

## Ivox device keeps score on drivers

by ATL-Business-Chronicle

An Atlanta company that could change the way auto insurers underwrite policies has just raised millions of dollars in funding.

The company, Ivox Inc., collects data about a vehicle's speed, hard braking, fast acceleration and rapid lane changes through an onboard device the size of a cell phone that uses a global positioning system and accelerometer.

The data is computed into a "DriverScore," that can estimate the motorist's likelihood of having an accident.

On Sept. 29, Ivox closed on a "multimillion-dollar" financing round from Insurance Services Office Inc., a New Jersey-based firm that gathers and analyzes credit scores, motor vehicle records and other data for insurance companies. Financial details were not disclosed.

Since being launched in late 2006, Ivox has raised a total of nearly \$5 million.

DriverScore "consider it a credit score for the transportation industry" allows insurers to use direct driving behavior to rate and price insurance policies, Ivox CEO Gregg Warren said.

The technology allows commercial fleet companies to identify at-risk drivers and help modify their behavior "improving fleet safety, while reducing insurance claims and premiums. Insurance costs, Warren said, are typically the third-highest line-item expense for large fleets. Changing the insurance business

Ivox's technology could change the way insurer's underwrite auto policies by providing a "granular view" of motorists' driving habits, said Nelson Chu, partner at Kinetic Ventures, an Atlanta-based early-stage venture capital firm.

Instead of relying merely on demographic information like age, gender and ZIP code, insurers can underwrite based on the motorist's actual driving habits, Chu said.

The holy grail of the insurance industry is to grow market share and increase profitability simultaneously, Warren said. Ivox's data allows insurers to underwrite even risky drivers profitably, he said, by "cherry-picking the best of the worst."

Insurers use predictive modeling and other tools to be able to limit risks and improve underwriting profitability, Kimberly Harris-Ferrante, a Gartner Inc. analyst, said in a statement earlier this year.

"Using tools to perform real-time data analysis to predict driving risks and accident likelihood will ultimately help insurers meet these business requirements," Harris-Ferrante said. "Used for fleet insurance, this gives insurers the opportunity to distinguish safe drivers from drivers who are simply accident-free, promoting safer driving and accident prevention."

Commercial fleet companies can also use DriverScores to negotiate for more competitive insurance rates.

"If you've got a safe set of fleet drivers," Chu asked, "why should you be paying more for insurance to make up for the guys that are not safe?"

DriverScore allows companies to operate their vehicle fleets more efficiently, too "reducing annual fuel costs by 4 percent to 7 percent by altering driving behavior," Warren said. Growth markets

Ivox, for now, is focused on the commercial vehicle market "a sector Warren hopes will help accelerate annual revenues from about \$150,000 in 2007 to \$75 million-plus in the next five years.

"There are roughly 21 million commercial vehicles in the United States," Warren said. "That's where our focus is right now."

Ivox has several commercial customers. Warren declined to name them, citing nondisclosure agreements, but said they include a global delivery service and a national trucking company.

Ivox's growth strategy includes rolling out its technology into overseas markets such as Brazil, Spain and the United Kingdom over the next three years. And, while the commercial sector is Ivox's focus for now, the company is eyeing the 200 million insured personal vehicles on the road.

Starting in the fourth quarter, Ivox will roll out its technology to about 50,000 personal vehicles in a nationwide pilot program.

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