

Electric car startup unveils proprietary and usage-based insurance program

Article

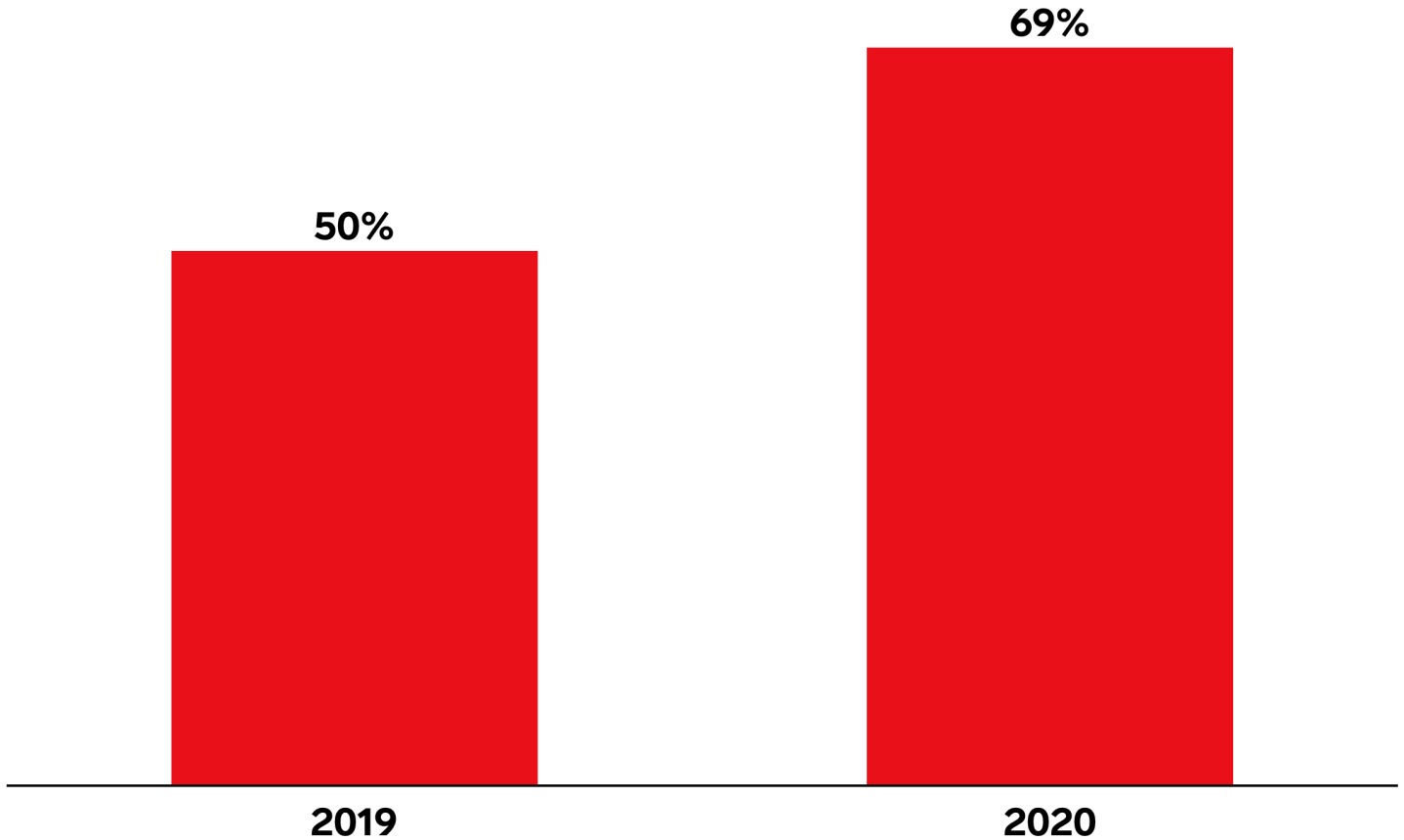
US-based electric truck startup Rivian launched its own insurance coverage across 40 states, which will be underwritten by third-party carriers, [per](#) TechCrunch. [Rivian Insurance](#) can be

accessed in the startup's digital ordering process, and users can extend coverage to their home, recreational equipment, and other vehicles, in addition to Rivian trucks.

Rivian is using its digital safety features and connected car system to offer a personalized and competitively priced insurance program. For example, users can opt to use the Active Driving Assistance, which automatically steers and adjusts driver speed on the highway. This encourages safe driving, lowering the chances of expensive claim payouts. In addition, the connected trucks send vehicle data to Rivian to diagnose issues, such as worn-out tires, remotely, allowing the firm to accelerate car repairs before they become more expensive problems. Both the safety features and connectivity helps Rivian make savings that are passed on to the users via lower premiums.

Tech-focused car firms unveiling their own insurance poses a direct competitive threat to insurtechs—but it also presents partnership opportunities. Rivian's announcement follows fellow electric car giant [Tesla](#) launching its own insurance program in California in 2019 in partnership with incumbent [State National](#), with plans to eventually go nationwide. These tech-focused car firms already offer similar data-driven and tailored coverage as the likes of usage-based auto insurtechs Metromile and Root. This means these car firms no longer need insurtechs' solutions, as they only require a carrier license, which they can get from an incumbent insurer, to underwrite the policies. At the same time, insurtechs can use these announcements to strike partnerships with less tech-savvy car manufacturers that are looking to move into insurance and not fall behind their innovative younger peers, as seen with insurance comparison platform [Insurify](#) and Toyota last week.

Insurance Customers' Willingness to Share Significant Health, Exercise, and Driving Data in Exchange for Lower Prices



Source: Accenture, "Guide insurance customers to safety and well-being," January 20, 2021

Methodology: Accenture surveyed 47,810 insurance policyholders online between July and August 2020 in 28 markets across North America, Europe, Middle East, and Asia.

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