

**Breaking the 100,000 Mark for Vehicles Insured under 'TOYOTA Care PHYD',
Thailand's first Pay-How-You-Drive Telematics Car Insurance Product
Initiatives to 'Realize a Safe and Secure Mobility Society' Highly Rated by
Customers**

Aioi Bangkok Insurance Public Company Limited (hereafter ABI), the Thai subsidiary of Aioi Nissay Dowa Insurance Co., Ltd. (President, Representative Director Yasuzo Kanasugi; hereafter AD) of the MS&AD Insurance Group, hereby announces that the cumulative number of insured vehicles covered by telematics*¹ Pay-How-You-Drive (PHYD) car insurance product 'TOYOTA Care PHYD'*² sold by ABI has topped the 100,000 mark. This product is Thailand's first telematics car insurance product, and was jointly developed with Toyota Motor Thailand Co., Ltd. (hereafter TMT) for the connected cars*³ it offers in Thailand. Half of individuals buying a TMT connected car choose to enroll in this insurance product.

*1 Portmanteau word combining telecommunications and informatics. Telematics, which leverages automotive devices such as navigation systems, GPS and mobile communications systems, is a framework for providing a wide array of information and services

*2 PHYD is the abbreviation for Pay-How-You-Drive. In PHYD car insurance the policyholder's driving behavior is reflected in determining premiums

*3 Vehicles equipped with a Data Communication Module capable of capturing data specified by AD related to driving behavior

1. Significance of Telematics Car Insurance in Thailand

As a pioneer in telematics technologies, AD aims to 'realize a safe and secure mobility society', and is expanding its business in Japan and overseas through the use of telematics. The PHYD telematics car insurance product 'TOYOTA Care PHYD' was launched in June 2020 to further enhance the attractiveness of the T-CONNECT service provided by TMT in Thailand.

'TOYOTA Care PHYD' is a highly rated insurance product which provides driving reports for each journey and a monthly report including a driving safety score and advice for drivers. The safety score is factored into premiums at the time of renewal in the form of discounts scaled to reflect the policyholder's driving safety behavior.

Compared to policyholders of conventional car insurance, the frequency of accidents is lower for 'TOYOTA Care PHYD' policyholders. In addition, the renewal rate from the second year onward is higher. This product is leading to both a decrease in accidents and an improvement in customer satisfaction.

Comparison of 'TOYOTA Care PHYD' to Conventional Car Insurance Products

- Renewal rate +31.0%
- Accident frequency - 12.9%

*Our own data as of Dec.2021

2. Contribution of 'TOYOTA Care PHYD' to Preventing Accidents and Addressing Social Issues

Thailand reports a high level of traffic accidents, including fatal accidents: reducing traffic accidents is a pressing social issue. By preventing accidents before they happen, 'TOYOTA Care PHYD' is contributing to the realization of a safe and secure mobility society. It also contributes to protecting the environment and addressing social and local community issues in the following ways.

(1) Reducing CO₂ emissions

This product is designed to raise drivers' awareness of safe driving behaviors by encouraging a reduction in the frequency of hard braking or acceleration. Such safer driving behaviors help promote environmentally-friendly driving, which can lead to a reduction of CO₂ emissions.

(2) Reducing industrial waste

A lower number of accidents is directly tied to a reduction in industrial waste as it reduces the number of cars that require repairs or must be scrapped.

3. Outlook

Going forward, AD will leverage its accumulated experiences in Japan and Thailand to develop and launch telematics car insurance products to more countries and regions, starting with Asia. AD also aims to provide swift and timely support to its customers by leveraging telematics technologies in post-accident services. AD

remains focused on contributing to the realization of a safe and secure mobility society.

(Reference) AD ranks Number 1 in Japan for Customer Satisfaction Out of the Top Four Domestic Majors! *4

In a survey of customer satisfaction (conducted by AD) comparing overall customer satisfaction with agent responsiveness for the top four domestic non-life insurance companies that market through the agency channel, AD achieved the highest customer satisfaction scores from its car insurance policyholders. Moreover, the satisfaction levels of AD's telematics car insurance policyholders*5 were higher*6 than the satisfaction levels of AD's conventional car insurance policyholders. Note that the cumulative number of vehicles covered by AD's telematics car insurance policies in the domestic market is over 1.2 million vehicles.

*4 Average of scores out of 10, based on ratings for responsiveness of the agency/agent (excludes accident response) with whom the policyholder currently engages

AD scored 7.164 pts. versus Co. A at 7.160 pts., Co. B at 7.09 pts., Co. C at 7.05pts.

*5 Tough *Mimamoru* Car Insurance (includes Plus/Plus S), Tough *Tsunagaru* Car Insurance

*6 AD telematics car insurance policyholders 7.54 pts., AD conventional car insurance policyholders 7.05 pts.

About the Survey

- Target: Car insurance policyholders residing in Japan with policies at one of the four major domestic car insurance players that market through the domestic agent channel
Approximately 6,000 individuals (approx. 1,500 policyholders per insurer)
- Survey methodology: Online
- Survey period: Oct. 1 - 3, 2021