



# Vehicle Recycling – Dismantling; The Future



**Greater Use of Green Parts  
an Insurers Perspective**

**ATF Professional**

Essential information for end of life vehicle depollution and dismantling

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AXA Insurance**

## What we are going to discuss today;

- Some background on the UK Motor Insurance Market
- Maintaining profitability in a time where claims are increasingly high-tech
- Green Parts - Understanding the Vested Interests and other Financial Levers





# UK Dynamics – Premiums influenced by Injury Claims

**35 Million  
Vehicles**

licensed on the road

This figure has increased every year since the end of the Second World War (except 1991)

**90%**

of all accidents are caused by driver error

**1,700+**

people died in vehicle collisions in the UK in 2013

**Road traffic injuries are the leading cause of death among young people, aged 15–29 years**



**2,500**

lives saved in the UK by 2030



**£2,767**

average cost claimed for car insurance

**£11,292**

average cost claimed for bodily injury



**£16bn**

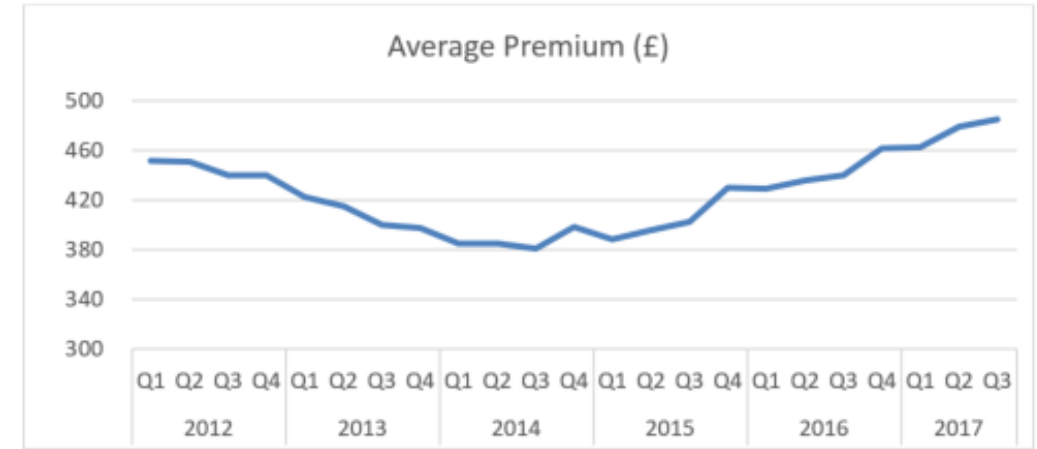
annual cost to GB economy



**46%**

17-30 year olds do not hold a full driving licence

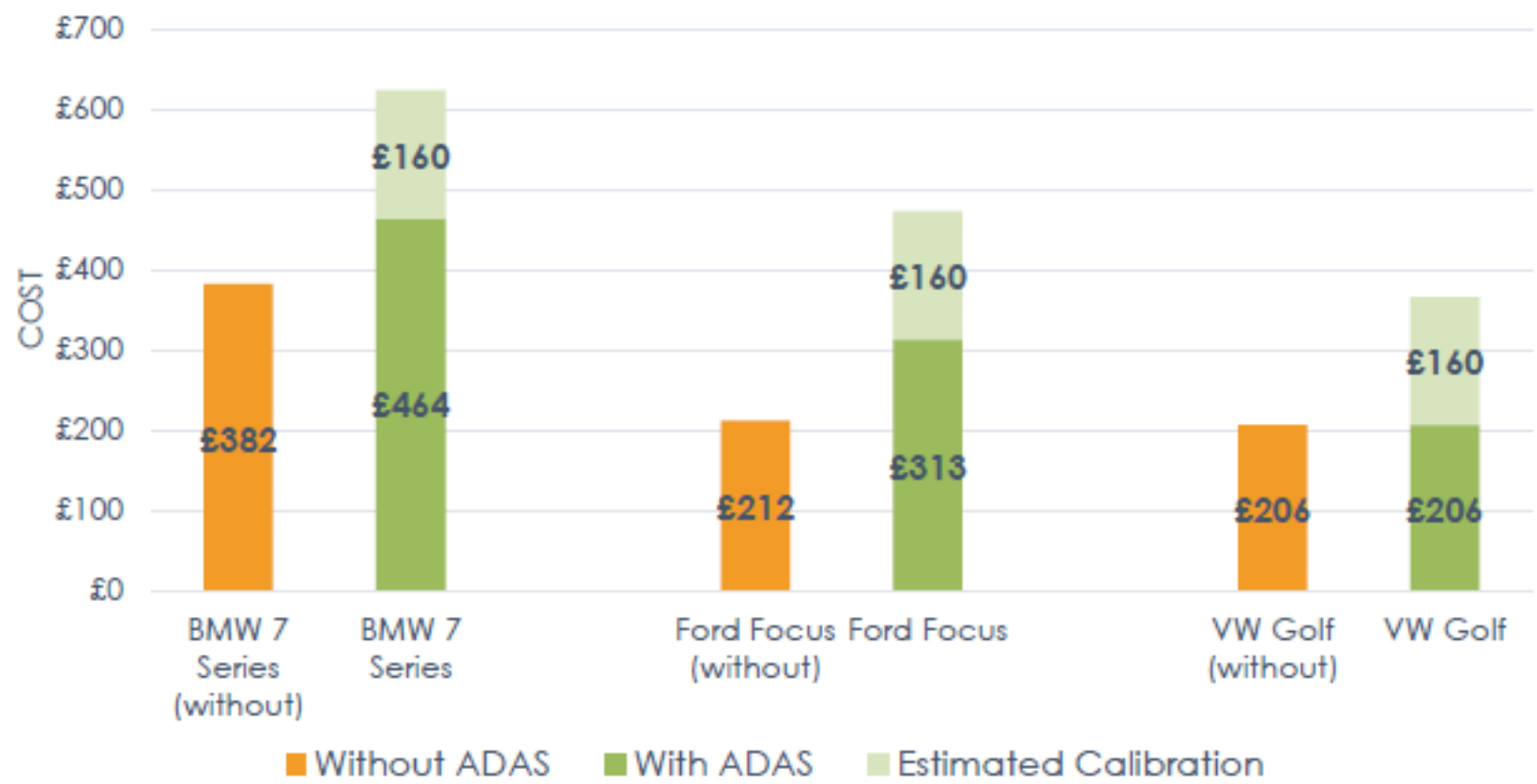
## Increases continue, but now there is a new reason



## Motor Premiums in the UK rising at an unprecedented rate

- The average price paid for private comprehensive motor insurance at £493 rose 6% on the same quarter last year, equating to an extra £31
- The average premium now stands at its highest level since the ABI started tracking average motor premiums paid back in 2012. The average cost of motor insurance has increased by 29% since 2014
- Ongoing impact of personal injury costs, rising IPT rates
- Increased repair costs now a key factor
- Government reform agenda – Discount Rate and Personal Injury Reform
- Impact of Brexit – Impact on cross-border driving
- Ongoing EU REFIT consultation – scope of Directive no longer clearly defined
- Connectivity – wide range of potential implications related to increased volume of vehicle data

# Emerging Technology is expensive!



Average cost to replace a windscreen with & without ADAS fitted

Laser Beam technology Headlights vastly more expensive than standard models





A man with a beard, wearing a blue jacket and jeans, is running towards the camera while carrying a young child on his shoulders. The child is wearing a striped shirt and polka-dot overalls, and is laughing. The background is a lush green park with trees and a red car parked on a path.

# Imagine technology that saves over 1m lives a year

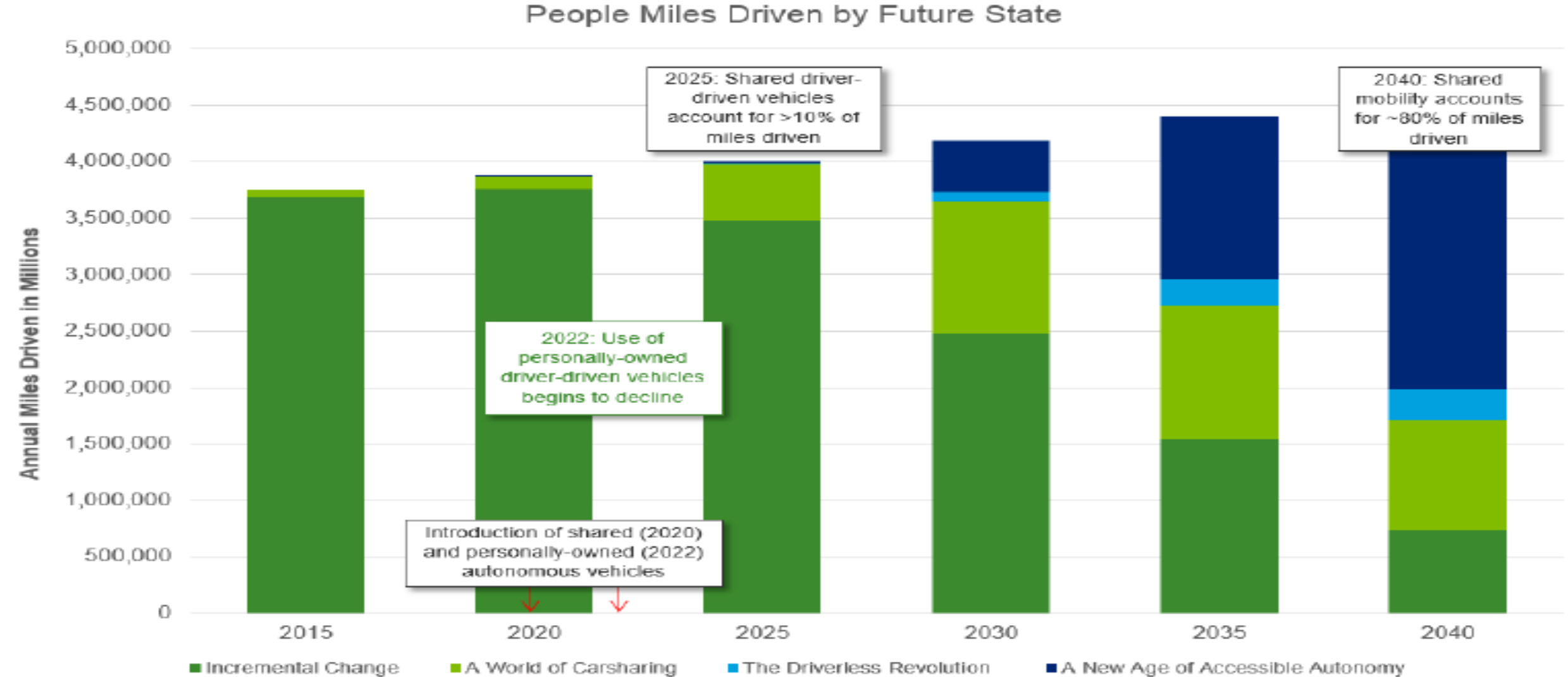
AXA is a partner in the development of driverless car technology, helping to create a future with safer roads.

See for yourself at [axa.co.uk/xxxx](http://axa.co.uk/xxxx)

**We're restless for a reason**

1m lives worldwide

# People miles driven by 2040 will increase by 25% and shared mobility will account for the majority of them









# Examples of Repairs which OEM's may seek to control?

Grille  
Replacement



Millimeter Wave  
Rader Unit

Windscreen  
Replacement



Multipurpose  
Camera Unit

Door Repair



Sensors  
for side airbags  
inside doors

Door mirror  
Replacement



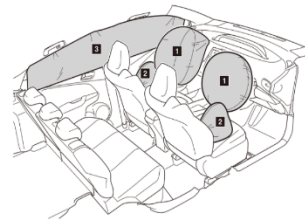
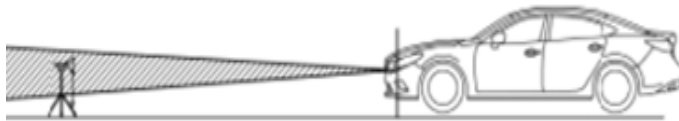
Multi-View  
Camera System

Rear bumper  
Replacement

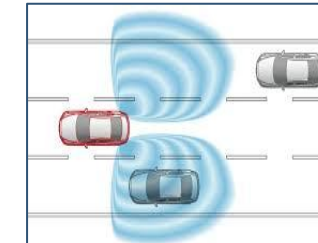
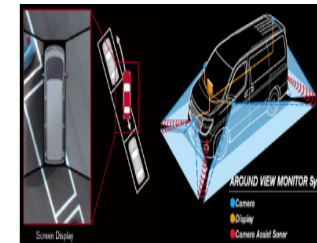


Blind Spot Monitoring  
System Radar Unit

“Calibration must be performed by the qualified repair professional such as Car Dealerships”



Service hole cover reuse and  
speaker change banned by  
Toyota



Bumper cover repair banned  
by at least Mazda , Nissan,  
and Subaru.



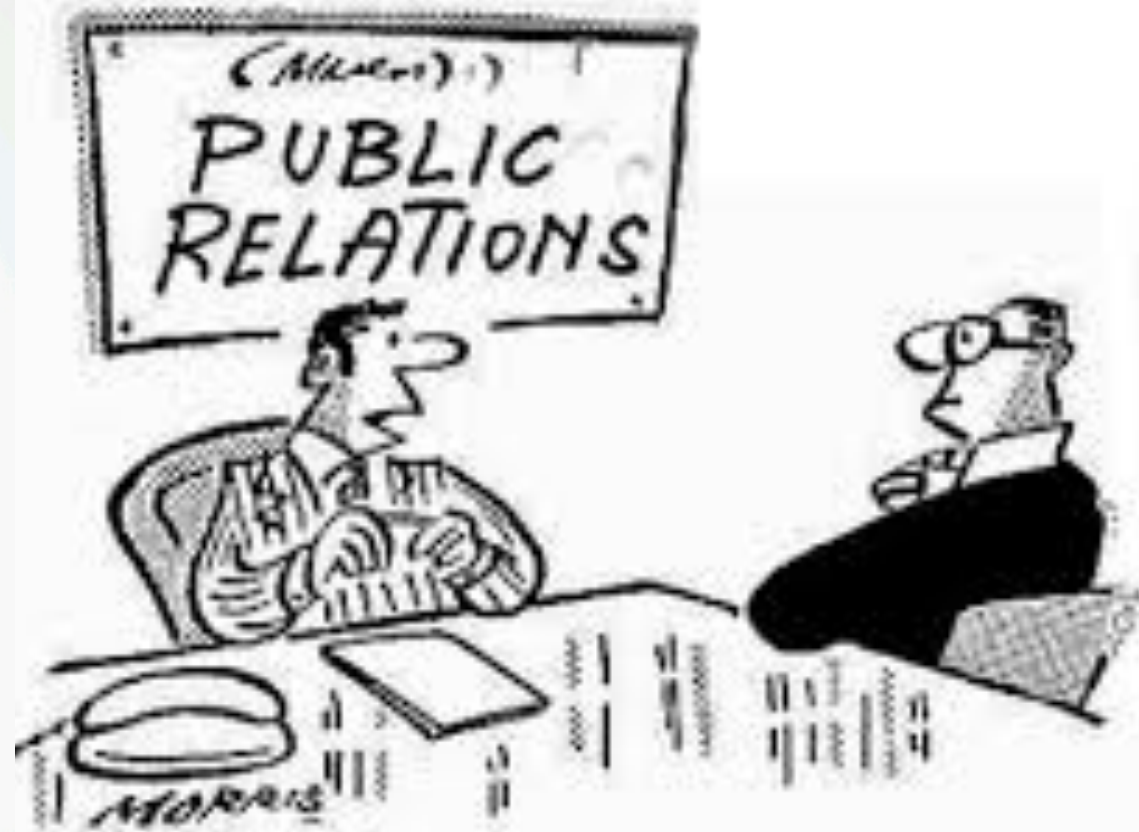
REDUCE  
REUSE  
RECYCLE  
SAVE THE  
EARTH



*Ecosystem*



# Challenges - Public Perception of Insurers?



Apart from your mother, who else thinks you're doing a good job?



## Vested Interests?



FOLLOW  
THE MONEY





what are other  
words for  
scaremongering?



alarmist, fatalistic,  
pessimistic, terrorization





# A Property Claims Example (Not making any specific comment about this firm!)

**MAXIMUM PAYOUT**

Cherry & Griffiths  
**LOSS ASSESSORS**



Work 100% in  
**YOUR INTEREST**  
We are professional  
claims negotiators

***“BEWARE that the insurance  
company’s loss adjuster is not  
your friend!”***

**MINIMUM PAYOUT**  
**LOSS ADJUSTERS**

Work for the  
Insurance  
Company  
  
They **DO NOT**  
prepare your claim



# FAKE NEWS



**B | B | C** TRENDING





Lessons From Elsewhere?

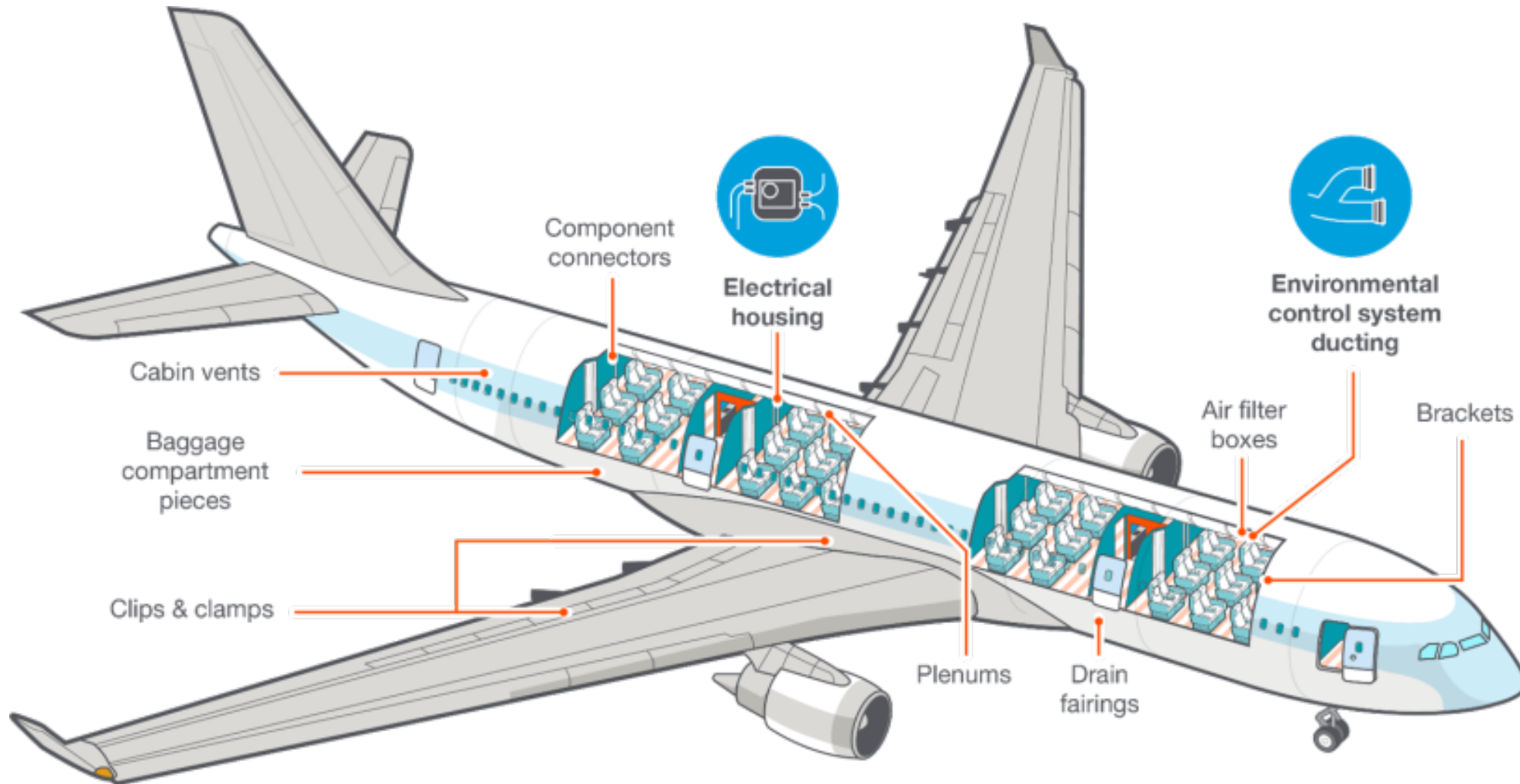


A large, silver aircraft jet engine is the central focus of the image, viewed from the front. The engine's fan blades are visible, radiating from a central hub. The engine is situated in an industrial environment, likely an aircraft manufacturing or maintenance facility, with various metal structures and equipment visible in the background. The lighting is bright, highlighting the metallic surfaces of the engine.

# ***Aircraft Parts***

**The Best in Certified Aircraft Parts Sales**

# Aircraft Parts suitable for 3D Printing



**So you can 3D Print a part for a Jet Aircraft, but not use a 'second hand' part in a Car?!**



# Certification?

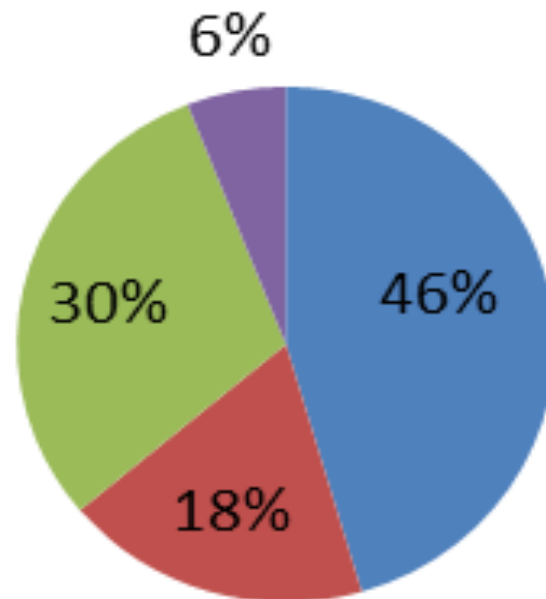




# Repair Network Spend Dynamics

## Repair Spend Oct 17 (R12)

■ Parts ■ Paint ■ Labour ■ Specialist Charges



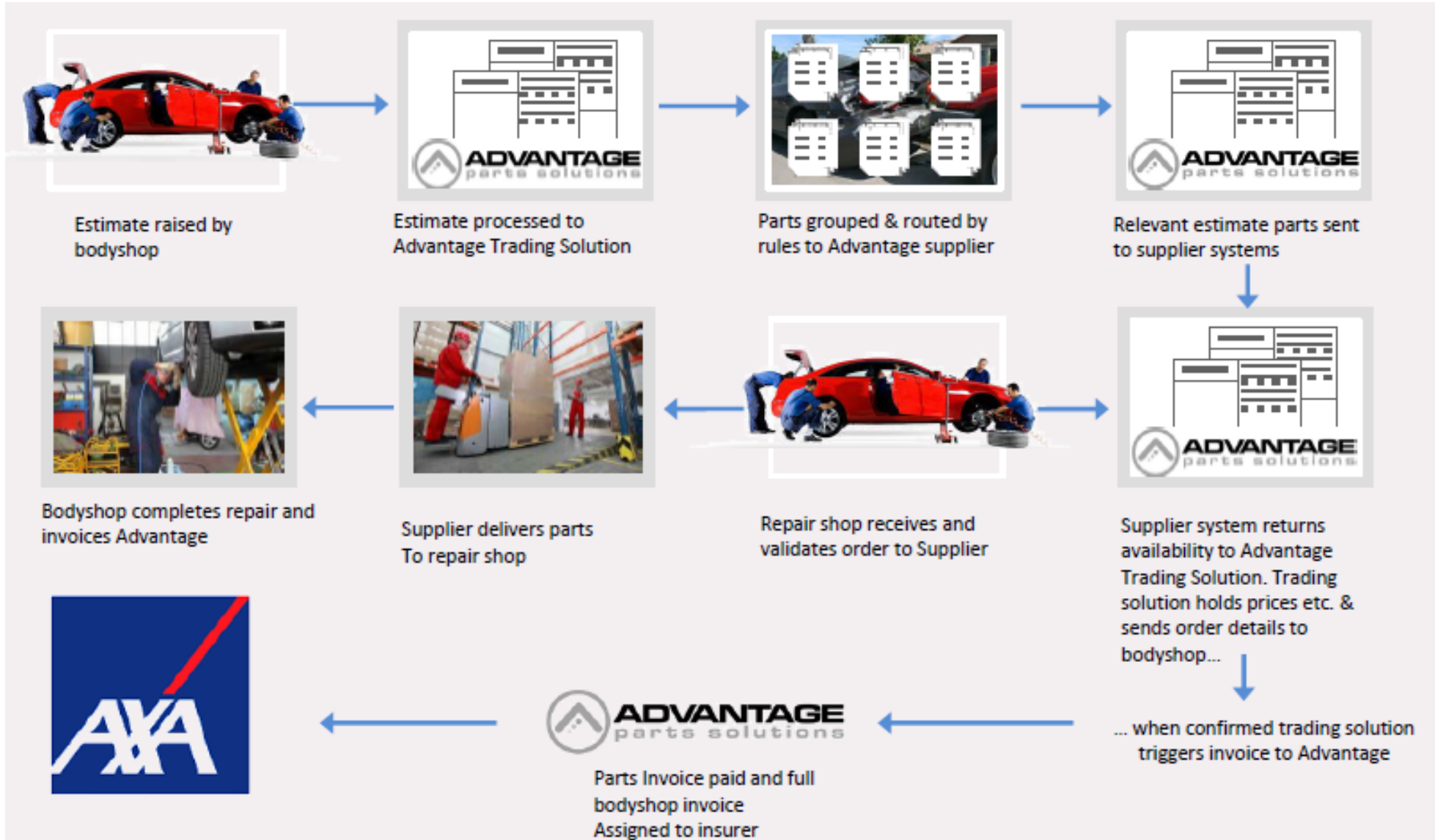
What we were saying last year; “Our biggest area of spend is on parts which in both 2016 and 2017 equated to 45% of total repair cost

Our control and visibility in this area is limited to discount at contract level and Engineering review.

We feel there is more opportunity to influence this area.”

# Possible Solutions Parts Fulfilment

Advantage leverages a dedicated IT Platform called “EZ Part” integrated with Assessment tools (i.e. Audatex)



# The indemnity Question





# Will Brexit be the Tipping Point?



# Recycling Legislation?









**Doing the right thing, environmentally & Financially?**







Thank you for  
Listening

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