

BORRADOR DE LA INTERVENCIÓN DE PILAR GONZÁLEZ DE FRUTOS, PRESIDENTA DE UNESPA, PRONUNCIADA EL 8 DE MARZO DE 2023 EN LA JORNADA 'ASSURANCE AUTOMOBILE ENTRE PROGRÈS TECHNOLOGIQUES & ÉVOLUTION DES MOBILITÉS' ORGANIZADO POR LA FÉDÉRATION MAROCAINE DES SOCIÉTÉS D'ASSURANCES ET DE REASSURANCE. EL ACTO SE DESARROLLÓ EN EL HOTEL HYATT REGENCY CASABLANCA (CASABLANCA, MARRUECOS). SE RUEGA COTEJAR CON EL DISCURSO FINALMENTE PRONUNCIADO.

MESDAMES ET MESIEURS, LADIES AND GENTLEMEN, GOOD MORNING TO YOU ALL. IT IS TO ME A GREAT PLEASURE BEING HERE TODAY, SO THE FIRST THING I WOULD LIKE TO DO IS TO THANK THE FÉDÉRATION MAROCAINE DES SOCIÉTÉS D'ASSURANCES, THE MOROCCAN FEDERATION OF INSURANCE UNDERTAKINGS, FOR THEIR INVITATION. I HAVE BEEN GIVEN THE TASK OF PRESENTING YOU SOME IDEAS ON THE PRESENT, AND MORE INTERESTINGLY, ON THE FUTURE, OF MOTOR INSURANCE. NATURALLY, ALL MY EXPERIENCE ON THIS SUBJECT DERIVES FROM THE EXPERIENCE OF MY MARKET, THE SPANISH MARKET.

I HAVE BEEN LINKED TO THE INSURANCE WORLD FOR SOMETHING OVER FORTY YEARS. THE UPSIDE OF THIS IS THAT THIS LONG EXPERIENCE IS A VALUABLE ASSET MAKING A SHORT LOOK ON WHAT HAS HAPPENED IN MOTOR INSURANCE IN THE LAST FOUR DECADES.

MOTOR INSURANCE WAS BORN AS A NECESSITY. PRIVATE MOTOR VEHICLES, WHICH WERE A CRUCIAL DRIVER OF GROWTH AND PROSPERITY SINCE THEY WERE GENERALISED, GENERATED SOME PROBLEMS AS WELL. THE FIRST AND MAIN PROBLEM STEMMING FROM MASSIVE VEHICLE USE WAS ITS CAPACITY TO DO HARM. YOU DO NOT NEED TO BE A RECKLESS DRIVER TO CAUSE DAMAGES. YOU DON'T NEED TO BE A CRIMINAL OR CARELESS TO CAUSE AN ACCIDENT, AND ROAD ACCIDENTS CAN BE GRUESOME. A GLOBAL COMPENSATION SYSTEM WAS NEEDED TO GUARANTEE ANY VICTIM THAT THE CONSEQUENCES OF HAVING BEEN DAMAGED WOULD BE OFFSET. THIS WAS THE BEGINNING OF INSURANCE.

IN ITS VERY FIRST MOMENTS ALL THAT MOTOR INSURANCE DID IT WAS SIMPLE: TO PAY. WE PAID FOR THE DAMAGES OUR INSURED'S CAUSED. HOWEVER, THINGS BEGAN TO CHANGE. VEHICLES BEGAN TO SOPHISTICATE THEMSELVES, AS THEY WERE USED BY BIGGER AMOUNTS OF PEOPLE; AND THE NEED OF SERVICES SURGED. THE MOTOR VEHICLE CAME TO BE ONE OF THE MOST FREQUENT DEVICES OF EVERYDAY LIFE. NOWADAYS, SPANISH TOTAL POPULATION AMOUNTS ROUGHLY TO FORTY SEVEN (47) MILLION PEOPLE; AND NOT LESS THAN THIRTY (30) MILLION OF THEM ARE DRIVERS. THE POSSESSION OF AT LEAST ONE PRIVATE VEHICLE IS PRESENT IN CLOSE TO EIGHTY (80) PERCENT OF SPANISH

HOUSEHOLDS, ACCORDING TO OFFICIAL STATISTICS. THE MASSIVE USE OF VEHICLES CREATED A DEMAND OF SERVICES LINKED TO THEM THAT IS, IN AN IMPORTANT DEGREE, PROVIDED BY INSURERS THROUGH WHAT WE KNOW AS VOLUNTARY MOTOR COVERS.

THE SPANISH MOTOR INSURANCE PROVIDES MORE THAN TEN (10) MILLION SERVICES PER YEAR NOWADAYS. WE PROVIDE THREE-POINT-SEVEN (3.7) MILLION TOW SERVICES; WE REPAIR EACH YEAR FOUR-POINT-TWO (4.2) MILLION VEHICLES. IN FACT, MOTOR INSURANCE IS, ALL THINGS CONSIDERED, PROBABLY, ONE OF THE BIGGEST, AND MORE EFFICIENT, SERVICE PLATFORMS THAT EXISTS IN SPAIN.

NOWADAYS, THERE ARE SEVERAL ELEMENTS THAT MAKE THE SPANISH MOTOR INSURANCE AS A BUSINESS MODEL TO WATCH. FIRST AND FOREMOST, THE AUTOMOBILE NATIONAL FLEET USED TO GROW AT A RATE OF SIX-PER-CENT (6%) TWENTY (20) YEARS AGO, WHILE NOW IT GROWS A MERE TWO-PER-CENT (2%), WITH OCCASIONAL NEGATIVE DIPS SUCH AS THE ONE WE WITNESSED BACK IN TWO-THOUSAND-AND-EIGHT (2008). HENCE, THE SPANISH MOTOR INSURANCE MARKET IS MUCH MORE LIMITED THAT WHAT IT USED TO BE, AND IT IS ALSO EXPERIENCING BOTTLENECKS AND OTHER SUPPLY-SIDE ISSUES DUE TO THE LACK OF SPARE PARTS FOR REPAIRS. MORE RECENTLY, IT HAS HAD TO FACE THE SURGE IN REPAIR COSTS DUE TO AN UNEXPECTEDLY HIGH INFLATION.

SECONDLY, THERE HAVE BEEN LEGAL NOVELTIES, SUCH AS THE UPDATE OF THE INJURY AND PERSONAL CASUALTY INDEMNITY CHARTS, THAT TRANSLATE INTO A COST INCREASE IN A HIGHLY REGULATED ACTIVITY, SUCH AS THE MOTOR INSURANCE BUSINESS LINE. SPAIN HAS A LEGALLY BINDING ASSESSMENT SYSTEM THAT ALLOWS TO CALCULATE THE INDEMNITIES FOR THE PERSONAL INJURIES DUE TO TRAFFIC ACCIDENTS. IN SPITE OF ITS RECENT INCREASE IN COSTS, THIS IS AN EXTREMELY USEFUL TOOL BECAUSE IT GIVES BOTH, VICTIMS AND INSURERS ALIKE, LEGAL CERTAINTY OVER SOMETHING THAT, OTHERWISE, WOULD DEPEND ON THE DISCRETION OF EACH JUDGE AND, THEREFORE, WOULD BE MORE DIFFICULT TO FORECAST FOR BOTH PARTS.

RUNNING PARALLEL ALONG THESE TWO PHENOMENA, GOES THE INCREASE IN CAR TRIPS THAT TRANSLATE INTO A SURGE OF THE ACCIDENTS FREQUENCY, WHILE THE SPANISH MOTOR PARK GETS OLDER AND OLDER. THE AGE OF PASSENGERS CARS IN SPAIN IS, CURRENTLY, THIRTEEN (13) YEARS ON AVERAGE. THIS IS AN ADDITIONAL PRESSURE ON THE PROFITABILITY OF AN EXTREMELY COMPETITIVE INDUSTRY WHICH ALREADY WORKS UNDER VERY TIGHT MARGINS.

SO WHAT I JUST DESCRIBED YOU IS THE PATH THAT WE HAVE TRODDEN IN SPAIN.

BUT, WHICH IS THE PATH WE ARE BOUND TO TREAD? WHAT LAYS AHEAD OF US?

WELL, THE FIRST THING I WOULD LIKE TO SAY TO YOU BEFORE ANSWERING THIS QUESTION IS THAT IF THERE IS SOMETHING I HAVE LEARNED FROM MY DECADES OF EXPERIENCE IS THAT INSURANCE DEVELOPERS CAN SURPRISE YOU AROUND ANY CORNER. THIS IS THE REASON WHY I HAVE BEEN ALWAYS CONVINCED THAT, FOR AN INSURER, THE MAIN POINT IS NOT KNOWING WHAT IS GOING TO BE THE FUTURE, BUT BEING ABLE TO ADAPT TO IT.

ANYWAY, THIS IS MY PRESENT IDEA OF THE FUTURE OF MOTOR INSURANCE: I THINK THAT MOTOR INSURANCE WILL BE CLOSELY LINKED TO A SOLE CONCEPT: DATA. INSURANCE HAS ALWAYS BEEN ABOUT DATA; YOU NEED TO KNOW WELL WHAT'S HAPPENED OUT IN THE PAST TO BE ABLE TO KNOW HOW CAN YOU COVER PRESENT RISKS. SO, FROM SOME POINT OF VIEW, INSURANCE HAS ALWAYS BEEN ABOUT DATA. HOWEVER, WHAT I AM TRYING TO CONVEY HERE, TODAY, IS THAT THE MOTOR-INSURANCE-LINKED DATA IS GOING TO BE HUGE. REAL, REAL HUGE. YES, WE ARE TALKING ABOUT BIG DATA. AND WE CAN CONCLUDE THAT, IF DATA IS INSURANCE, THEN BIG DATA WILL BE BIG INSURANCE.

LET ME TELL YOU SOMETHING. A FORMULA ONE (F1) VEHICLE CREATES IN ONE WEEKEND OF TRIALS AND COMPETITION AN AMOUNT OF DATA THAT IS ESTIMATED IN ONE

TERABYTE, WHICH IS ONE THOUSAND GIGABYTES OR ONE BILLION KILOBYTES. IF YOU STORED MUSIC FILES IN THE AMOUNT OF INFORMATION THAT A SINGLE F1 VEHICLE GENERATES IN A SINGLE WEEKEND, YOU WOULD BE ABLE TO REMAIN LISTENING WITH NO STOPS DURING THIRTY-THREE HUNDRED YEARS (3.300). YES, MORE THAN THREE MILLENIA!!

A PRESENT VEHICLE KNOWS A LOT OF THINGS ABOUT ITSELF AND, MORE IMPORTANTLY, ABOUT ITS DRIVER. THAT IS, ABOUT US. THERE ACTUALLY ARE SEVERAL EMBRYONIC EXPERIENCES THAT WE CAN OBSERVE ABOUT HOW THE USE OF THESE NEW STREAMS OF DATA CHANGE THE LANDSCAPE OF MOTOR INSURANCE. TAKE THE EXAMPLE OF ITALY. THIS COUNTRY HAD A HUGE PROBLEM OF HIGH PREMIUMS, ESPECIALLY AMONGST YOUNG DRIVERS AND THOSE FROM SOME SPECIFIC REGIONS, WHICH WAS TACKLED THROUGH THE OFFERING OF SIGNIFICANT DISCOUNTS IN THE CASE THAT THE CLIENT AGREED TO SHARE THE CAR'S BLACK BOX DATA WITH HIS INSURER. THE RESULT WAS THAT PREMIUMS REMAINED LOW WHILST CLAIMS COSTS SMOOTHED AND, AMONGST OTHER EFFECTS, FRAUD WAS DRAMATICALLY CURBED.

BIG DATA MEANS THAT, IN THE FUTURE, AN INSURED NOT ONLY WILL BE ABLE TO DEMONSTRATE THAT THEY HAD HAD NO ACCIDENTS IN, SAY, THE LAST FIVE YEARS. THIS

SAME DRIVER WILL BE ABLE TO DEMONSTRATE THAT THEIR DRIVING BEHAVIOUR IS ACTUALLY SMOOTH, THAT THEY ALWAYS PULL THE BRAKES IF THEY SEE AN AMBER LIGHT, THAT THEY DON'T USUALLY BREAK SPEED LIMITS, AND SO ON. A REALITY THAT OBVIOUSLY OPENS UP A WORLD OF POSSIBILITIES FOR THE INSURER IN TERMS OF INSURANCE-TAILORING.

AUTONOMOUS CARS WILL BECOME PREDOMINANT ON THE STREETS IN A NOT-SO-FAR AWAY FUTURE, AND THE INFORMATION GENERATED BY THESE VEHICLES WILL BE ESSENTIAL TO ESTABLISH THE CAUSE OF ACCIDENTS AND, THEREFORE, IN DETERMINING WHO IS LIABLE IN EACH CASE. ALL AGAIN THANKS TO DATA.

THE ABILITY TO CREATE DATA THROUGH THE VEHICLE'S SENSORS IS ONE SIDE OF THE COIN. THE OTHER SIDE IS CONNECTIVITY, ANOTHER NEW REALITY THAT IS POTENTIALLY ABLE TO TRACE AS MANY NEW PATHS OF EVOLUTION TO MOTOR INSURERS AS BIG DATA. IN THIS POINT OF MY SPEECH IS WHERE WHAT I SAID ABOUT MOTOR INSURANCE MUTATING INTO A SERVICE PLATFORM COMES TO BE REALLY CONSISTENT. NO MATTER HOW AMPLE THE PRESENT RANGE OF SERVICES IS, CONNECTIVITY IS BOUND TO MAKE IT GROW EXPONENTIALLY. THIS IS, ACTUALLY, THE POINT WHERE THE TWO PLANETS CALLED MOTOR INSURANCE AND INSURTECH ARE CLOSER IN THEIR ORBITS. MOTOR

INSURANCE AND INSURTECH ARE TWO WORLDS WHICH HAVE A LOT TO LEARN FROM EACH OTHER.

IN THE EUROPEAN UNION, THIS FUTURE HAS A GREAT ASSET IN ITS FAVOUR: THE EUROPEAN DATA STRATEGY. AFTER A LONG, COMPLEX AND TOUGH DISCUSSION, THE EUROPEAN AUTHORITIES AND LEGISLATORS HAVE FINALLY EMBRACED THE BASIC CONCEPT THAT THE OWNER OF DATA IS THE PERSON WHO GENERATES IT. THIS MEANS THAT REGULATION IS BOUND TO RECOGNISE THAT THE RIGHT TO SHARE DATA REMAINS IN THE CLIENT. THIS WILL CREATE THE MOST EMPOWERED CLIENT IN INSURANCE HISTORY AND THIS WILL FORCE ALL OF US, INSURERS, TO CONSTANTLY IMPROVE OUR PROCESSES AND CLIENT MANAGEMENT STRATEGIES.

THE SECOND BIG POINT THAT I THINK WILL BE PRESENT IN THE FUTURE OF INSURERS –AND PLEASE TAKE NOTE OF THE FACT THAT I HAVE NOT SAID “MOTOR INSURERS”– IS THE QUESTION OF WHAT WE SOMETIMES CALL PERSONAL MOBILITY VEHICLES. AMONGST THESE WE FIND DEVICES LIKE ELECTRIC SCOOTERS, ELECTRONICALLY POWER-ASSISTED CYCLES OR EPACs, ETCETERA. IT IS OBVIOUS TO EVERYONE THAT THESE VEHICLES ARE OF GREAT IMPORTANCE FOR MOBILITY IN DENSE CITIES AND THAT IT IS A REALITY THAT IS HERE TO STAY. THE GROWING USE OF THESE DEVICES IS AROUSING THE PROBLEM LINKED TO



THE ACCIDENTS THEY CAUSE, AND THERE IS A DEBATE IN SEVERAL COUNTRIES, SPAIN AMONGST THEM, ON THE QUESTION OF A POSSIBLE INSURANCE COMPULSION.

THE POINT OF VIEW OF THE SPANISH INSURERS ABOUT THIS QUESTION IS THAT THERE PROBABLY HAS TO BE A COMPULSORY INSURANCE; BUT NOT A COMPULSORY MOTOR INSURANCE. THERE ARE SEVERAL TECHNICAL REASONS TO SUSTAIN THE IDEA THAT THESE DEVICES ARE NOT PROPERLY SPEAKING MOTOR VEHICLES, SO WE THINK THAT THE APPROACH TO THE PROBLEM SHOULD BE DIFFERENT. THE INSURANCE OF THESE DEVICES SHOULD BE BASICALLY A GENERAL LIABILITY INSURANCE.

THE NATURE OF THE DAMAGES POTENTIALLY CAUSED BY THESE DEVICES IS RADICALLY DIFFERENT THAN THOSE OF THE MOTOR VEHICLES, HENCE THE LEGAL TREATMENT SHOULD BE ALSO DIFFERENT.

LIKewise, A GENERAL LIABILITY POLICY WOULD BE MORE SUITABLE FOR THE CUSTOMER BECAUSE IT CAN BE FLEXIBLE ENOUGH TO TURN INTO A PAY-PER-USE INSURANCE OR A PAY-WHAT-YOU-RIDE PRODUCT. THE PRICE OF A PERSONAL MOBILITY DEVICE POLICY SHOULD BE CHEAPER TOO BECAUSE THE RISK ENTAILED BY THE USE OF SUCH A VEHICLE IS CERTAINLY SMALLER THAN THAT OF AN AUTOMOBILE. PROTECTIONS

DESIGNED IN SUCH A WAY WOULD PROBABLY MEET THE CUSTOMER'S NEEDS IN A MORE ACCURATE WAY.

THE THIRD BIG POINT I SEE IN THE FUTURE OF MOTOR INSURANCE IS THAT LINKED TO THE GENERAL USE OF NEW TECHNOLOGIES IN THE DAILY WORK DEVELOPED BY THE INDUSTRY. MY PERSONAL EXPERIENCE, AND THE RESULTS OF SOME ANALYTICAL WORKS THAT HAVE BEEN DISCLOSED IN MY COUNTRY, ALLOW ME TO FORMULATE A BASIC CONCEPT: IN THE PAST, WHEN THE USE OF DIGITALISATION OUTCOMES WAS BASICALLY THEORETICAL, IT WAS FORECASTED THAT THE MAIN NEW DIGITAL SOLUTIONS WOULD BE DEVELOPED IN THE FIELD OF SUBSCRIPTION. HOWEVER, IT SEEMS THAT THE REAL FIELD WHERE DIGITALISATION IS BEING APPLIED IS IN THE COMMUNICATION AND MANAGEMENT OF CLAIMS.

INDEED, THOUGH WE NEED MORE INFORMATION TO CONFIRM WHAT NOWADAYS ARE MERE SUSPICIONS, THERE SEEMS TO BE THAT THE MAIN FIELD OF PRESSURE FROM CONSUMERS IN ORDER TO DIGITALISE THEIR RELATIONSHIP WITH THEIR INSURER HAS BEEN THE CLAIMS HANDLING WORLD. BEFORE TWENTY-TWENTY (2020), THERE ALREADY EXISTED THIS DEMAND; BUT ONE THING THAT IS CLEAR IS THAT THIS DEMAND WAS UTTERLY STRESSED AFTER THE PANDEMIC CRISIS, THE LOCKDOWN AND THE PROGRESSIVE

LIFTING OF MOVEMENT RESTRICTIONS. LOCKDOWN OBVIOUSLY CURTAILED DEEPLY THE NUMBER OF CAR ACCIDENTS AND MOTOR CLAIMS, BUT IN SPITE OF THIS TRAFFIC ACCIDENTS DID NOT DISAPPEAR ALTOGETHER. AND THOSE THAT PANNED OUT DEMANDED THE USE OF SOPHISTICATED NEW TECHNIQUES, SUCH AS IMAGE-BASED ASSESSMENT OF MATERIAL DAMAGES.

MOTOR INSURANCE IS NOT ALIEN TO THE GENERAL MARKET DYNAMICS DICTATED BY TIME, WHICH MEANS THE GROWING JOINING IN OF NEW, YOUNG CUSTOMERS, WHICH ARE DIGITAL NATIVES AND HENCE DEMAND THEIR PROVIDERS TO BE ABLE TO COMMUNICATE WITH THEM IN THE WAY THEY ARE ACCUSTOMED TO. THIS IS A FASCINATING TASK THAT HAS TWO MAIN LANDMARKS. THE FIRST IS THE BIRTH AND IMPROVEMENT OF THE OPEN INSURANCE ENVIRONMENT, WHICH IS ANOTHER SOURCE OF SERVICE AND OFFER ENRICHMENT TO INSURERS; AND, SECOND, THE INTRODUCTION OF ARTIFICIAL INTELLIGENCE SCHEMES AND SOLUTIONS, WHICH POSE SOME ETHICAL QUESTIONS THAT MUST BE METICULOUSLY CONSIDERED.

THESE ARE SOME OF THE BASIC ELEMENTS THAT I SEE IN A FORESEEABLE FUTURE FOR MOTOR INSURANCE. NEVERTHELESS, THERE IS ANOTHER IDEA I WOULD LIKE TO SHARE WITH YOU BEFORE CLOSING MY SPEECH, AS A FINAL REMARK.

SOME MONTHS AGO, THE SPANISH PRIVATE INSURERS AND REINSURERS ASSOCIATION SPONSORED A DEEP ANALYSIS ON THE QUESTION OF WHAT WILL BE THE IMPACTS OF DIGITALISATION ON INSURANCE. AMONGST THE MANY CONCLUSIONS THAT WE TOOK FROM THIS WORK, I WOULD LIKE TO STRESS A SINGLE ONE.

THE RESULTS OF THE SURVEY MADE VERY CLEAR THAT THE SPANISH INSURANCE CONSUMER HAS A NEAT APPETITE FOR DIGITAL SOLUTIONS. THEY WANT TO BE AS SWIFTLY AND EFFICIENTLY ATTENDED BY THEIR INSURANCE COMPANY AS THEY ARE BY THEIR OTHER SERVICES' PROVIDERS. BUT, AT THE SAME TIME, THEY DO NOT WANT TO LOSE HUMAN CONTACT. INSURANCE MEANS PROTECTION, AND THIS MEANS THAT, EACH TIME AN INDIVIDUAL BUYS AN INSURANCE COVER, THEY EXPECT TO BE ACCOMPANIED AND PROTECTED. AS A RESULT, THE SAME CONSUMER WHO DEMANDS A DIGITAL ENVIRONMENT FOR THEIR INSURANCE RELATIONS STRONGLY REJECT, FOR EXAMPLE, THE USE OF AUTOMATED TELEPHONE SWITCHBOARDS. EACH TIME THEY DIAL THEIR INSURER'S PHONE NUMBER, THEY EXPECT TO BE ATTENDED BY A HUMAN; EXACTLY THE SAME HAPPENS WHEN THEY HAVE A DOUBT, OR A CONCERN, OR A COMPLAINT.

AT THE END OF THE DAY, AND THIS IS MY LAST MESSAGE TO YOU, WE ARE GOING TO FIND VERY, VERY DIFFERENT THINGS IN THE FUTURE. WE WILL BE OBLIGED TO

ASSIMILATE AND GET ACCUSTOMED TO REALITIES EVEN OPPOSITE TO THOSE THAT WE NOWADAYS DEEM ORDINARY. FUTURE, THEN, IS DIFFERENT TO PRESENT.

A WISE FUTURE WILL NOT CONSIST IN LEAVING BEHIND EVERYTHING THAT WE HAVE DONE TO THIS DAY. IN THE FUTURE, WE WILL HAVE TO ALSO BE INTELLIGENT ENOUGH SO AS TO DO OUR WORK, SOMEHOW, EXACTLY AS WE DO IT TODAY.

THANK YOU VERY MUCH FOR YOUR ATTENTION.

BORRADOR