



Case Study: kasko2go

AI-based road risk assessment with a performance guarantee

The case

According to Safer America, 1.3 million people die on the road every day worldwide. This statistic raises the question of how to significantly improve road safety and effectively assess the risk of accidents. Traditional road risk assessments conducted by insurers are often insufficient to predict potential accidents, as they usually take into account only limited factors. kasko2go has developed a solution to more effectively calculate traffic accident probability by processing environmental, historical accident and geo data alike. Pursuing an advanced data science and AI-based approach, kasko2go relies on Big Data analytics to assess the risk of being in an accident on every individual road segment and make this complex risk easier for insurers to calculate.

The challenge

Road safety is a major priority for every one of us: it's not just about damaging vehicles or roads, but a matter of life or death. While individuals are wondering how to improve their safety, insurers are concerned about conducting accurate risk assessments to reduce claims and boost profitability. This concern arises from a high loss ratio due to bad risk in their portfolios – e.g., currently more than 76% of income from motor insurance premiums is spent on claims, leading to low margins for car insurers.

The solution

kasko2go has developed an AI-based traffic accident technology that collects data from various sources and delivers personalised risk assessments for drivers. Normal Sigma performs reliable accident probability refractions by processing real-world accident data in conjunction with the weather, traffic density, time of day, and a range of other variables to calculate the risk of traffic accidents on road networks for each individual driver. kasko2go's AI-based risk analysis takes car insurers to the next level by enabling more precise pricing and enhancing the underwriting process.

Munich Re Group ran a due diligence on the performance of kasko2go's AI-based technology. This additional seal of quality lends credibility to the Normal Sigma solution, strengthening trust. More specifically, kasko2go now offers its solution together with a performance guarantee for the accuracy of its Risk Factor Reports, which is backed by a Munich Re Group company for pre-defined road segments. In the event of algorithm underperformance, kasko2go will provide financial compensation reimbursed by Munich Re

About Munich Re

Munich Re is one of the world's leading providers of reinsurance, primary insurance and insurance-related risk solutions. Since it was founded in 1880, Munich Re has been known for its unrivalled risk-related expertise and its sound financial position. It offers customers financial protection when faced with exceptional levels of damage. Munich Re possesses outstanding innovative strength. The company is playing a key role in driving forward the digital transformation of the insurance industry, and in doing so has further expanded its ability to assess risks and the range of services that it offers. The insurance for kasko2Go is underwritten by a primary carrier in the Munich Re Group, which is an S&P AA- rated international insurance company.

About kasko2go

kasko2go is an award-winning insurtech that helps companies to achieve profitable growth and influence the behaviour of their customers by offering information and raising awareness. kasko2go specialises in traffic accident prediction using AI-contextualised road risk solutions. Its platform offers reliable accident probability and severity evaluations by processing environmental and accident history data, among other sources..

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