How Greater Than sees driver risk differently

The way risk is priced in the automotive industry is deeply flawed. Greater Than's technology not only provides a solution to this, but also paves the way for safer drivers and roads.

Greater Than

Sten Forseke founded Greater Than on the idea that AI technology could be used to predict driver risk, road safety and energy consumption in a revolutionary way, plugging the gaps of existing solutions and solving major pain points of the industry.

"The perceived way and metrics of safe driving, such as whether there is harsh braking or acceleration, is not an accurate measure of everything. It does not tell you anything about who is going to cause a car crash," Forseke said.

Improving society

A small minority of the population cause the majority of road crashes, Forseke said. "So, 15% of us cause 50% of all car crashes, and hence the cost of those car crashes. The other majority, the 85%, cause the other half and so they're attached to 50% of the cost."

What this means is that the safer majority are taking on an unfair share of the risk caused by the minority. Greater Than separates these two groups. This is attractive to customers as they can be certain they are paying for a policy that accurately reflects the level of risk they pose.

What's more, it is also beneficial to the insurers and society. "The beauty of correct pricing," Forseke said, "is if you price correctly, the minority group will notice the effect of their riskier behaviours in their bill and will change their behaviour. Cash is the best driver for changed behaviour."

This is particularly poignant considering that every year 1.3 million people die and up to 50 million suffer non-fatal injuries in road crashes. "This is one of the biggest risks we have on earth, it is part of our mission to change that. To make people and society aware of the fact that we can actually do something about it."

A road of opportunity ahead

According to Forseke, insurance is the centre of everything, especially in the mobility sector. "Insurance is sort of the spider in the web of mobility." However, insurers are faced with a myriad of challenges.

One of these is profitability, Forseke said, which is all the more challenging given the industry is experiencing significant changes in customer demands and behaviour.

For the automotive industry, Forseke continued, insurers must decide if they want to become a distributor of insurance or become an insurer that 'owns' the customer. "The pain point for them is if they want to embed insurance into their vehicles, they need to understand risk better. They don't understand risk well enough today, so they need to acquire that competence somewhere."

Despite the challenges, insurers in the automotive industry have a wealth of opportunity. "The majority of the industry is desperately looking for new revenue streams, and insurance is an obvious one," Forseke said.

The power of AI and telematics

In order to be profitable and meet new customer demands, "insurers must understand risk much quicker and in a more granular way than they do today. AI is key in helping them do this."

Using machine learning, Greater Than breaks down driver behaviour into thousands of data sets. This allows its AI to see previously invisible patterns. Successful AI relies on high quality data. This is where telematics comes in.

Forseke predicts that the larger Telematics Service Providers (TSPs) will own the entire fleet market, taking this from the insurance carriers. This is because they sit on a massive amount of data. Further, they have picked up on the trends such as more flexible insurance solutions and usage-based policies.

Soon, Greater Than's technology will not only be able to predict crash probabilities but will also be able to predict what type of crash drivers are likely to get into. Forseke said this is helpful for mitigating risk, as the company will be able to provide users with more personalised and targeted advice, further helping to make roads and drivers safer. ●