



Amodo Recognized for

2021

Technology Innovation Leadership

European User-based

Insurance Industry

Excellence in Best Practices

Best Practices Criteria for World-Class Performance

AWARD CRITERIA	
<i>Technology Leverage</i>	<i>Business Impact</i>
Commitment to Innovation	Financial Performance
Commitment to Creativity	Customer Acquisition
Stage Gate Efficiency	Operational Efficiency
Commercialization Success	Growth Potential
Application Diversity	Human Capital

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. Amodo excels in many of the criteria in the European user-based insurance space.

Operational Efficiency and Commitment to Creativity

“While the majority of market participants currently lack digital transformation capabilities, Amodo, a digital agency spin-off, has been managing digital channels for the last 20 years. It has translated its know-how to innovate auto insurance models, allowing it to create superior value in the market.”

- Vijay Narayanan, Industry Analyst

One of the biggest challenges in the smartphone and user-based insurance (UBI) market is the churn of users (i.e., users moving from one application to another). Frost & Sullivan research reveals that more than 70% of all newly registered users do not use the application after the first month of registration. High churn rates largely diminish the value that insurance companies are set to reap from UBI technology due to significantly delaying the return on investment. Moreover, overall returns are lower than expected. Such results indicate that insurance firms are not

well-equipped to manage digital channels. Amodo has identified and addressed this pain point using its UBI-based smartphone telematics solution.

Amodo leverages telematics, machine learning (ML), and artificial intelligence (AI) to disrupt and transform the auto insurance space. The firm uses telematics to collate data pertaining to driving behavior from a remote location. It subsequently uses ML and AI techniques to thoroughly analyze the data, creating additional value for its business customers and end consumers. In this way, Amodo helps

its clients nurture new types of insurance products that create value. The firm supports 4 types of industry business models:

- **Try-before-you-buy** involves Amado performing a driving pattern analysis with its technology-enabled offering and subsequently generating a customized insurance quote based on how the user drives.
- **Discounts and cashbacks** are innovative approaches allowing users to achieve a discount or driver reward using Amado's telematics technology. The discounts are calculated based on improved driving skills and overall safety and is directly paid back to users' accounts.
- **The monthly premium model** allows Amado to leverage its UBI innovations to derive a dynamic monthly insurance premium based on driver behavior data. Monthly premiums vary by the month and are based on safe driving practices.
- **The discounted renewal option** is a model that allows users to earn discounts based on positive driving behavior patterns (i.e., for the miles driven monthly). The discounts accumulate over a 1 year and are used to renew insurance policies.

Commercialization Success and Customer Acquisition

Amado's auto insurance solution is tailored to meet the industry's unmet demands. The firm's core technology is focused on data collection, allowing Amado to gather critical insights pertaining to factors such as when the user is driving, battery consumption, identifying vehicle starts and stops, and understanding transportation modes. The precise insights are used to develop personalized insurance solutions. Moreover, by augmenting its sensor-generated data with claims and other proprietary data sets, Amado can help manage claims reporting. Such a capability is a key industry differentiator as it significantly reduces insurance company costs. The same technology leverages customer behavior data to mitigate risk, allowing insurance firms to engage with customers and consequently reduce claim costs proactively. As a result, Amado is successfully tackling the issue of user churn and sub-optimal customer engagement.

By leveraging its technologies and innovative business models to actively manage risk and minimize operational costs, the company is attracting insurance providers to its customer base. For example, Amado helped an insurance company build its UBI capabilities from scratch, resulting in 10% of the insurer's driving population onboarded to the UBI product within 2.5 years. Another example is Amado's partnership with AIG Singapore. The company introduced a telematics-based smartphone solution, enabling users to obtain preferable discounts and insurance premium rates based on driving behavior. In essence, Amado uses customer behavior to identify high-risk users and proactively engage with them to change their driving patterns through rewards. As a result, Amado achieved a 15% cost reduction on AIG's total claims while reducing the overall claim size by 15% to 24%.

Amado has also identified bodily injury as one sub-category of risk where its technology can help reduce claims. Amado's innovations minimized the risk accrued from bodily injury by approximately 60% in the Brazilian market alone.

Growth Potential and Commitment to Innovation

Amodo is the most active and experienced firm in the European UBI space and has executed more than 35 UBI-related projects in the region during the last 7 years. Amodo's proven and mature technology can generate a massive amount of data, further improving its technological capability within the UBI segment. To that end, Amodo has expanded its know-how and is currently transitioning towards data

"Amodo's focus on the three major technologies transforming auto insurance (i.e., ML, AI, and data telematics) positions the firm as a visionary leader in the smartphone-based UBI solution market."

- Vijay Narayanan, Industry Analyst

science capabilities. The number of projects it has successfully handled, coupled with the generation of a large amount of data insights, has positioned Amodo as a dominant leader in Europe. The firm is currently expanding its horizons to penetrate the Middle East, African, and Asia-Pacific markets. By working with insurance majors such as AIG, Amodo's auto insurance programs have been recognized within the top 3 across these regions. Overall,

Amodo's technology innovations have market recognition, traction, and acceptance, positioning the company as a leading UBI solution provider.

Amodo's major customers are insurance firms. However, the company believes a surge of OEMs will provide their own insurance policies and coverage in the future. Keeping this in mind, Amodo's future-proof strategy involves strengthening its position within the smartphone and telematics-based UBI space while expanding its opportunities in non-life insurance-related segments. In addition, the company recognizes the massive potential the connected vehicle market presents for alternative insurance business models such as Pay Per Mile, a business the company plans to venture into during the next 5 years.

Conclusion

With the emergence of artificial intelligence, machine learning, and data telematics, the auto insurance industry is ripe for rapid digital transformation. However, user churn negatively impacts the value created from digitized solutions such as user-based insurance (UBI). Amodo is a pioneer in transforming traditional auto insurance solutions into innovative, digital usage-based solutions. Amodo's smartphone and telematics-based UBI solution allow for uniquely effective customer engagement. By achieving an average 10% longer user retention, Amodo's clients can improve return on investment, manage risks better, and ultimately provide new insurance products that are more versatile and personalized.

With its strong overall performance, Amodo earns Frost & Sullivan's 2021 Technology Innovation Leadership Award in the European user-based insurance industry.

What You Need to Know about the Technology Innovation Leadership Recognition

Frost & Sullivan's Technology Innovation Award recognizes the company that has introduced the best underlying technology for achieving remarkable product and customer success while driving future business value.

Best Practices Award Analysis

For the Technology Innovation Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Technology Leverage

Commitment to Innovation: Continuous emerging technology adoption and creation enables new product development and enhances product performance- funding to grow, acq, new funding

Commitment to Creativity: Company leverages technology advancements to push the limits of form and function in the pursuit of white space innovation

Stage Gate Efficiency: Technology adoption enhances the stage gate process for launching new products and solutions

Commercialization Success: Company displays a proven track record of taking new technologies to market with a high success rate; untapped potential to gain /market gap in detail from operational efficiency

Application Diversity: Company develops and/or integrates technology that serves multiple applications and multiple environments

Business Impact

Financial Performance: Strong overall financial performance is achieved in terms of revenues, revenue growth, operating margin, and other key financial metrics

Customer Acquisition: Customer-facing processes support efficient and consistent new customer acquisition while enhancing customer retention- existing customers/

Operational Efficiency: Company staff performs assigned tasks productively, quickly, and to a high-quality standard – *market gap, value add/ unmet needs*

Growth Potential: Growth is fostered by a strong customer focus that strengthens the brand and reinforces customer loyalty ;

Human Capital: Commitment to quality and to customers characterize the company culture, which in turn enhances employee morale and retention

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create on-going growth opportunities and strategies for our clients is fuelled by the Innovation Generator™. [Learn more.](#)

Key Impacts:

- **Growth Pipeline:** Continuous flow of Growth opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

