



Contact: Sheri Scott
Milliman, Inc.
Tel: +1 415 394 3745
Sheri.Scott@milliman.com

FOR IMMEDIATE RELEASE

Press Release

Milliman: New smartphone-based driving risk score detects drivers that are 13 times more likely to crash

SEATTLE – OCTOBER 10, 2017 – Milliman, Inc., a premier global consulting and actuarial firm, today announced a new innovation in the InsurTech space – a driving “risk score” created with tech start-up Zendrive that is up to six times more powerful than the leading predictive models.

Milliman teamed up with Zendrive, a smartphone-powered driving analytics company, to study how distracted driving and other driving behaviors can lead to auto collisions. Using Zendrive data, Milliman verified the behaviors that were strong indicators of collision frequency and created a risk score to compare the “worst” drivers relative to the “best.” Their findings revealed that the worst 10% of drivers were over 13 times more likely to be involved in a crash than the best 10% of drivers. The results were based on one of – if not the – largest telematics data set in the U.S. As of today, Zendrive has captured over 40 billion miles of driving behavior via smartphone sensors.

“Smartphones can measure driving behaviors that traditional, first-generation telematics can’t, such as who is driving the vehicle and phone usage contributing to distracted driving,” said Sheri Scott, a principal at Milliman and co-author of the study. “These new-age predictors contributed to a risk score that is over six times more accurate than the current industry leader models, which use traditional hardware-based telematics devices. There’s an opportunity here for auto insurers, especially commercial auto fleet insurers, to be early-adopters of this technology, and improve their ability to measure and rate risk.”

To read more about the study, go to <http://www.milliman.com/driving-risk-score/>. To read more about Milliman’s InsurTech research, go to www.milliman.com/insurtech. To subscribe to Milliman’s InsurTech updates, contact InsurTech@milliman.com, or follow Milliman at www.twitter.com/millimaninsight.

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