**Building a world of better drivers and safer roads**

*There is clear shared value in encouraging better driving behaviour which means fewer accidents, deaths and injuries – and global cost savings, say a panel of Vitality Drive specialists.*

*“*Road safety is key for improving global health,” starts Francois Theron, Deputy Chief Executive Officer of Discovery Insure. Latest figures from the World Health Organization (WHO) show that road traffic crashes result in over 1 million deaths around the world each year and leave up to 50 million people with injuries and disabilities[[1]](#footnote-1), with huge emotional and financial costs. “Urgent interventions are needed,” he adds.

“The suffering linked to road accidents is immense,” continues Theron. “There is a heavy economic burden placed on casualties as well as their loved ones, with medical treatment costs and the loss of productivity also taking its toll”. With WHO estimates that showcase global economies, road traffic injuries cost countries as much as 3% of their annual gross domestic product[[2]](#footnote-2). Theron points out that this is money that could instead be channelled into other pro-health and wellbeing initiatives.

“What also hits home for me as a parent.” adds Dinesh Govender, Vitality South Africa CEO, “is that the young are particularly vulnerable on the roads. The WHO reports that the leading cause of death for children and young adults between the ages of 5 and 29 are road traffic injuries[[3]](#footnote-3) – either as passengers or pedestrians. We need to do more to safeguard our future generations on the roads.”

Aligned to these rising concerns about the devastating impact of road accidents, the United Nations issued an urgent call for action to all countries as part of its 2030 Agenda for Sustainable Development – with ambitious targets to reduce road traffic injuries[[4]](#footnote-4). It’s worth pointing out that at the time, road accidents were killing more people around the world than malaria[[5]](#footnote-5).

Govender stresses that support from all levels of society is critical for road safety success, from the private to the public sector. “As part of our insurance offering, we’ve recognised how important it is for businesses like ours to take the lead in promoting safer roads, and we’ve invested heavily in our Vitality Drive programme to help achieve this.”

**The journey to safer roads**

“Discovery Insure has shown incredible success in applying a behavioural-based insurance model to the motor insurance industry,” says George Nichas, Product Specialist for International Strategic Initiatives at Discovery Insure. “This is done through our Shared-value Insurance Model, a globally-recognised principle. All stakeholders – clients, the insurer and society as a whole – benefit as the system improves.”

Vitality Drive was first launched in South Africa in 2011 by Discovery Insure and is a unique driver behaviour programme that rewards clients for driving well. As a short-term insurance client, drivers earn Vitality Drive points every month based on how well they drive. Good driving performance unlocks access to a range of services and rewards’ partners[[6]](#footnote-6).

For the insurer, better driving means fewer, less severe accidents, resulting in lower claim costs. “In the first six years, we saw a 32% increase in the number of good drivers being added to our book. Good drivers are naturally attracted to and remain on the programme as they enjoy richer rewards. This selection effect, together with a better performing book leads to significant claims savings and improved loss ratios as well as a reduction in policy lapse rates for us as an insurer. We channel these savings into even better benefits and products for our clients,” says Nichas.

He adds that powerful rewards mechanisms such as fuel cash backs, a virtual currency and partner network are available for all clients. “The Vitality Drive programme introduces an element of gamification into the motor insurance industry which aims to supercharge the programme and serves as a very effective market differentiator – a novel and innovative concept in a typically traditional industry.”

From a global trends perspective, the concept of sharing data is becoming more common – and accepted – as long as there are tangible rewards in return[[7]](#footnote-7).

“We’ve paid out tens of millions of US dollars[[8]](#footnote-8) in rewards to our clients to incentivise behaviour change when it comes to driving,” says Ari Zadikov, Head of Technical Marketing for Vitality Global. “And we continue to see how impactful regular, personalised rewards are when it comes to sustainable behavioural change. Weekly Vitality Active Rewards are key here. Clients who achieve their Active Rewards drive goal every week improve their driving behaviour 15 times more than drivers that only achieve their goal once in a month[[9]](#footnote-9).”

By improving driving behaviour, Zadikov explains, clients have a 24% reduction in motor accident frequency[[10]](#footnote-10).

**And the benefits for broader society?**

“We love looking at our data to see where there have been improvements on the road as a direct result of our programme,” says Tam Cogill, Head of Vitality Drive International. “And what stands out most for me in our South African market is this: if all South Africans were on Gold or Diamond Vitality Drive status, we could reduce the number and cost of road accidents by 90%[[11]](#footnote-11),” she says. “This is something we’re hugely proud of.”

**The role and rise of behavioural insights and analytics**

“Rooted in the Vitality programme is Behavioural Economics,” says Cogill. “We look at how and why clients make the decisions they do knowing that the nature of risk being behavioural is a key insight to our Shared-Value Insurance Model. Where we can positively influence and improve human behaviour, we can reduce the risks that our clients face”.

Now in 40 markets around the world impacting over 35 million lives, the Vitality programme combines behavioural economics, clinical research and data analytics to encourage members to lead a healthier lifestyle. In addition to promoting health and wellbeing through smoking cessation, healthier eating and increased exercise, the programme prioritises other healthy habits – like driving – and is rolling out this component of the programme across the world.

“Vitality Drive is a science-backed approach to road safety,” concludes Cogill. “We’ve seen that five driving behaviours (drinking and driving; cellphone use while driving; excessive speeding; aggressive driving and lack of vehicle care) lead to 3 main causes of accidents (distracted driving; loss of vehicle control and reduction in vehicle safety) which account for 60% of all fatal accidents. It’s our own 5:3:60 model”.

**Let’s talk telematics**

When they join the programme, Vitality Drive clients have a small telematics device installed in their vehicle to track certain driving metrics including speeding, cellphone usage, harsh acceleration, braking and aggressive cornering. This device communicates with a smartphone-app that offers real-time reporting on these driving behaviours.

The evolution of telematics in the areas of driver behaviour and vehicle safety allows insurers to gather rich customer insights and provide better benefits and services to their clients. Telematics-enabled technology helps insurers to understand the forces that act on a vehicle, such as acceleration, braking and cornering and how the driver’s unique driving style affects the vehicle.

According to Forbes[[12]](#footnote-12), “consumers are now measuring nearly every aspect of their lives, from tracking fitness activities to monitoring sleep patterns and mobility is no exception.” Consider it wearable tech – for your car.

“Our use of this intelligent technology has allowed us to collect over 14 billion kilometres of driving data which lets us risk-differentiate, offer targeted benefits, and provide rich rewards and incentives that our clients really value,” says Craig Deats, Global Sales and Distribution Executive. “Case in point: within the first month of being on the Vitality Drive programme, we see a 15% improvement in driving behaviour[[13]](#footnote-13)”.

The panel agree: this speaks to the success of the Vitality Drive model, showing that behavioural change and improvement starts as soon as clients engage in the programme. “Over time, the more engaged drivers are in the programme, the more value they see. We have also seen that as the monthly cash back earnings increase, the less likely these clients are to lapse[[14]](#footnote-14) so it’s a great retention strategy for insurers, too,” says Deats.

**Driving positive change**

Combining powerful incentives and telematics technology is proving to reduce risk, improve driving behaviour and offer advanced safety features that creates safer roads – for all.

“With advances in technology, data analytics and growing expertise in our programme design, Vitality Global aims to continue innovating with what we can offer our global insurance partners, and we’re proud of the impact these initiatives are having”, concludes Deats.

As is evident with the Vitality programme, better health – now including ‘healthier’ driving – has a direct economic impact on society. These shared value principles are what help to drive Vitality’s commitment to finding new, innovative ways to continue promoting healthier, safer living.

*For more information about Vitality’s evidence-based approach that encourages and rewards members for healthier living, visit the* [*Vitality Global website*](https://www.vitalityglobal.com/)*.*

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