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News

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FairConnect and DriveQuant join forces to strengthen European leadership in connected motor insurance

The new partnership combines financial support of private equity firm Palamon Capital Partners with R&D expertise of IFP Energies nouvelles

Leading connected insurance services provider FairConnect and European mobile telematics pioneer DriveQuant have joined forces to accelerate the development and roll-out of best-in-class white-label connected motor insurance solutions to the European insurance market. The new combination brings together the expertise and financial support of Palamon Capital Partners, a leading private equity firm that invested in FairConnect in 2018, and R&D resources of French research institute IFP Energies nouvelles (« IFPEN »), which launched DriveQuant in 2017.

The new partnership will be supported by an investment of up to €5 million over the next three years,

which will enable the DriveQuant and FairConnect teams to deliver on their common vision of developing connected insurance solutions to European insurance carriers through their customers' smartphones. Together, they aim to provide a range of benefits to the motor insurance value chain - from underwriting to claims management - through a white-label telematics platform delivering data analysis and scoring capabilities. Their common connected solutions will enable valuable scoring by analysing mobility data collected either via IoT (Microbox) technology or by using the smartphone as a sensor. Motor insurers partnering with FairConnect and DriveQuant will benefit from access to comprehensive support, IT infrastructure and technology to create unique connected insurance products with a significant positive impact in terms of underwriting performance, claims management efficiency, customer retention and overall business growth.

FairConnect's Chairman and CEO, Carmine Carella will lead the operations, which will be maintained in existing offices in Switzerland, France and Italy, and DriveQuant's senior management team will be integrated into FairConnect's global leadership group. Mr. Carella has a strong track record in the successful adoption of telematics in the insurance industry from his role as CEO of Cobra Telematics, which was founded in 2002 and acquired by the Vodafone Group in 2014.

Carmine Carella , Chairman and CEO of FairConnect said: *« FairConnect was founded in 2016 to develop connected solutions in partnership with the main insurance carriers. To reinforce our commitment, we have identified a number of companies with great potential in terms of market knowledge and technological excellence worthy of fulfilling our vision. DriveQuant is a champion on the French market and in scoring and analytics technologies with an emphasis on the use of the smartphone as a sensor. We are proud to team up with its resources, customers, and shareholders ».*

Philippe Moulin , Co-founder & CEO of DriveQuant added: *« We are thrilled withthis new partnership. With IFPEN and FairConnect, we have all the assets and resources to become a major player in the connected insurance sector in France and internationally: the team, the technology and the business expertise. We are very pleased to be part of an ambitious and innovative project ».*

Julian Carreras , Partner at Palamon Capital Partners & Vice-chairman of FairConnect : *« We are delighted to be extending our financial and strategic support to this exciting new partnership, which is ideally positioned to build*
significant market potential in the fast-growing connected insurance sector ».

Nathalie Alazard-Toux , Director of the Industrial Development of IFPEN & Chairman at IFP Investments : *« IFPEN invested very early on in connected mobility with the aim of developing services and applications, in anticipation of the growing importance of this field. The technology carried by DriveQuant is the result of this work. We are particularly pleased about the partnership with FairConnect and the market prospects that are opening up for the new combination ».*

About DriveQuant - www.drivequant.com
DriveQuant is a European pioneer in mobile telematics that develops universal driving analytics services by connecting any vehicle using its driver's smartphone. DriveQuant's main mission is to help drivers improve their driving to decrease road risk, reduce the environmental footprint of mobility and optimise the costs associated with the consumption and wear and tear of their vehicles. The history of DriveQuant goes back about ten years when Philippe Moulin and Olivier Grondin, research engineers

at IFPEN, worked on optimising energy consumption and reducing polluting emissions from motor vehicles. In 2017, they founded DriveQuant to share the fruit of their research and to deliver driving analysis services to professionals. They quickly chose to rely on the smartphone as a sensor to transpose their driving analysis algorithms, so that DriveQuant could transform any existing mobile application into a telematics and driver coaching device thanks to an SDK (« Software Development Kit »). The French team develops connected insurance solutions for carriers such as Altima, April Moto, Club Identicar, MAIF, or TIETOEvry.

About FairConnect - www.fairconnect.it
FairConnect is a leading provider of connected insurance services based on best-in-class Internet of Things (« IoT ») technologies, including data analytics, machine learning, and the deployment of IoT devices. Headquartered in Switzerland with significant operations in Italy, the telematics firm is well established in the motor insurance industry and has connected more than 500,000 vehicles across Europe. Back in 2018, Palamon invested and committed more than €100 million of funding to FairConnect. Today, the company provides services that are serving some of the largest connected insurance programs in Europe with usage-based premiums and value-added services. Motor insurance companies such as Generali, Genertel, Cattolica Assicurazioni, Intesa Sanpaolo Assicura, Tua Assicurazioni, and Vittoria Assicurazioni tailor their customers' premiums more accurately, assist in claims processing, improve margins, increase sources of revenue, and enhance safety.

About Palamon Capital Partners - www.palamon.com
P alamon Capital Partners is a private equity partnership that invests growth capitalof between €30 million and €100 million in European lower mid-market companies. The firm manages €1.4 billion of funds on behalf of some of the world's largest investment institutions and has one of the longest and most consistent track records in private equity.

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