



of driving **innovation**

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Discovery Insure celebrates 10 years of business and rewards valued at R1 billion paid to clients

Johannesburg, 2 June 2021 - To mark the 10th anniversary of Discovery Insure, the telematics insurer has released a paper outlining “[The journey of creating a nation of great drivers](#)” and the success and impact of its Vitality Drive model. Key findings of the paper include the effectiveness of fuel cash back as an incentive for improving driving behaviour, with clients having reduced their motor accident frequency by 24%; and the predictive ability of driving behaviour to appropriately price risk leading to benefits for clients, the insurer and society.

This is the cornerstone of shared-value insurance. By understanding that the nature of risk is behavioural, incentivising clients to drive better leads to less severe accidents, and fewer claims, which leads to savings that can be used to fund further incentives and rewards for clients, with an underlying benefit of making South Africa's roads safer.

Chief Executive Officer of Discovery Insure, Anton Ossip commented, "We are proud that we have become the fastest growing short-term insurer in the country and of the innovative ways we have incentivised and rewarded people for driving better."

"At the foundation of our rapid growth is the globally unique [Vitality Drive programme](#), which has been, and remains, the differentiating factor between traditional insurance and shared-value insurance. Traditional insurance by its nature has misaligned incentives between the insurer and their clients. Insurance companies want to limit the number of claims, while customers want the cheapest price and thus tend to shop around every year. 10 years ago, we set out to do something different – to change the landscape of short-term insurance."

When Discovery Insure launched 10 years ago, South Africa had recorded the third highest rate of road deaths in the world with 33.2 road deaths per 100 000 drivers per annum and an extremely high rate of unroadworthy vehicles. There's an urgent need to make South Africa's roads safer – given road accidents claim far too many lives and come at a substantial economic cost too – 3.4% of GDP.

Ossip explains, "We understood how driving behaviour contributed to serious accidents and have found that 60% of fatal crashes are caused by distracted driving, a loss of vehicle control and a reduction in vehicle safety. Another key factor we have identified is that drivers over-estimate their driving ability, this is evident in the fact then when asked approximately 80% of drivers felt that they were excellent drivers, when in fact only 33% really are. Drivers needed a tool or mechanism to encourage improved driving behaviours, and in a way that could be maintained over time. Vitality Drive was designed to achieve this."

Employing the shared-value insurance model, Discovery Insure puts the policyholder in control of their insurance cover; effectively matching their net premium (after rewards) to their risk profile and incentivises their behaviour

to encourage better road use that ultimately contributes to much improved safety overall. “The fatality rate of Discovery Insure clients is 40% lower than the overall fatality rate of South Africa and there have been no fatalities for Gold and Diamond status drivers to date,” adds Ossip.

The powerful impact of the Vitality Drive programme

A key component of the Vitality Drive programme is its telematics technology – in this regard Discovery Insure has been recognised as a global leader in developing solutions that are scalable and replicable. To date, Discovery Insure has collected more than 14 billion km driving data. Its technology has also allowed it to keep clients safe through unique benefits such as ImpactAlert (detecting accidents), DriverDNA (identifying a change in driver), Crowdsearch (recovery of stolen vehicles) and the latest offering DriveView (in cabin vehicle monitoring).

There has been a 15% improvement in driving behaviour among new clients within their first 30 days, and on average, a 17% long-term improvement in clients who are engaged users of the Vitality Drive programme. “Where traditional insurers only use demographic factors as a proxy of risk to price insurance, we have shown that using driving behaviour is far superior,” adds Ossip.

Discovery Insure goes global

Within its first 10 years of operation, Discovery Insure has expanded the Vitality Drive programme to new partners and other regions, with great success. In partnership with Avis in South Africa and in the Netherlands, it has customised the programme to be suitable for daily or monthly vehicle renters through Avis Safedrive. Rewards and safety features are also offered to this important cohort of drivers.

Discovery Insure has also customised the Vitality Drive programme for the fleet market and launched this as part of a commercial insurance offering, [Discovery Business Insurance](#). Fleet drivers are incentivised through weekly active rewards to drive well and the company is rewarded with an annual premium cashback of up to 30%.

Most recently, Vitality Drive has launched in the UK as **VitalityCar**, and in

Saudi Arabia in partnership with Tawuniya. “We look forward to establishing more exciting global partnerships in the future,” concluded Ossip.

ENDS.

Notes to editors:

The idea of incentivising and encouraging positive behavioural change stemmed from the science-backed approach that supports the Vitality model which had been around since the early 1990s and now operates in 28 markets globally. Over the years, Discovery has seen encouraging results through the [Vitality business model](#), which effectively demonstrated how motivation through incentives could lead to significantly more positive and healthier outcomes.

In the same way that reducing the risk of a health event is behavioural, so too is the ability to reduce a motor accident through positive behavioural change. The Vitality Drive programme was designed as a core differentiator of the Discovery Insure business when it launched 10 years ago. It is the shared-value insurance at work – an all-encompassing model that benefits the insurer and its clients. Discovery Insure Head of Marketing and Technical Marketing, Precious Nduli, who authored the white paper explains that the more individuals benefit from this model, the more beneficial the system becomes for society as a whole.

Discovery information

About Discovery

Discovery Limited is a South African-founded financial services organisation that operates in the healthcare, life assurance, short-term insurance, savings and investment and wellness markets. Since inception in 1992, Discovery has been guided by a clear core purpose – to make people healthier and to enhance and protect their lives. This has manifested in its globally recognised Vitality Shared-Value insurance model, active in 27 markets with over 20 million members. The model is exported and scaled through the Global Vitality Network, an alliance of some of the largest insurers across key

markets including AIA (Asia), Ping An (China), Generali (Europe), Sumitomo (Japan), John Hancock (US), Manulife (Canada) and Vitality Life & Health (UK, wholly owned). Discovery trades on the Johannesburg Securities Exchange as DSY.

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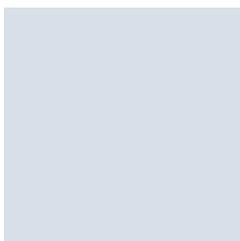
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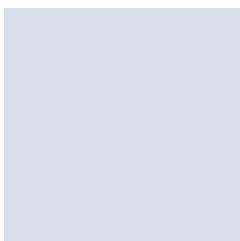
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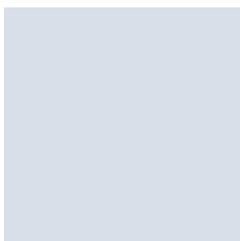
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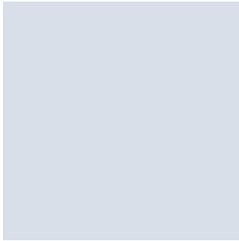
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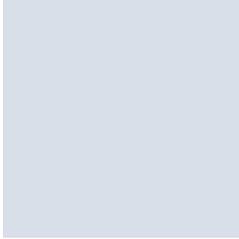
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