Global and U.S. Insurance Premium

The global insurance market was estimated at almost $5 trillion in 2014. With auto insurance premium accounting for a substantial portion of this pie, there is a lot at stake when considering the potential impacts of autonomous vehicles and related technology on this sector.

Total Global Premium (2014): ~ $4.8 trillion

Estimated Global and U.S. Insurance Market Size (Sbn)

Global Insurance Premium (2014)(1,2)

- Life: $2,655 (56%)
- Non-Life (Excluding Auto): $1,454 (30%)
- Personal Auto: $460 (10%)
- Commercial Auto: $210 (4%)

Global Insurance Premium (2014) ~ $2,124 billion


- Total US Auto Premium (2016): ~ $248 billion
- Personal Auto: $215 (87%)
- Commercial Auto: $33 (13%)

Note: (1) All figures represent direct premium written; (2) Global Life and Non-Life (also known as “Property & Casualty” or “P&C”) premium from Swiss Re’s 2014 report. Although more recent global figures are available for Global Life and Non-Life premium, 2014 figures are used for global data due to the lack of data for Personal Auto and Commercial Auto premium for more recent periods; and (3) U.S. statutory financial data per SNL Financial. Source: Finaccord, Swiss Re and SNL Financial.
Driverless Divergence

When Americans say they'd be willing to buy an autonomous car varies by age group

- **<5 years**
- **5-10 years**
- **10-15 years**
- **15-20 years**
- **20+ years**
- **Never**

**Millennials**

**34-44**

**45-54**

**55-64**

**65+**

Note: Numbers may not add up to 100 percent due to rounding

Data: Edmunds; graphic by Bloomberg Businessweek
The KPMG Actuarial Team estimates by 2050 a potential reduction in accident frequency of almost 90% through additive benefits from technology improvements and car stock conversion.

Source: KPMG LLP – "The Chaotic Middle: Autonomous Vehicles and Disruption in Automobile Insurance" – June 2017
Mix of Insurance Lines Could Change

Changes in business mix translate into changes in underlying insurance. Traditional personal insurance may become a much smaller share of a smaller volume of losses.

2017
- Personal Auto: 86%
- Commercial Auto: 14%
- Products Liability: 0%

2050 – “Perfect Storm” Scenario
- Personal Auto: 22%
- Commercial Auto: 21%
- Products Liability: 57%

~ $192 billion in losses

~ $55 billion in losses

Source: KPMG LLP – “The Chaotic Middle: Autonomous Vehicles and Disruption in Automobile Insurance” – June 2017