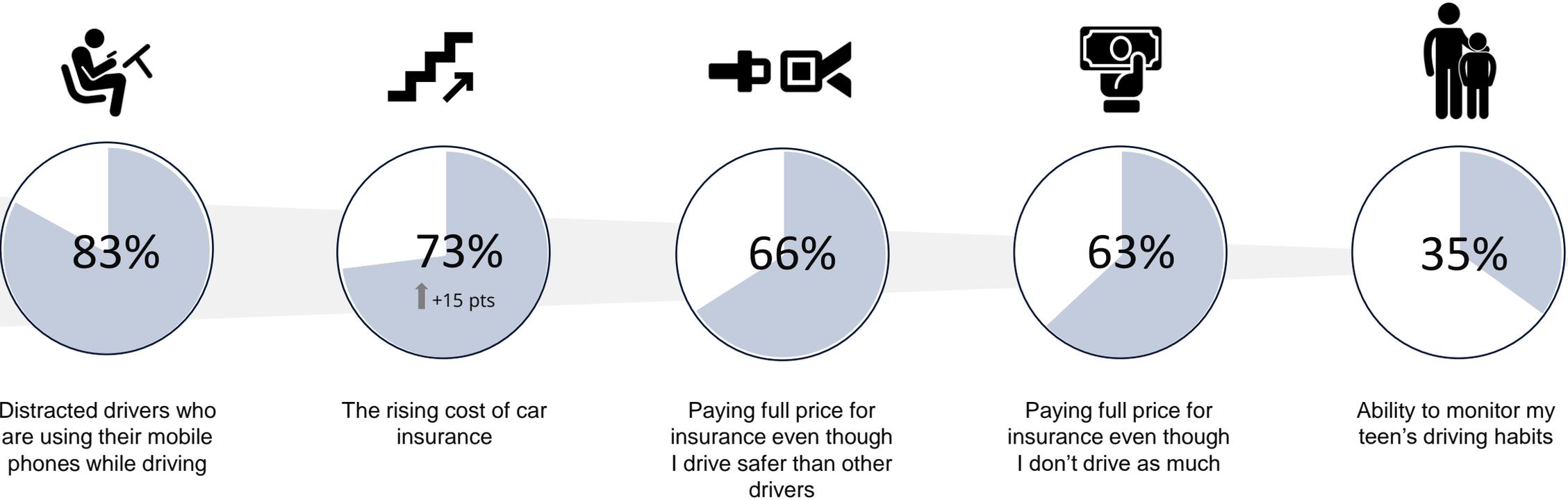
This year fewer agents feel that autonomous vehicles will make the roads safer, and 3 in 4 of both consumers and agents are concerned about the overall safety of vehicles becoming autonomous. Consumers 55 years of age or older are least likely to feel that autonomous vehicles will make for safer roads (32%) compared to all other generations (6 in 10).

Distracted drivers are a peak concern for consumers, followed by the costs associated with car insurance.

Similar to 2020, safety and the price of insurance is a concern to consumers. Concerns around the rising cost of car insurance increased 15% since last year.

Concerns About Car Insurance and Driving Behaviors

(Shown: % Top 2 Box on a 4-pt. Scale)



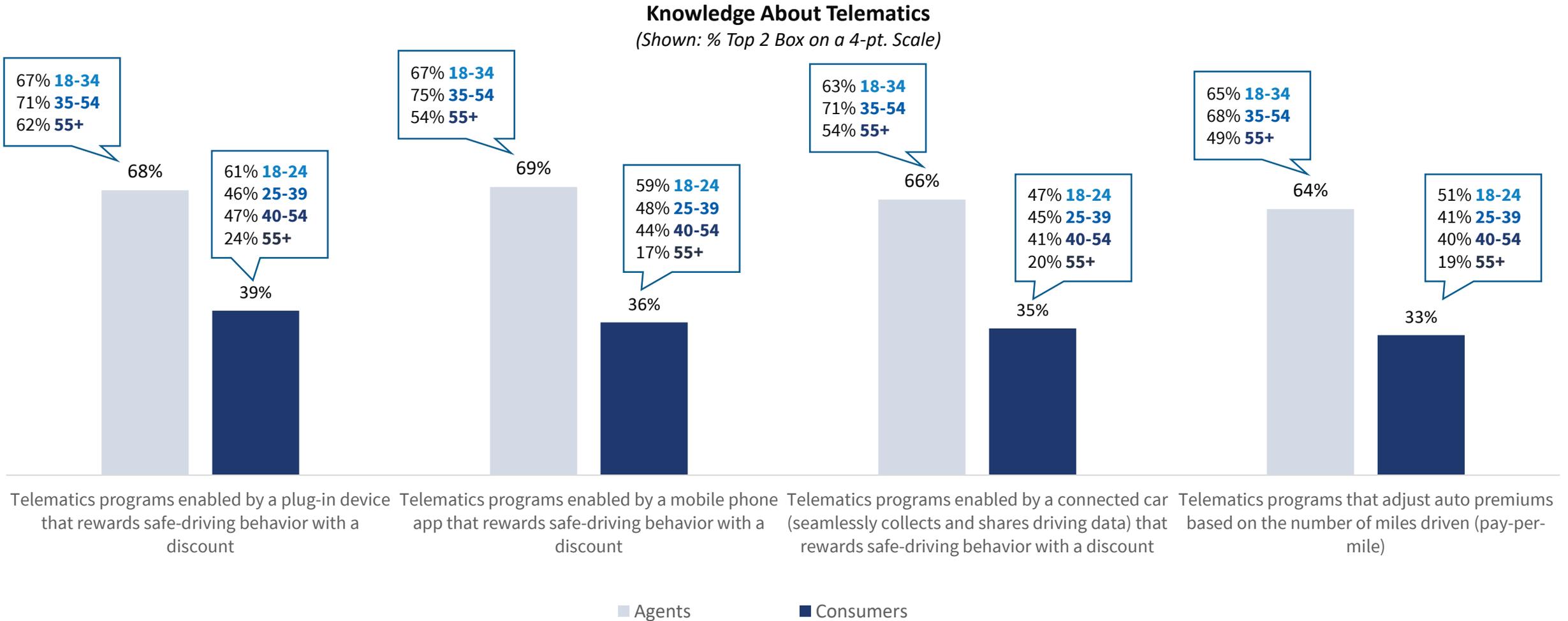
Values next to 2021 data indicate % change from 2020 to 2021

Q46. How concerned are you about the following?
Base: Consumers (n=1000)

**Data on this slide validates Key Finding #1

Just 6 in 10 agents are knowledgeable about the different types of vehicle telematics offerings and few seem to be passing this information onto their customers.

Older agents and consumers are the least likely to feel knowledgeable about different telematic programs.

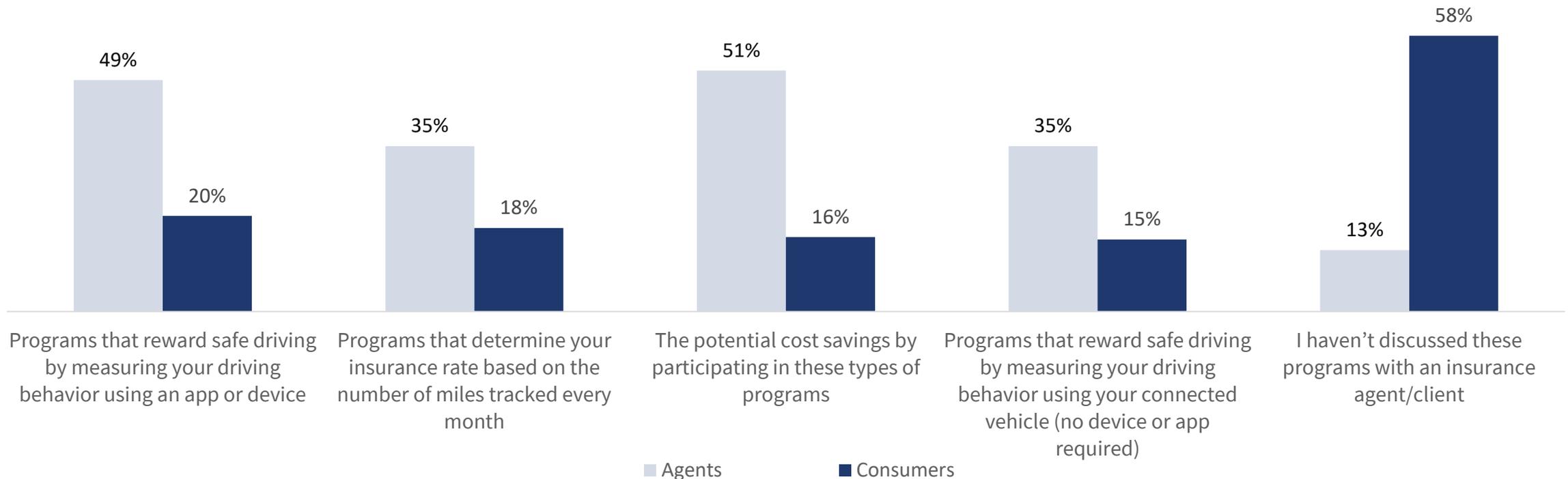


Q47. How knowledgeable are you about each of the following
Base: Independent Agents (n=400); Consumers (n=1000)

**Data on this slide validates Key Finding #2

There's a gap between agents reporting that they're having discussions around telematics with their customers, while consumers are far less likely to agree.

Topics Discussed with Agents
(Shown: % Select)



Q61: Have you had any discussions with your insurance agent about any of the following?

Q62: Which of the following, if any, are you discussing with your clients about telematics?.

Base: Agents (n=400), General Consumers (n=1,000)

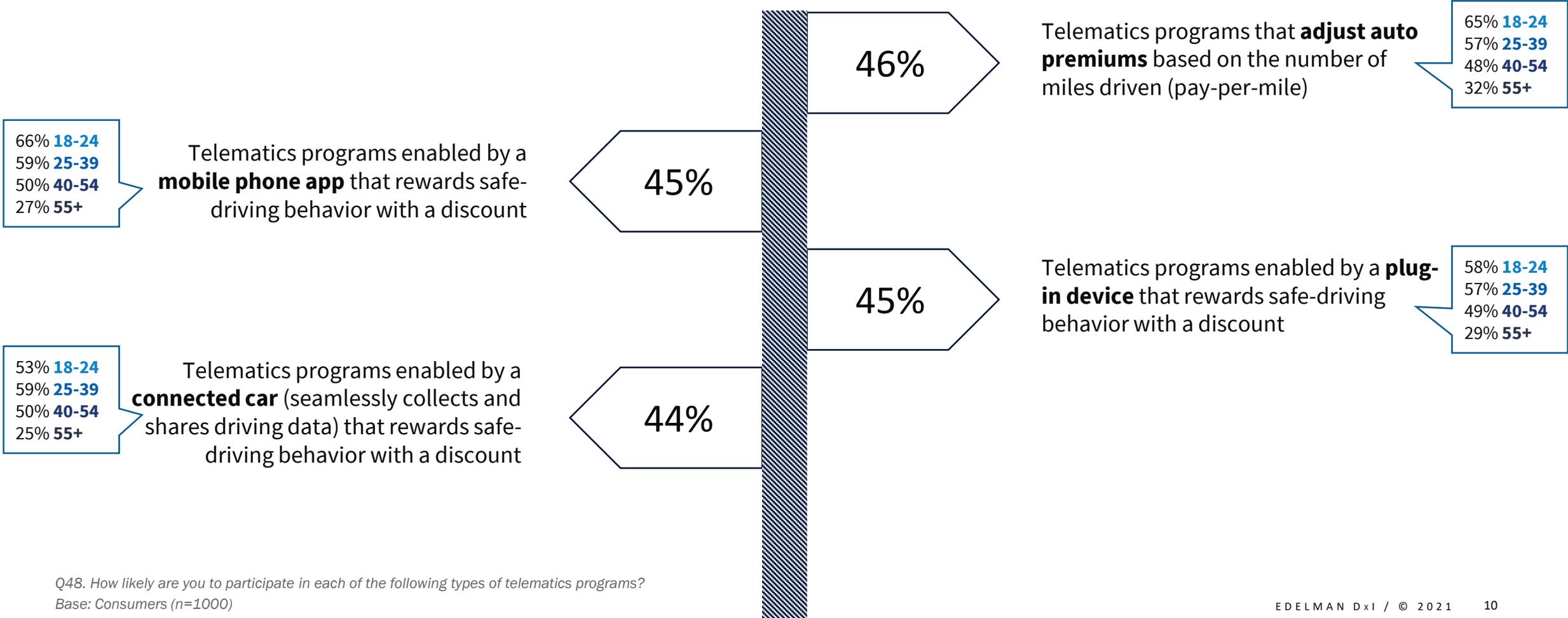
****Data on this slide validates Key Finding #2**

Nearly half of consumers are interested in participating in telematics programs, suggesting an opportunity for agents to educate their clients on available options.

Similar to knowledge of telematic offerings, consumers that are 55+ years old are the least likely to be interested in participating in these programs.

Likelihood to Participate in Telematics Programs

(Shown: % Top 2 Box on a 4-pt. Scale)

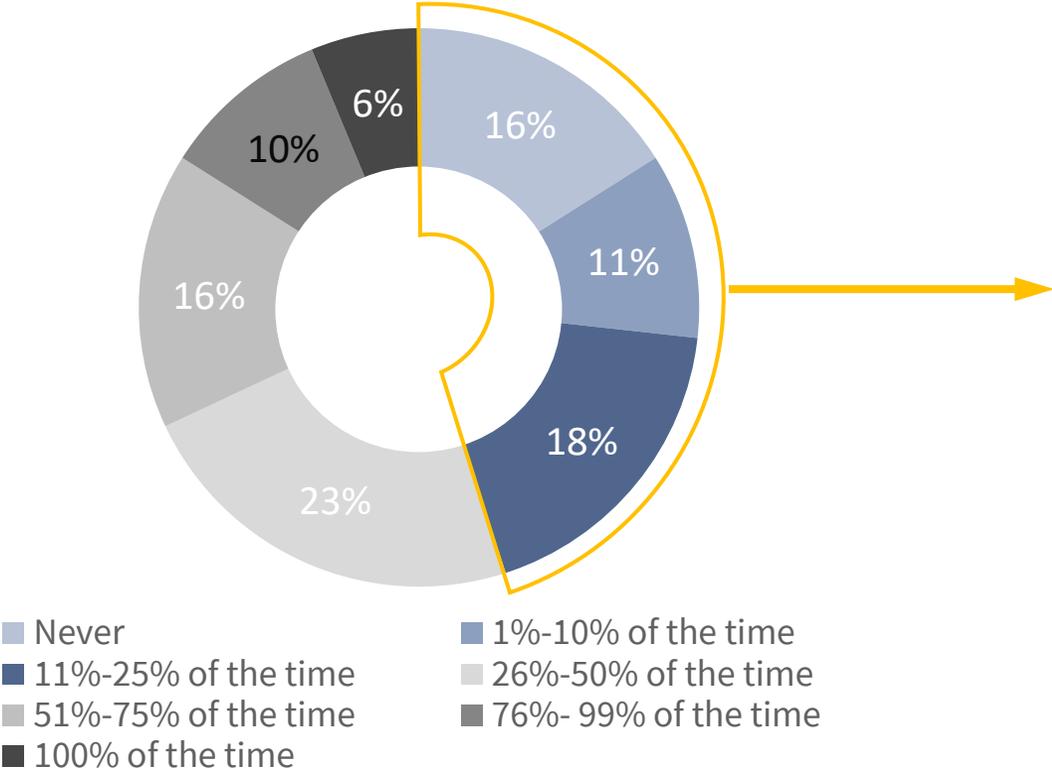


Q48. How likely are you to participate in each of the following types of telematics programs?
Base: Consumers (n=1000)

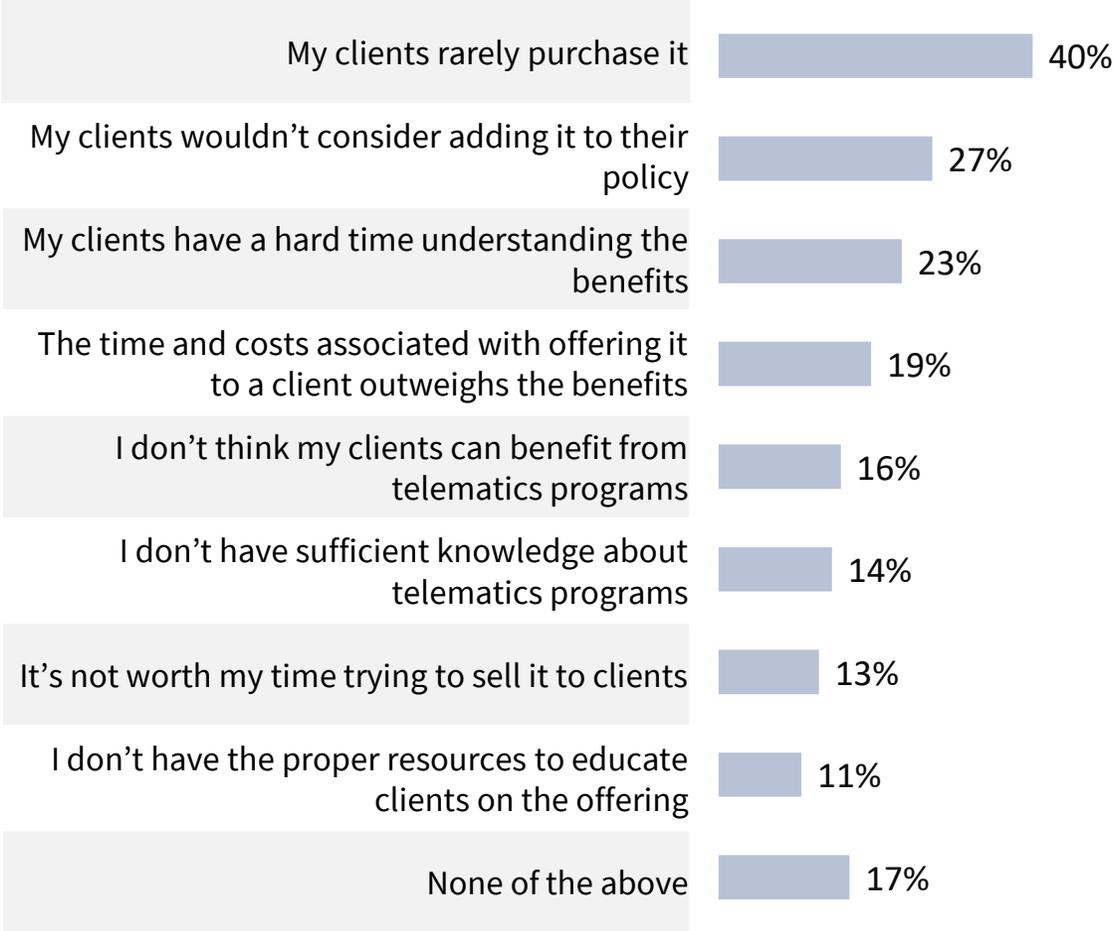
**Data on this slide validates Key Finding #3

45% of agents offer telematics to a quarter or fewer of their customers, citing low purchase intent as the main reason for not talking about telematic programs.

Frequency of Offering Telematics Programs to Clients
(Shown: % Select)



Reasons Why Agents Don't Offer Telematic Programs
(Shown: % Select)



Q52: How often do you offer telematics programs to your clients?

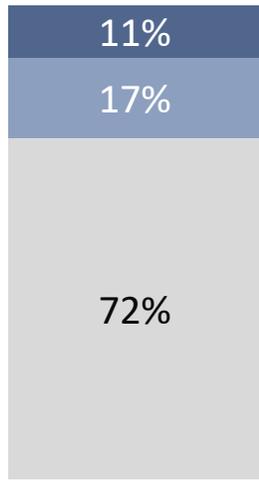
Q53: Which, if any, of the following are reasons why you rarely offer telematics programs to your clients.

Base: Agents (n=400)

**Data on this slide validates Key Finding #3

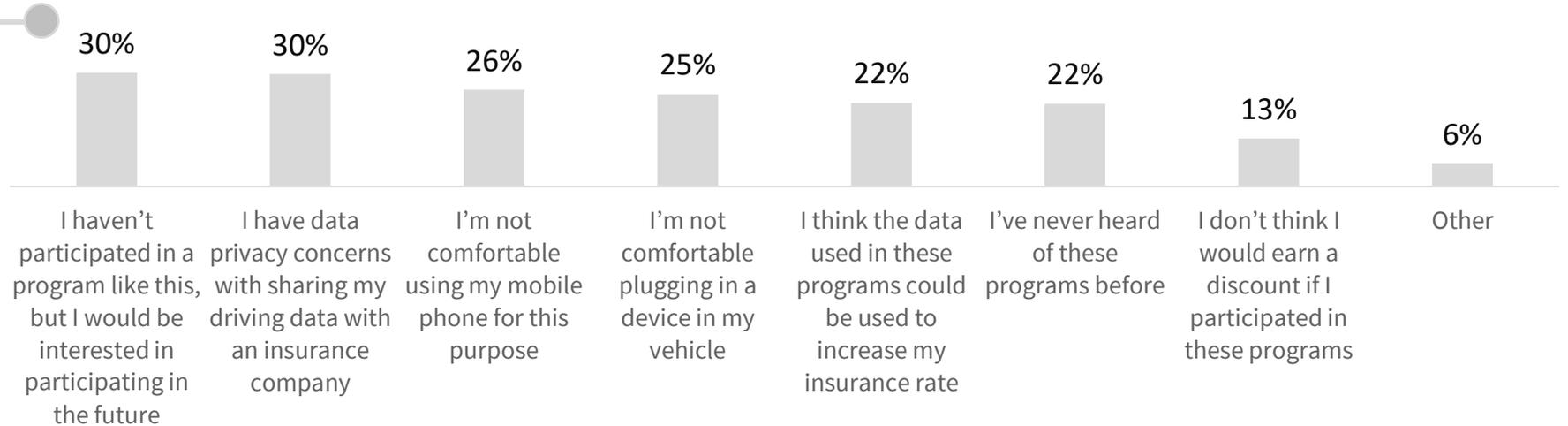
A majority of consumers have never participated in a telematics program, citing data privacy concerns as a top reason for never enrolling.

Enrollment in Telematics Programs
(Shown: % Select)



- I am currently enrolled in a program like this
- I have been enrolled in a program like this in the past, but not currently
- I have never been enrolled in a program like this

Reasons for Not Participating in Telematics Programs
(Shown: % Select)



Q49: Which of the following statements best describes whether you have been enrolled in a program that gives you a discount by measuring your driving behavior using a device that plugs into your vehicle or a mobile phone app?

Q50: You mentioned you have not participated in a program that measures your driving behavior using a device that plugs into your vehicle or a mobile phone app. What are the reasons why?

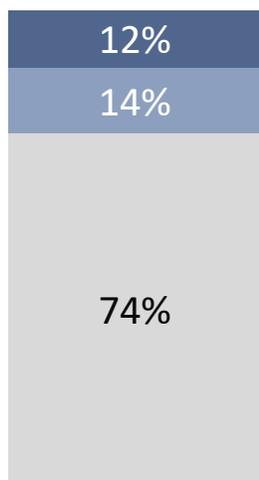
Base: General Consumers (n=1,000)

****Data on this slide validates Key Finding #4**

Of those that don't participate in a miles-driven telematics program, half agree that they would consider doing so in the future, suggesting that agents can help to educate them.

Enrollment in Miles-Driven Telematics Programs

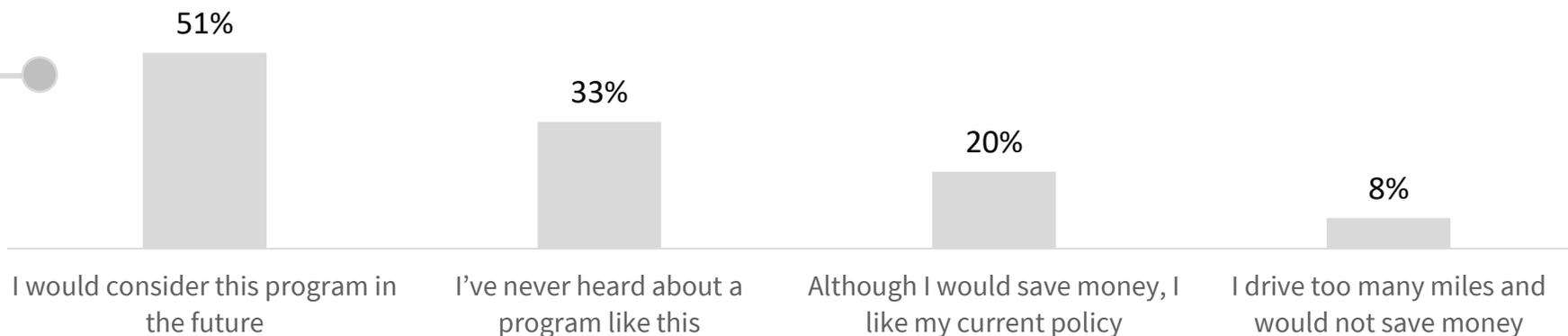
(Shown: % Select)



- I am currently enrolled in a program like this
- I have been enrolled in a program like this in the past, but not currently
- I have never been enrolled in a program like this

Reasons for Not Participating in Miles-Driven Telematics Programs

(Shown: % Select)



Q57: Which of the following statements best describes whether you have been enrolled in a program that determines your insurance rates based on the number of miles you drive every month?

Q58: You mentioned you have not participated in a program that determines your insurance rates based on the number of miles you drive every month. From the list below, please select each of the statements you agree with.

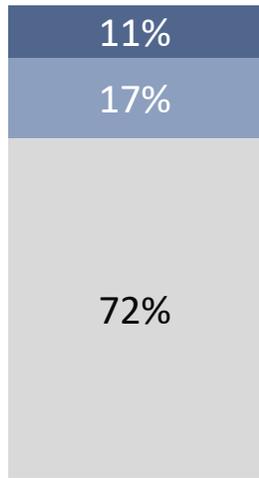
Base: General Consumers (n=1,000)

**Data on this slide validates Key Finding #4

Those who currently participate in telematic programs agree that saving money on their auto insurance is a top motivator for them.

Enrollment in Telematics Programs

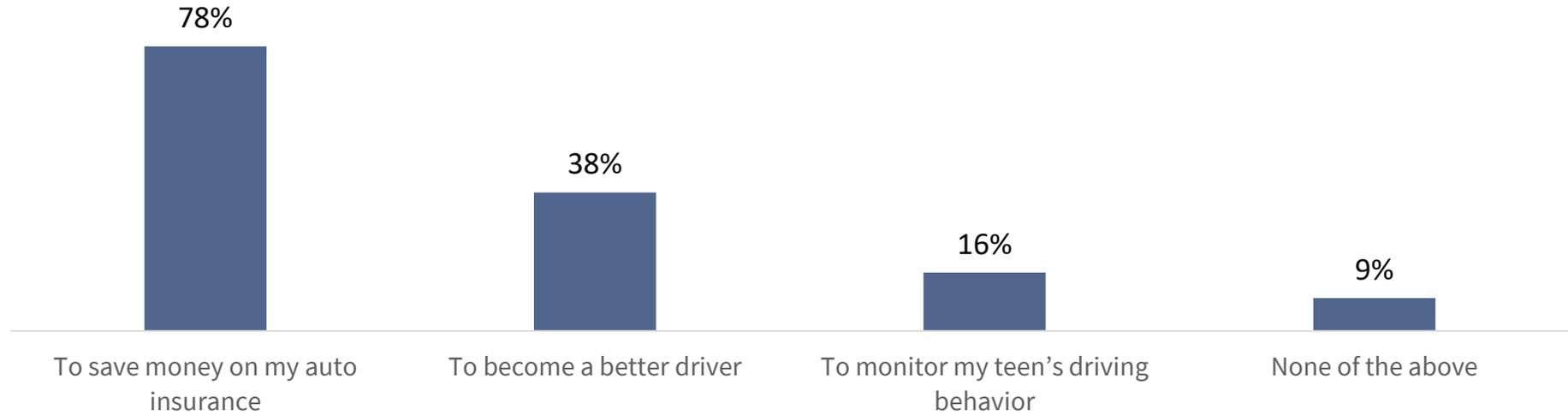
(Shown: % Select)



- I am currently enrolled in a program like this
- I have been enrolled in a program like this in the past, but not currently
- I have never been enrolled in a program like this

Reasons for Participating in Telematics Programs

(Shown: % Select)



Q49: Which of the following statements best describes whether you have been enrolled in a program that gives you a discount by measuring your driving behavior using a device that plugs into your vehicle or a mobile phone app?

Q56: You mentioned you are currently participating or have participated in a program that measures your driving behavior using a device that plugs into your vehicle or a mobile phone app. From the list below, please select all the reasons why.

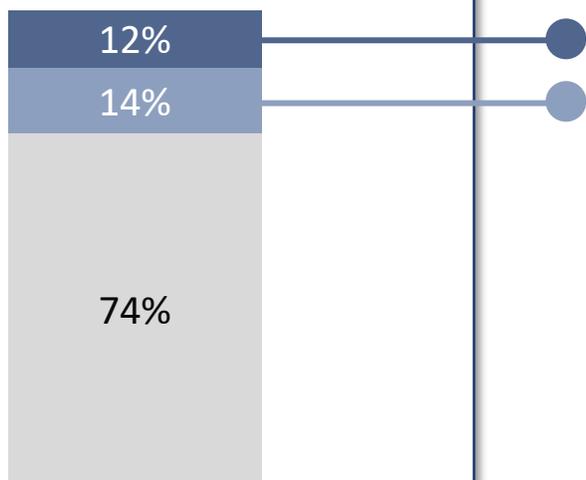
Base: General Consumers (n=1,000)

****Data on this slide validates Key Finding #5**

Among participants, having control of your monthly premium and not having to pay full price when you drive less, are main reasons for enrolling in miles-driven programs.

Enrollment in Miles-Driven Telematics Programs

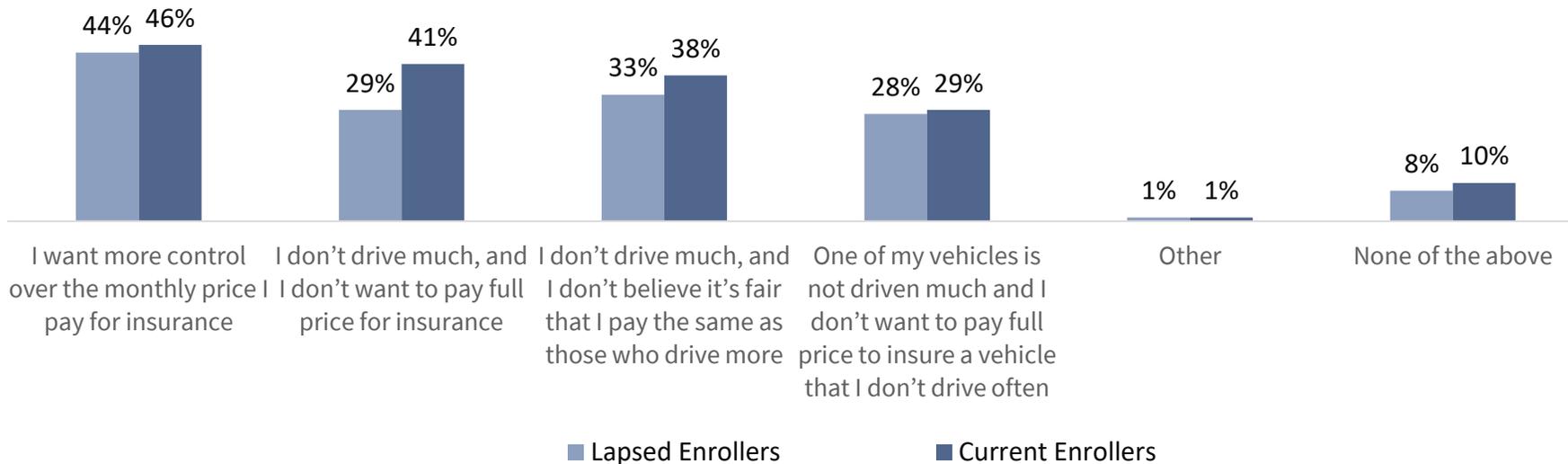
(Shown: % Select)



- I am currently enrolled in a program like this
- I have been enrolled in a program like this in the past, but not currently
- I have never been enrolled in a program like this

Reasons for Enrolling / Having Enrolled in Miles-Driven Telematics Programs

(Shown: % Select)



Q57: Which of the following statements best describes whether you have been enrolled in a program that determines your insurance rates based on the number of miles you drive every month?

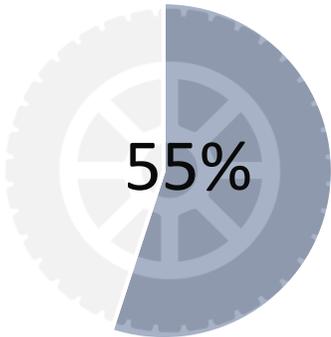
Q59: You mentioned you are currently participating or have participated in a program that determines your insurance rates based on the number of miles you drive every month. From the list below, please select all the reasons why you participate or have participated in the program.

Base: General Consumers (n=1,000)

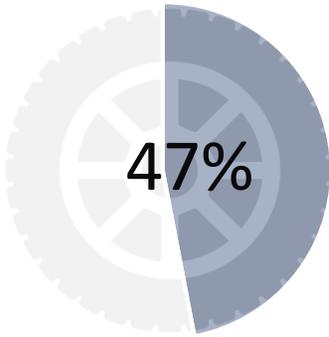
**Data on this slide validates Key Finding #5

Roughly half of agents agree that the biggest advantages for clients who adopt telematics is that it provides them with better pricing and gives them the ability to monitor their teen's driving behaviors.

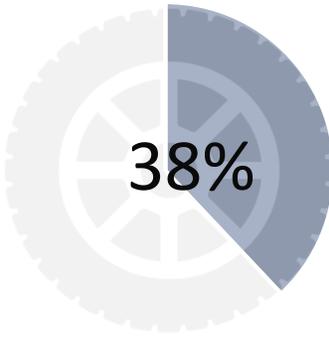
Advantages of Offering Telematics to Clients
(Shown: % Select)



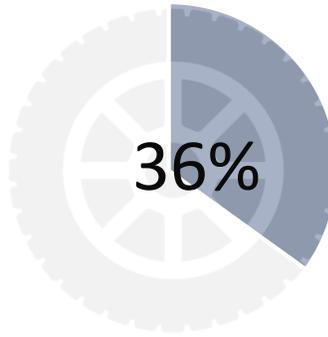
It helps me provide my clients with a more competitive price



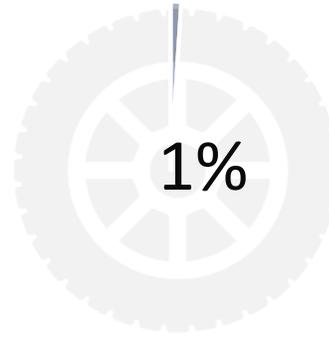
It helps my client monitor their teen's driving behavior



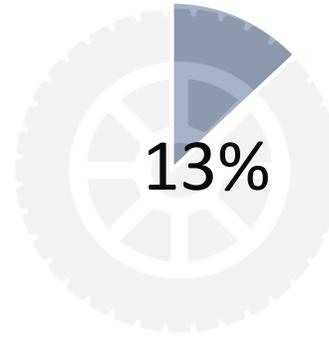
It helps my clients avoid costly claims



It helps me retain my clients



Other



None of these

Q55: Which, if any, of the following do you consider to be advantages of offering telematics to your clients?
Base: Agents (n=400)

**Data on this slide validates Key Finding #5

Nearly two-thirds of consumers trust their insurance agent to counsel them on driving behavior programs, while agents have improved on being ready to talk about it.

Principals continue to feel the most prepared to discuss telematics. Both producers and customer service reps have improved on being ready to discuss.

Consumer Attitude

(Shown: % Top 2 Box on 4-pt Scale)

64%

Trust their insurance agent to counsel them on driving behavior programs to help them save money on insurance

Agents' Preparedness to Counsel on Vehicle Telematics

(Shown: % Prepared)

Total Agents: 70%

↑+8 pts

67% 18-34
77% 35-54
50% 55+

79%

+ 0 pts

Principals

69%

↑+5 pts

Producers

48%

↑+19 pts

CSRs

Values next to 2021 data indicate % change from 2020 to 2021

Q63: How much do you trust your insurance agent to counsel you on programs that measure driving behavior for an opportunity to save money on auto insurance?

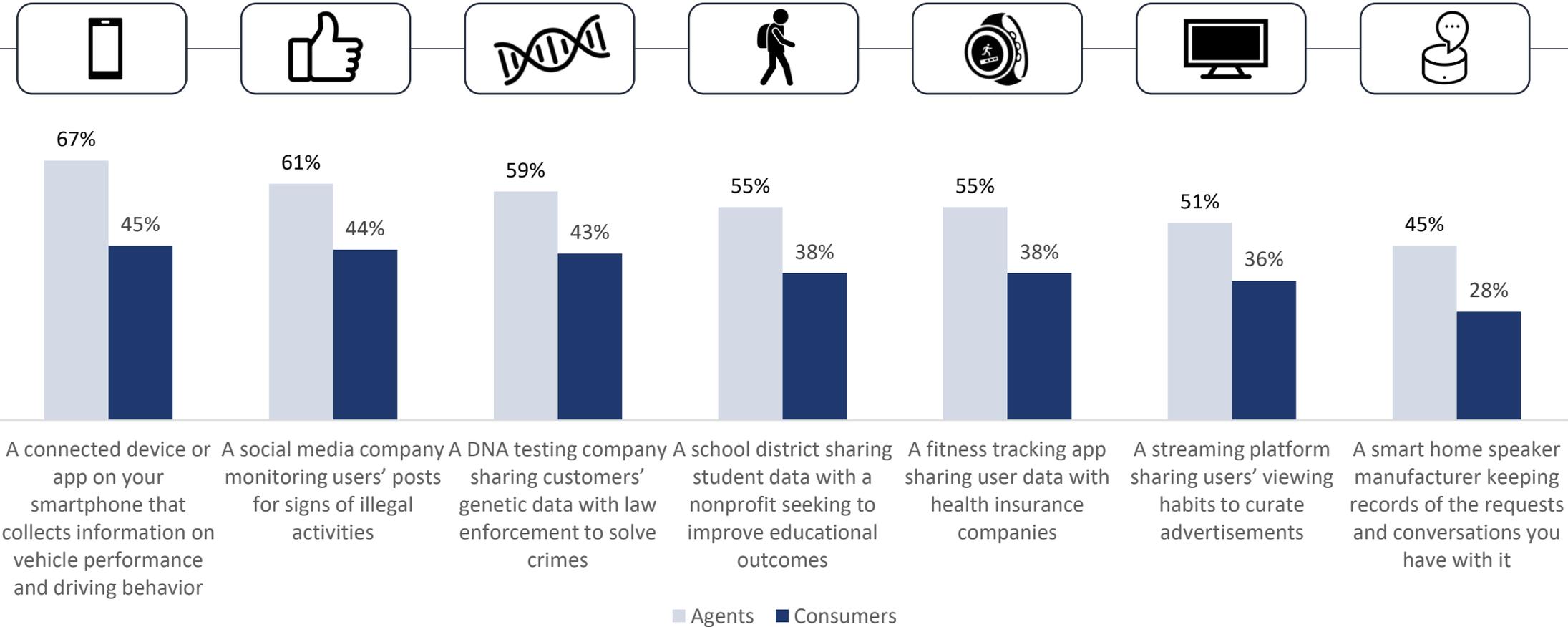
Q64: How prepared do you feel to counsel your clients on vehicle telematics?

Base: General Consumers (n=1,000), Principal Agents (n=156), Producer Agents (n=177), Customer Service Agents (n=67)

**Data on this slide validates Key Finding #6

Compared to agents, consumers are far less condoning of data usage; both audiences view collecting vehicle and driving information more acceptable than other scenarios.

Consumer's Perceptions of Data Usage
(Shown: % Top 2 Box Agree)

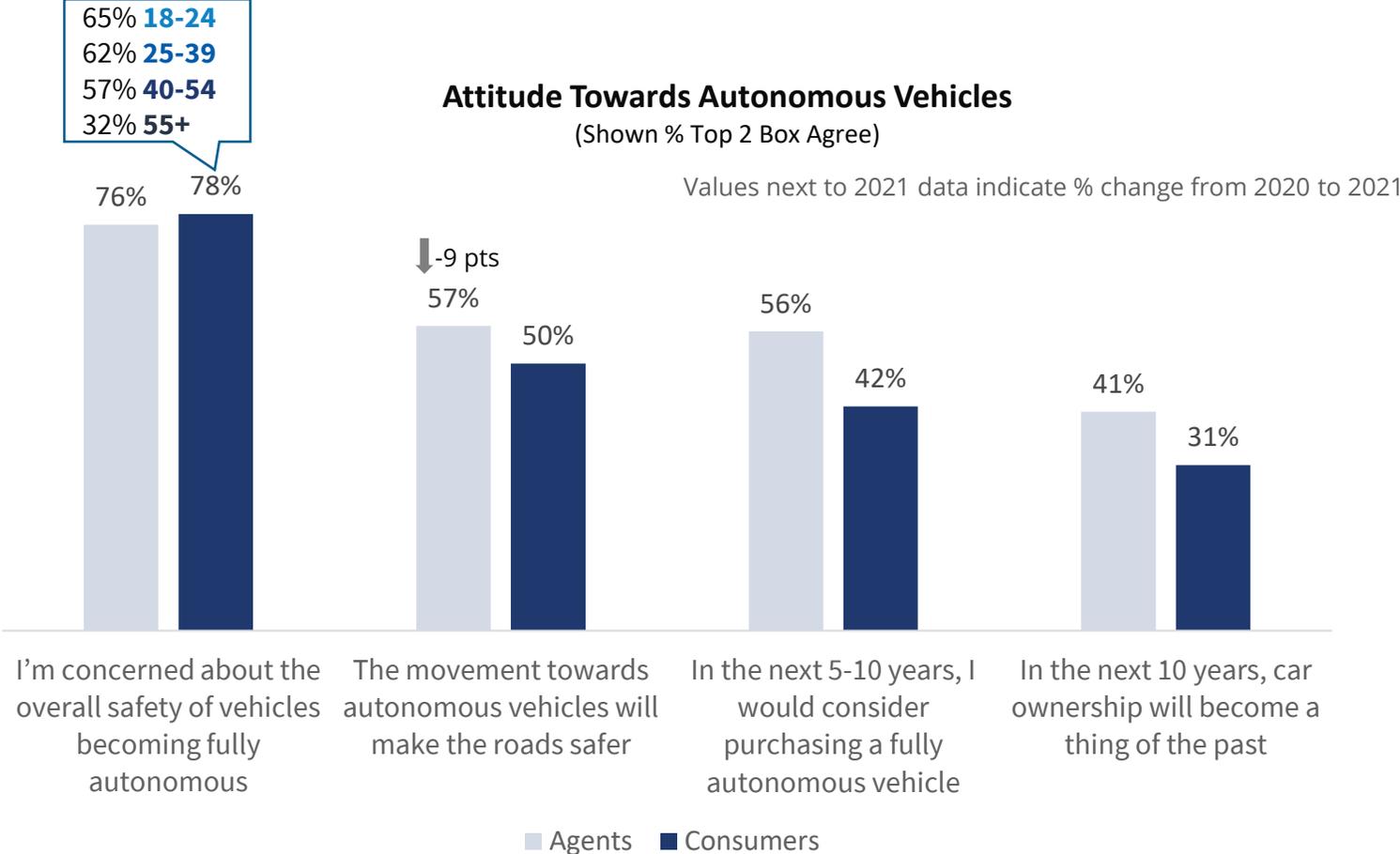


Q68: Before we move onto our next section, we'd like to ask you a question about various types of data usage. For each of the following, please tell us whether or not you believe the data usage is acceptable?
Base: Agents (n=400), General Consumers (n=1,000)

****Data on this slide validates Key Finding #7**

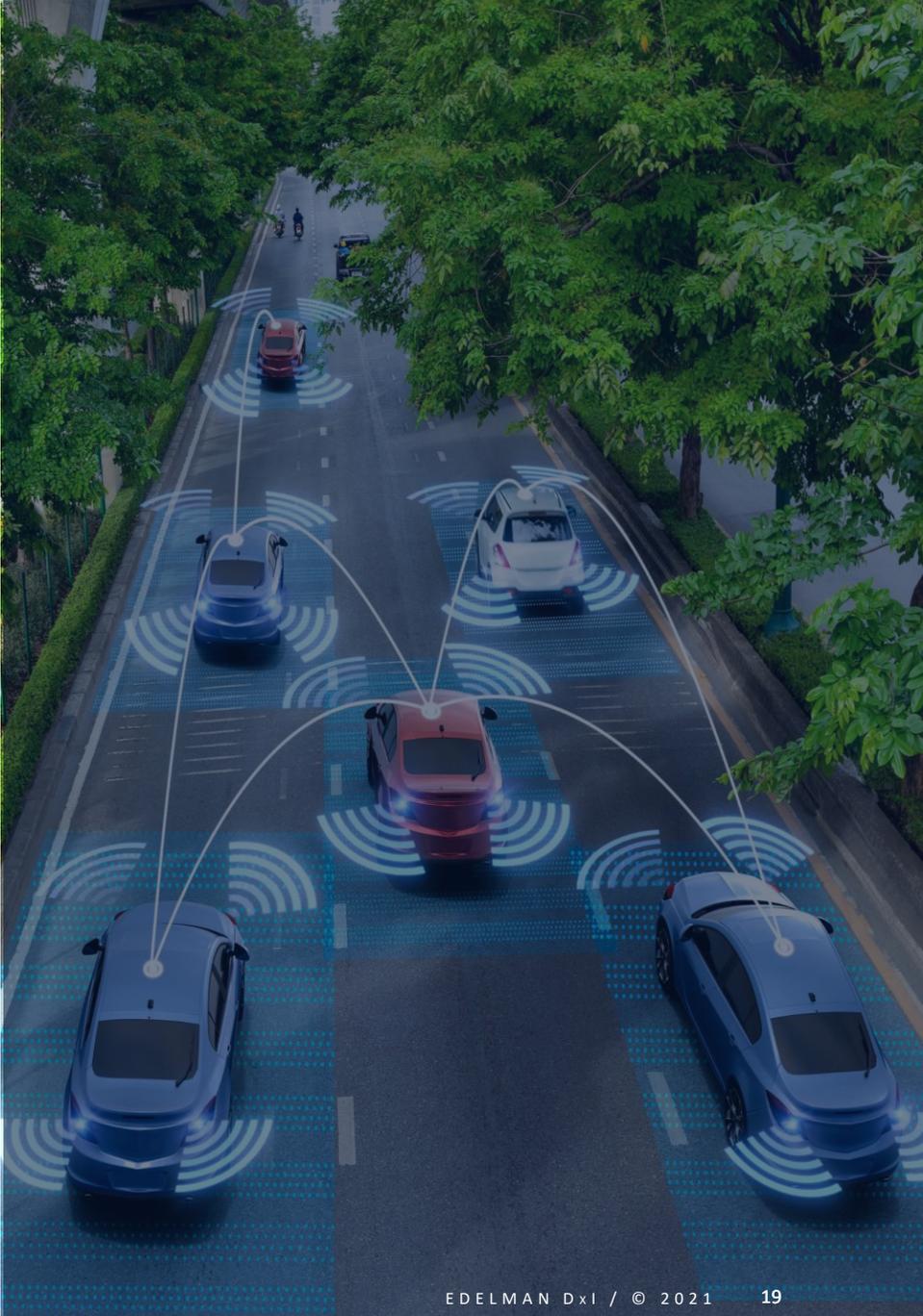
Agents and consumers are equally concerned about the future safety of autonomous vehicles, and the potential for those vehicles to make roads safer.

Fewer agents believe that autonomous vehicles will make the roads safer, a decrease of 9%.



Q67: How much do you agree or disagree with each of the following statements?
Base: Agents (n=400), General Consumers (n=1,000)

**Data on this slide validates Key Finding #8



COMMUNICATIONS OPPORTUNITIES

Data We Like	Tactics We Can Deploy	Supporting Material
<ul style="list-style-type: none">• Consumers are interested in telematics and looking to learn more• Agent knowledge on the topic needs to improve• Consumer’s comfort level with collection of driving information compared to other data collection such as streaming platforms• Consumer and agent privacy concerns more related to streaming/IoT devices, not telematics	<ul style="list-style-type: none">• Press release and/or Nationwide News story based on the drafted narrative + P&C trade exclusive• Infographic for slide 18 showing willingness around data usage• Single data pitch around consumer concern re: autonomous vehicles to select national media; consider additional supporting infographic• ‘How to’ choose the right telematics option, quiz or advice piece; consider a paid partnership	<ul style="list-style-type: none">• Estimated savings possible across telematics programs• Any data – potentially claims data – that shows how telematics decreases accidents (i.e., increases safety)• Infographics outlined in tactics



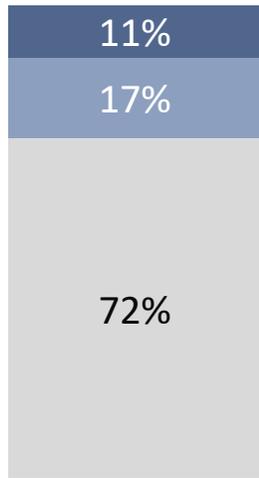
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Appendix

Additional Slides

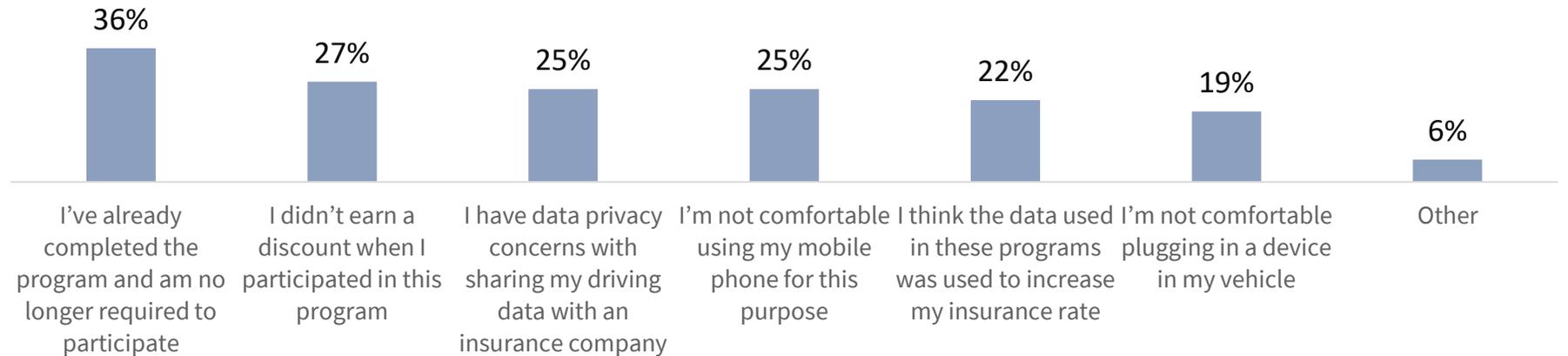
About 1 in 4 lapsed consumers no longer participate in the telematics program because they didn't receive a proper discount or they're concerned about data privacy.

Enrollment in Telematics Programs
(Shown: % Select)



- I am currently enrolled in a program like this
- I have been enrolled in a program like this in the past, but not currently
- I have never been enrolled in a program like this

Reasons for No Longer Participating in Telematics Programs
(Shown: % Select)



Q49: Which of the following statements best describes whether you have been enrolled in a program that gives you a discount by measuring your driving behavior using a device that plugs into your vehicle or a mobile phone app?

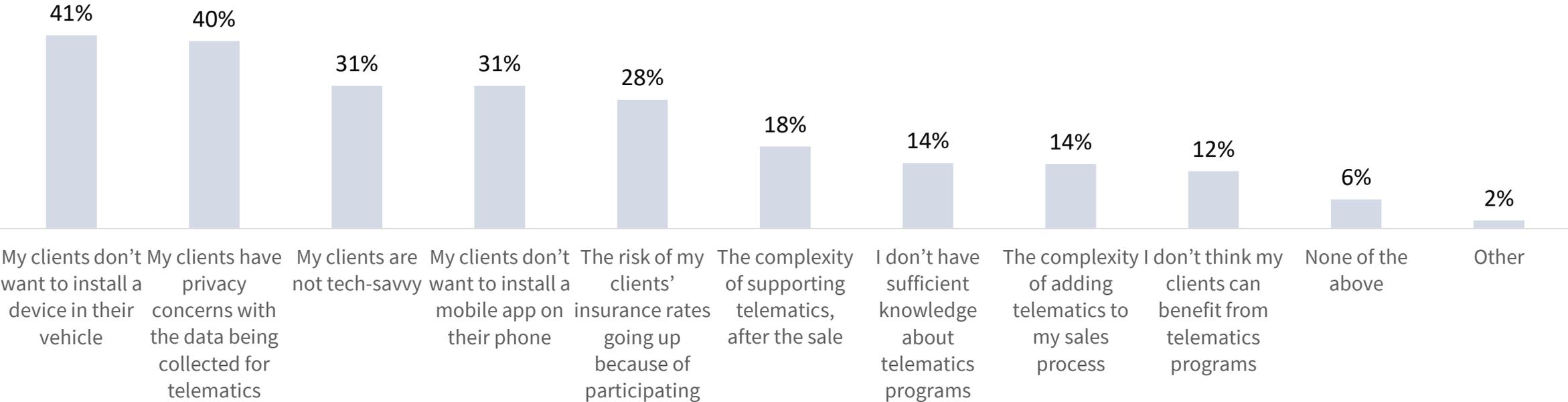
Q51: You mentioned you no longer participate in a program that measures your driving behavior using a device that plugs into your vehicle or a mobile phone app. What are the reasons why?

Base: General Consumers (n=1,000)

Agents believe the biggest barriers to customers participating is simply not wanting to or knowing how to install an app, having data privacy concerns, and clients believing their rates may increase.

Perceived Barriers to Telematics Programs

(Shown: % Select)



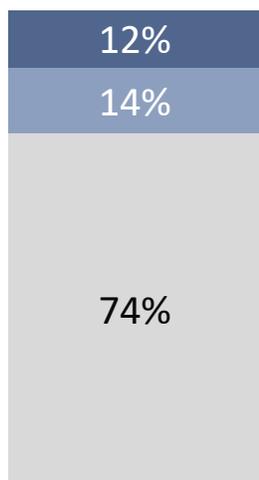
Q54: Listed below are potential barriers as to why clients don't participate in a telematics program.

Base: Agents (n=400)

The main reason consumers are not enrolled in a miles based telematics program lies in lack of awareness rather than dissatisfaction of the program

Enrolment in Miles-Driven Telematics Programs

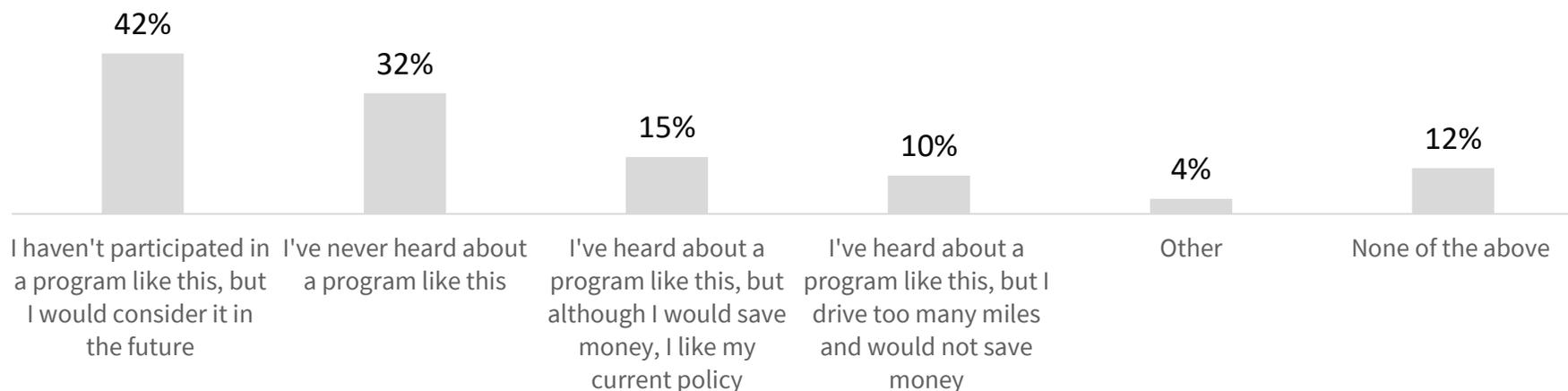
(Shown: % Select)



- I am currently enrolled in a program like this
- I have been enrolled in a program like this in the past, but not currently
- I have never been enrolled in a program like this

Reasons for Not Participating in Miles-Driven Telematics Programs

(Shown: % Select)



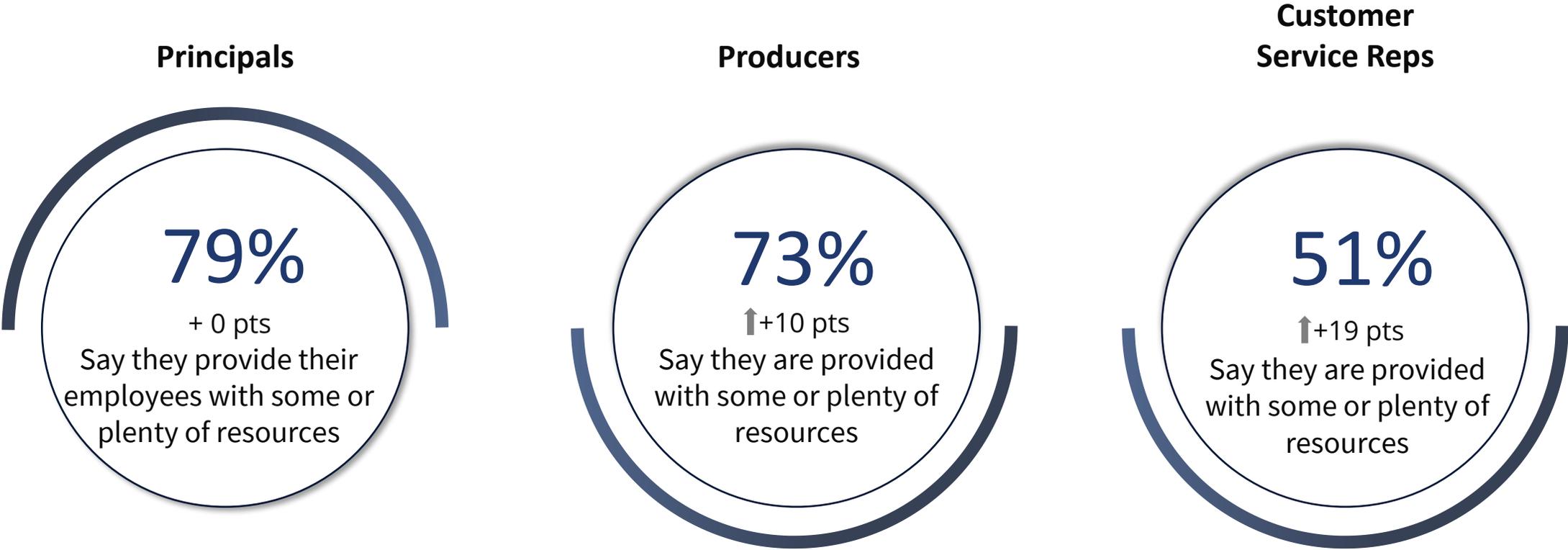
Q57: Which of the following statements best describes whether you have been enrolled in a program that determines your insurance rates based on the number of miles you drive every month?

Q60: You mentioned you are not currently participating or have not participated in a program that determines your insurance rates based on the number of miles you drive every month. From the list below, please select the reasons why you have not..

Base: General Consumers (n=1,000)

Compared to last year, producers and CSR agents feel that they are provided with significantly more resources to counsel customers on telematics.

Level of Resources Provided to Counsel Customers on Telematics
(Shown: % Top 2 Box on 4-pt scale)



Values next to 2021 data indicate % change from 2020 to 2021

Q65. Which of the following best describes the level of resources provided [S9/1: by you as a principal] [S9/2-3: by your employer] to counsel customers on telematics?

Base: Principal Agents (n=156), Producer Agents (n=177), Customer Service Agents (n=67)



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Appendix

Demographics



Demographics – Agents

Gender	
Male	49%
Female	51%
Non-binary	0%

Age	
18-39	52%
40-54	29%
55+	19%

Region	
Northeast	19%
Midwest	20%
South	39%
West	23%

Employment Status	
Full-time	93%
Part-time	7%

Role	
Principal or owner	39%
Producer or agent	44%
Customer service representative with responsibility for selecting carriers	17%

Size of Portfolio	
\$0-\$5,000,000	43%
\$5,000,001-\$50,000,000	25%
\$50,000,001+	24%
Prefer not to answer	8%

% of Sales	
Personal lines	42%
Commercial lines	21%
Financial services	16%
Employee benefits	13%
Agriculture	9%

Demographics – General Consumers

Gender	
Male	50%
Female	50%
Non-binary	0%

Age	
18-39	37%
40-54	26%
55+	37%

Region	
Northeast	21%
Midwest	19%
South	37%
West	22%

Employment Status	
Full-time	50%
Retired	26%
Part-time	8%
Unemployed	7%
Housemaker/Stay-at-home parent	7%
Student	3%

Marital Status	
Single, never married	24%
Married	55%
Divorced/Separated	11%
Widowed	5%
Civil Union	5%

Parent of Children	
Yes	61%
No	39%