

PERSONALISATION:

The next frontier in behavioural change.

How habits and AI-driven personalisation are reshaping driving risk.



Executive summary

Driving risk is not random. Behind every risk score, harsh-braking event or speeding alert lies a pattern of behaviour. Those behaviours are shaped by the interaction between people, vehicles, roads and the wider transport system. They also represent one of the most practical opportunities to reduce risk.

Discovery Insure has shown that influencing driving behaviour reduces claims, improves safety and creates meaningful shared value. Behaviours are repeated, reinforced and embedded into habits – stable patterns that define a driver's long-term risk trajectory. This shifts the challenge. Reducing risk is no longer about correcting isolated actions. It requires changing the habits that produce them.

Habitual behaviour is persistent and resistant to change. Awareness and incentives can influence behaviour in the short term, but rarely transform the underlying patterns that drive long-term outcomes. Sustained change requires intervention that is timely, relevant and specific to the individual.

Recent advances in AI and behavioural modelling make this possible. For the first time, it is possible to detect behavioural patterns as they emerge, identify the highest-impact opportunities for change and deliver personalised, actionable guidance at scale.

This approach now has been tested through a large-scale, real-world proof of concept, developed in partnership with Johns Hopkins University, bringing

together Discovery's behavioural data and operational scale with leading academic expertise in behavioural science. This collaboration enabled the design and rigorous testing of a personalised coaching system grounded in established theory. Across thousands of drivers, the intervention delivered strong engagement, measurable behavioural improvement and early evidence of shifts away from persistent high-risk patterns, demonstrating that behaviour can be influenced systematically and credibly at scale.

The Advanced Driving Instructor builds on this capability. It translates behavioural insight into continuous, personalised coaching, moving telematics beyond measurement towards active, real-time intervention. Drivers often already know which behaviours are risky; the challenge is translating that knowledge into repeated action. Advanced Driving Instructor is designed to close that gap by identifying the behaviour that matters most, framing the message in a way that feels relevant and supportive, and guiding the client towards a small, achievable action. This creates a mechanism for deliberately forming safer habits.

This represents a step change in insurance.

Insurance no longer needs to wait for risk to materialise. It can engage earlier, influence behaviour as it is formed and reduce harm before it occurs.

The future of insurance is not just predicting risk; it is changing the habits that create it.

Foreword by **Robert Attwell,** Chief Executive Officer, Discovery Insure



At Discovery Insure, our purpose is clear: to protect and enhance people's lives. On the road, that means more than responding to accidents after they occur. It means understanding why they happen and working to prevent them.

There is a growing recognition globally that what we often call "accidents" are not random events. They are, in most cases, the result of human behaviour repeated over time. How people drive, day after day, shapes the outcomes they experience.

Our own experience reinforces this. We have seen consistently that better driving behaviour leads to better outcomes: fewer crashes, fewer disruptions, and safer journeys for individuals and their families. Over time, these behaviours become habits, and those habits define long-term risk.

This insight has shaped how we think about the role of insurance. If risk is created through behaviour, then insurance has a responsibility

to engage earlier – not only to price risk more accurately, but to help reduce it in the first place.

The Advanced Driving Instructor reflects this evolution. It is designed to support our clients in understanding their own driving patterns and to guide them towards safer habits through clear, relevant and practical feedback delivered over time.

This is not about controlling what our clients do. It is about enabling better outcomes – helping people make small, consistent changes that improve how they drive and, ultimately, how they live.

We believe this represents the future of insurance: a model that moves beyond reacting to risk, towards actively shaping it, in ways that create lasting value for individuals, communities and society.

00 **Why** Discovery Insure?

Behavioural insurance did not begin with artificial intelligence. It began with a simple belief.

For more than 15 years, Discovery Insure has pursued a fundamentally different view of insurance. Traditional insurance focuses on measuring risk and pricing it appropriately. Discovery Insure was founded on a different premise: that risk can be reduced by influencing the behaviours that create it.

This belief led to the creation of Vitality Drive, one of the world's most advanced behaviour-based insurance programmes. By combining behavioural science, telematics, rewards and actuarial modelling, Discovery Insure has spent more than a decade building a deeper understanding of how driving behaviour forms, how it changes and how those changes influence real-world outcomes.

Today, Discovery Insure's understanding of driving behaviour is built upon:



More than 15 years
of behavioural insurance experience



Over 22 billion kilometres
of real-world driving behaviour observed



More than 31.5 million client months
of insurance and claims exposure



More than R2.4 billion returned
to clients through rewards and incentives

These assets represent one of the richest longitudinal datasets ever assembled on the relationship between behaviour, risk and driving outcomes.



Shared-value insurance

For decades, insurance has operated on a largely reactive model. While effective, this model leaves a fundamental question unanswered:

What if risk itself could be reduced?

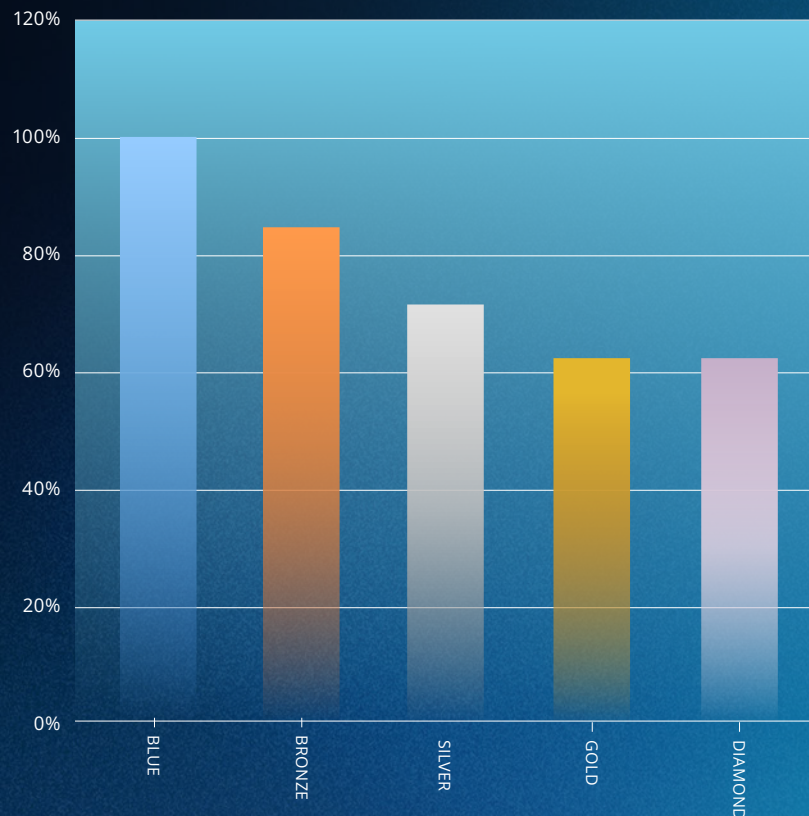
Discovery's Shared-value Insurance model was built around this idea. Rather than viewing risk purely as something to be financed after the event, shared value creates mechanisms that help people make better decisions before losses occur. As clients experience better outcomes, the insurer benefits from lower risk and lower claim costs. Through these cumulative effects on clients' lives, positive societal impact is created. This creates a virtuous cycle in which value is shared between clients, the insurer and society.

Over the past 15 years, Discovery Insure has demonstrated that behaviour change can be achieved consistently and at scale.

A legacy of behaviour change

One of the clearest findings from the Vitality Drive programme is that driving behaviour improves rapidly after engagement. On average, drivers improve their driving behaviour by about 15% within their first month on the programme. This improvement happens well before any observable claims outcomes emerge, highlighting behaviour as a leading indicator of future risk.

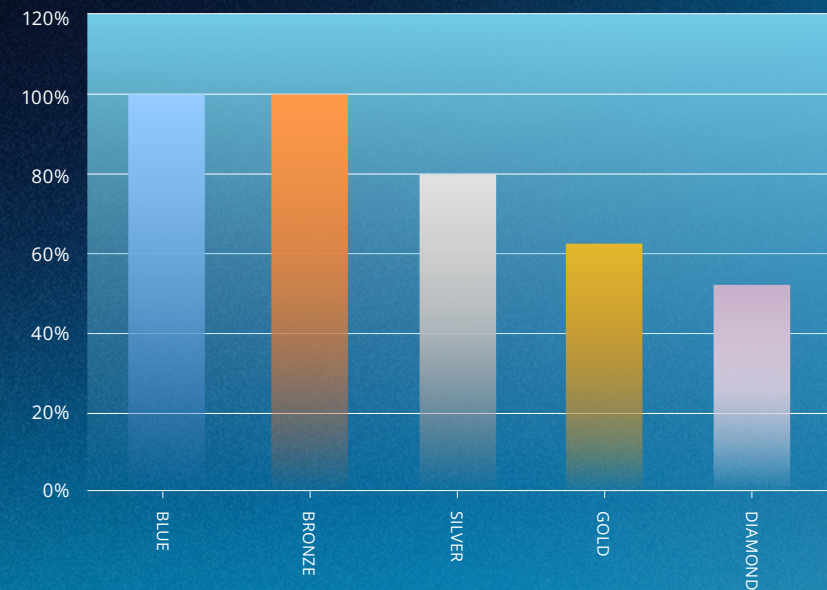
Claim Severity by Vitality Drive status



More importantly, these behavioural improvements translate into meaningful actuarial outcomes.

Clients demonstrating safer driving behaviours experience materially lower claims severity.

Claim Frequency by Vitality Drive status



Clients demonstrating safer driving behaviours experience materially lower claims severity and significantly fewer claims over time.

Rather than viewing risk purely as something to be financed after the event, shared value creates mechanisms that help prevent losses from occurring in the first place. The significance of this model is that it aligns the objectives of clients and the insurer around a shared outcome: reducing risk through safer behaviour incentivised through rewards.

Demonstrating the power of behaviour change

The strongest evidence of the model's impact can be seen in road safety outcomes. Discovery Insure has observed substantial reductions in serious road incidents among safer drivers, culminating in an approximately 80% lower fatality rate among the safest drivers relative to the average South African fatality rate estimates.

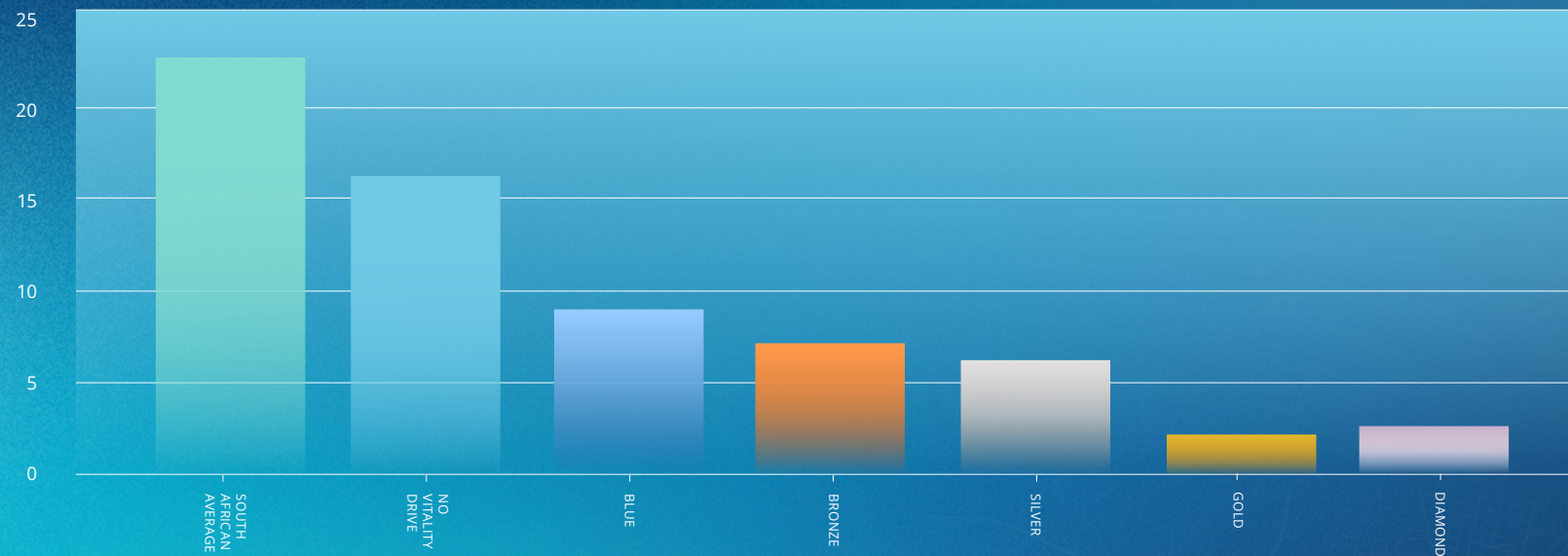
This finding extends beyond insurance performance. It demonstrates that behaviour is a mechanism through which future outcomes can be changed. If behaviour can be measured, influenced and improved at scale, then insurance has the potential to move beyond assessing risk towards actively reducing it.

After fifteen years of behavioural insurance, Discovery Insure has accumulated a unique combination of data, actuarial evidence and real-world experience demonstrating that driving behaviour can be changed and that those changes produce meaningful improvements in outcomes.

The next question naturally follows:

If behaviour can be changed, can those changes be made more precise, more personalised and more effective?

Road Fatalities (per 100,000 lives)



01

Risk is behavioural and behaviour is habitual

Driving risk is behavioural, not random

Road crashes are often described as unpredictable – moments of bad luck driven by external circumstances. This framing is intuitive, but incorrect.

Crashes are not random. They are the result of behaviours repeated over time across varied driving contexts.

This distinction matters. When individual risk is viewed as episodic, responses are reactive and focused on what went wrong in a single moment. When individual risk is understood as behavioural, the focus shifts to the patterns that create exposure long before an incident occurs.

A crash is an event. Risk is a pattern.

The behavioural nature of driving risk

Every journey reflects three categories of risk variables: driver, vehicle and environment. While vehicles and environments change, driver behaviour is more consistent. How individuals accelerate, brake, manage speed and respond to distraction can vary, but it tends to persist across journeys.

Each instance of risky behaviour, speeding, harsh braking and distraction is not isolated. It is a small, repeated increase in exposure. Over time, these increments accumulate into a measurable risk profile.

The limits of episodic thinking

Crashes are often explained as a single lapse – a moment of distraction or misjudgement. But these moments are rarely unique.

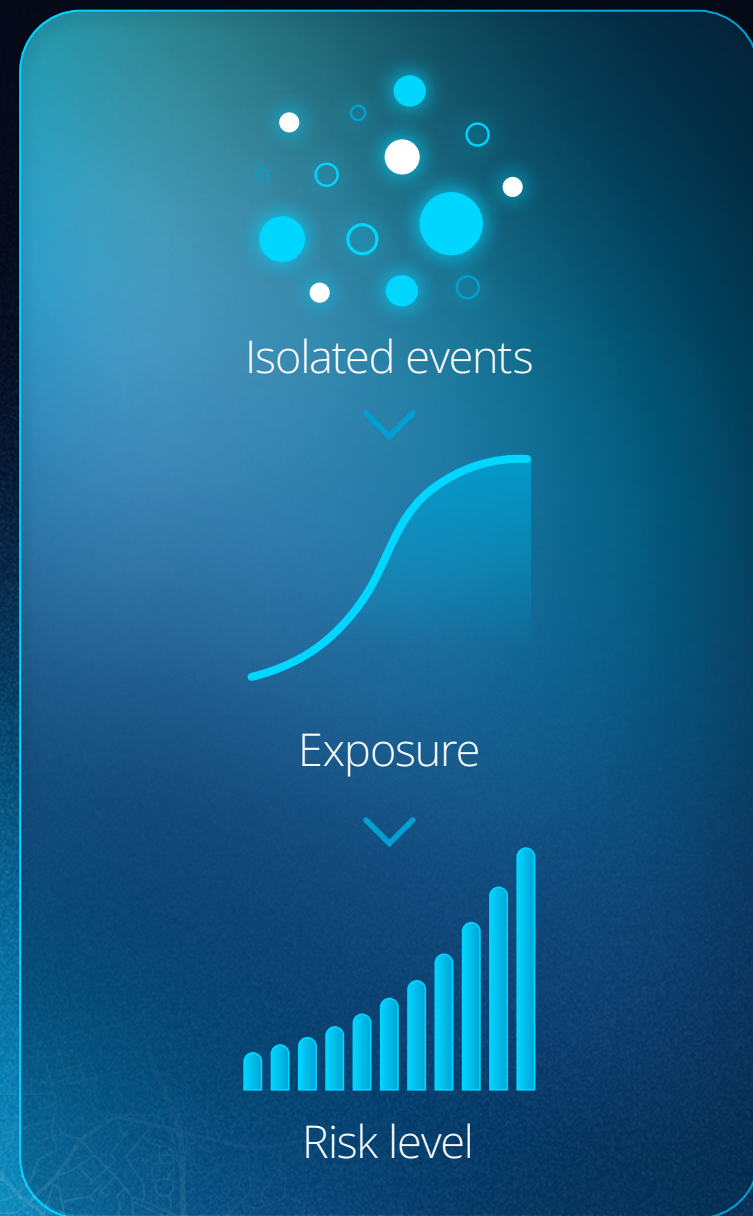
In most cases, the behaviour present at the time of an incident:

1. Has occurred before
2. Is part of an established pattern.

For example:

- Repeated phone use > Persistent distraction risk
- Frequent harsh braking > Reduced response margin
- Consistent speeding > Increased severity of loss events

Individually, these behaviours may appear minor. Repeated over time, they materially increase the likelihood and severity of incidents.



We have seen that the nature of risk is influenced by five behaviours that lead to the three key causes of crashes, which make up 60% of all motor fatalities.



Five driving behaviours

- Drinking and driving
- Cellphone use while driving
- Excessive speeding
- Aggressive driving
- Lack of vehicle care



Three main causes of collisions

- Distracted driving
- Loss of vehicle control
- Reduction in vehicle safety



60%

of fatal collisions

From behaviour to habit

Repetition transforms behaviour into habit.

Actions



Repetition



Habits



Risk trajectory

As behaviours are repeated, they:

- Become automatic
- Require less conscious effort
- Stabilise into consistent patterns.

These habits define:

- How a driver responds under pressure
- How much risk they tolerate
- How consistently they drive.

As a result, long-term risk is not driven by what people do occasionally, but by what they do habitually.

Implication for risk management

This reframes the problem of driving risk.

Risk cannot be reduced by correcting isolated events.
It must be reduced by changing the habits that generate them.

This shift – from events to patterns, from behaviour to habits – creates the foundation for a fundamentally different model: **from reacting to incidents to influencing the behaviours that precede them.**

02 **Habits:** How driving risk forms

From behaviour to measurable habit

Individual driving risk is not defined by isolated events; it is defined by how behaviour stabilises and evolves over time.

Discovery data shows a consistent pattern: behaviour improves before outcomes do. On the Vitality Drive programme, drivers improve behaviour by about 15% in the first month, well before any observable change in claims.

This is a signal of habit formation in progress. As behaviour is repeated, variability decreases, patterns become more consistent and actions need less conscious effort. What begins as situational becomes an embedded habit, and it is these habits that define long-term risk.

Habits as a measurable system

Habits cannot be observed directly, but they can be inferred from behaviour. In driving data, they exhibit three defining properties:

HABITS ARE QUANTIFIABLE

01

Habit strength is reflected in **consistency over time**.

As behaviour stabilises, variability reduces, indicating that actions are becoming embedded rather than situational.

HABITS ARE PREDICTABLE

02

Stable behaviour produces **repeatable patterns**.

Past behaviour becomes a strong predictor of future behaviour, enabling a forward-looking risk assessment.

HABITS ARE MODIFIABLE

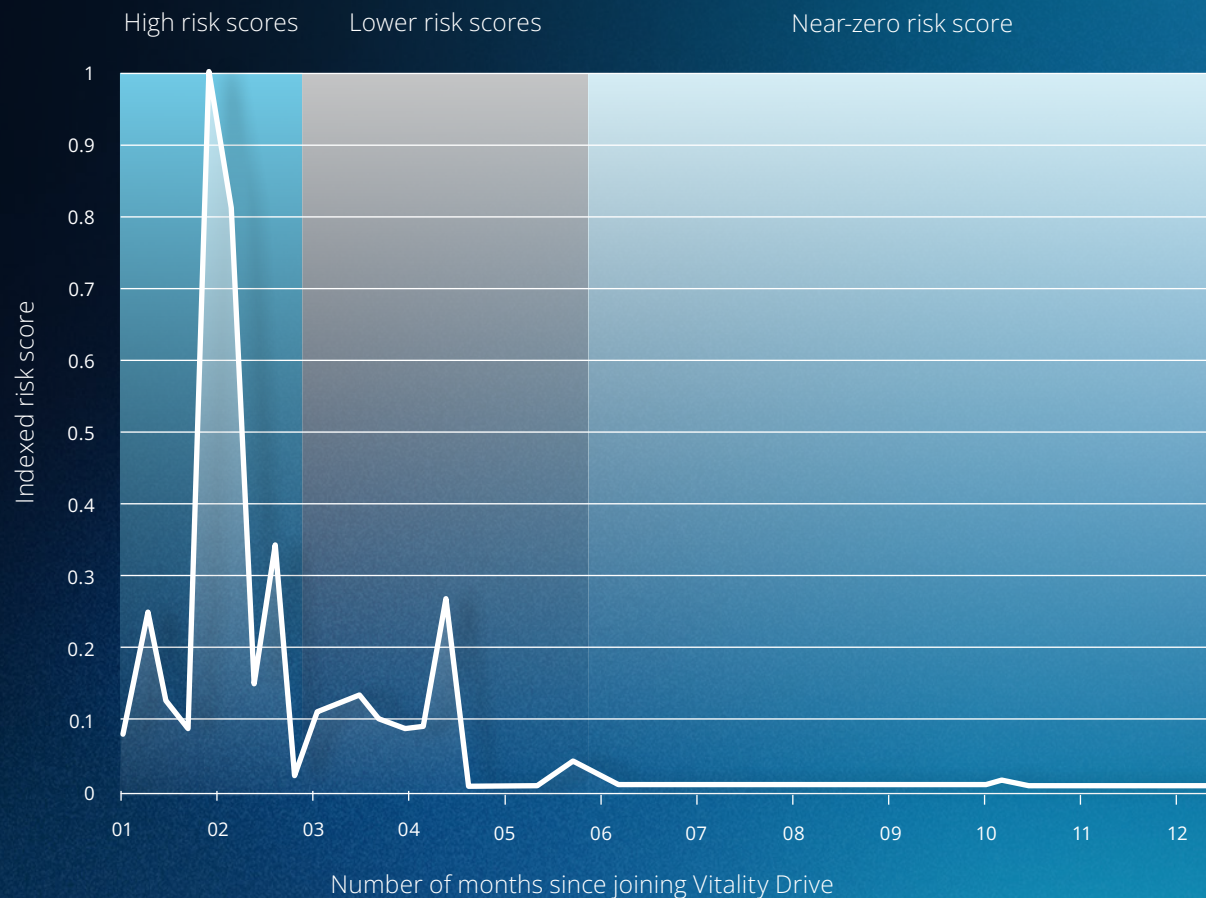
03

Habits are persistent but not fixed. They change when patterns are interrupted and new behaviours are **repeated consistently enough to replace old ones**.

This is critical: habits make risk observable, predictable, and, ultimately, changeable.

The below graph shows a client who joined Vitality Drive and engaged strongly with the programme. Initially this client had a significant number of events, that through awareness and rewards, incentivised this client to change their behaviour and reduce their risky driving behaviours.

Indexed claims risk score over time



High frequency of risky events

Early driving behaviour is characterised by frequent events resulting in elevated risk scores.

Moderate frequency of risky events

The frequency and severity of risky events declines over time, indicating the driver is actively changing their behaviour.

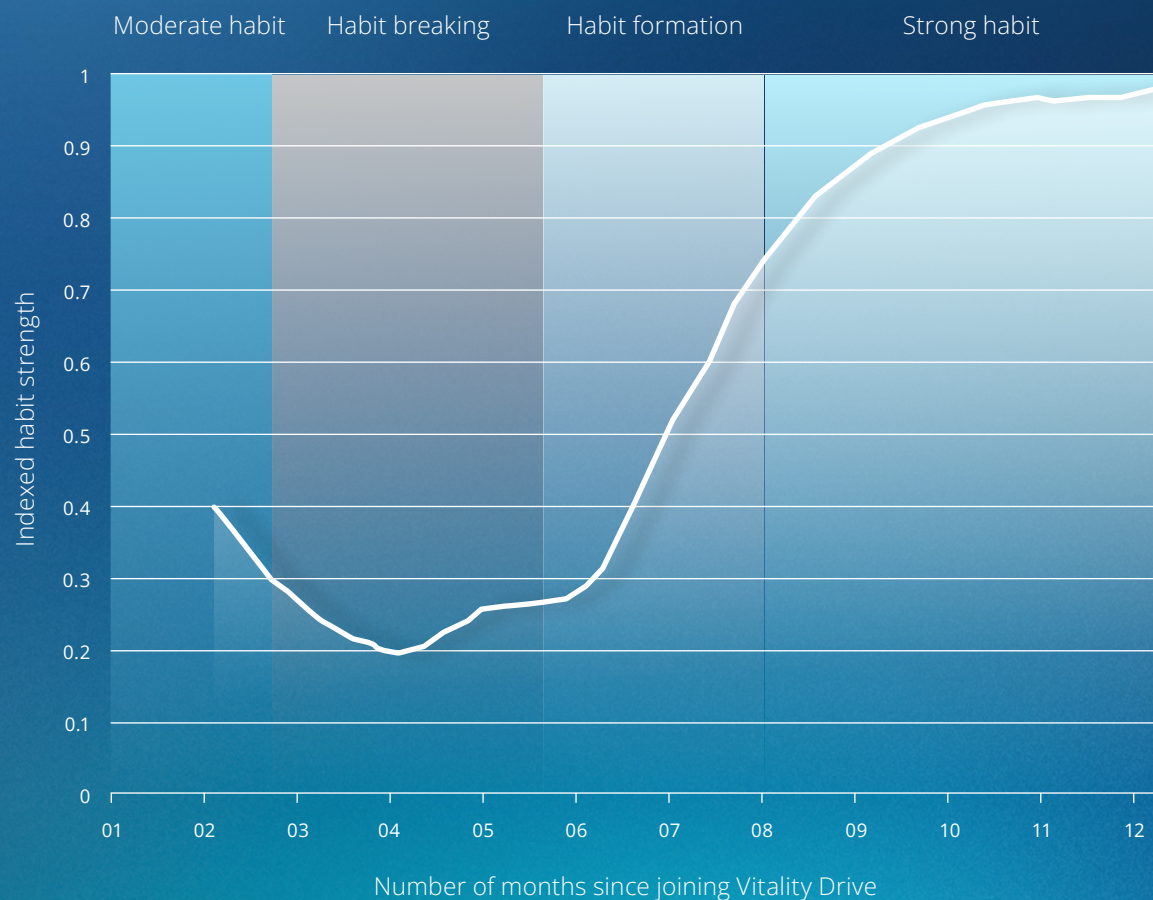
Low frequency of risky events

Sustained reductions in risky events lead to near-zero risk scores, reflecting consistently safer behaviour.

The risk score shown is a composite metric of the frequency and severity of driving events which is a measure of future claims risk. Lower scores indicate fewer and less severe driving events and lower overall accident risk.

The below graph shows a measure of the strength of habit formation over time. We use predictive models to estimate how a client is going to act in future months and the lower the error of these models, the more predictive the behaviour and the stronger the underlying habit.

Habit strength over time



Behaviour is inconsistent

Driving patterns remain variable and are difficult to predict from prior behaviour.

Old behaviours are being disrupted

Risky driving patterns becoming less consistent as drivers actively modify behaviour. Existing habits weaken, reducing predictability of behaviour.

New driving routines emerge

Repeated safer behaviours are becoming more stable and predictable, signalling habit formation.

Safe behaviour becomes automatic

Safe driving behaviours are now highly consistent and self sustaining, requiring less conscious effort to maintain.

Measured using prediction consistency. A predictive model is trained on a six-week window and predicting the following week's risk score. This metric is derived from the error of this predictive model. As behaviour becomes more routine and predictable, habit strength increases.

From habit to behavioural trajectory

The true value of understanding habits is that risk becomes directional.

When behaviour is observed over time, the noise of individual journeys gives way to clearer behavioural patterns. Actions that appear isolated on one trip become part of a wider behavioural trajectory. In this way, habits do not represent a point-in-time state but define a trajectory of someone's long-term behaviour.

Without intervention, these trajectories tend to reinforce themselves. Patterns of behaviour become more embedded, making both improvement and deterioration self-sustaining. What may appear as small, everyday actions – speeding, intermittent distraction, inconsistent braking – can, through repetition, move a driver steadily toward higher or lower risk.

From an insurance perspective, this changes what it means to manage risk. Claims and incidents are too infrequent to provide timely insight into these shifts. By the time an outcome is observed, the underlying trajectory that produced it is already well established.

Habits provide the missing signal. They make it possible to detect whether a driver's behaviour is stabilising, improving or deteriorating, long before that change manifests in a crash.

The implication is significant. Intervention no longer needs to wait for outcomes. It can be triggered by **changes in behavioural direction**, allowing risk to be managed earlier and with far greater precision.



03 Why **behaviour** change is hard

If risk is shaped by behavioural trajectories, then reducing risk requires changing the underlying patterns that drive them.

This is where the challenge becomes clear.

Most drivers already understand what constitutes safe behaviour. They know the risks associated with speeding, distraction and inattention. Yet these behaviours persist, not because of a lack of knowledge, but because behaviour is not primarily driven by deliberate choice.

A large proportion of human behaviour is automatic, shaped by habit and triggered by familiar contexts (Wood & Neal, 2007). In driving, decisions are made under pressure, in routine environments or often with limited conscious reflection. Under these conditions, behaviour defaults to what has been repeated before.

This creates a persistent gap between intention and action.

The benefits of safe driving are distant and intangible – a crash avoided, a risk unrealised. By contrast, the perceived benefits of risky behaviour are immediate: saving time, maintaining flow, staying connected. Over repeated journeys, these small, consistent trade-offs reinforce existing patterns, embedding them more deeply over time.

This is why behavioural trajectories are so resistant to change. Habits do not shift because of a single decision or a moment of awareness. They change only when behaviour is consistently repeated in a different direction. Traditional approaches have struggled to account for this.

Early telematics models focused on measurement and awareness, providing scores, alerts or incentives with the assumption that better information would lead to better decisions (Owusu et al., 2025). In practice, this has been delivered but generally the impact is limited and often only temporary (Deci, Koestner & Ryan, 1999; Mortimer et al., 2021). Behaviour may improve briefly, but without changing the underlying habit, it typically reverts.

The core limitation is not visibility. It is relevance. Incentives often drive short-term compliance rather than sustained change.

These approaches act on behaviour at the surface level, while the drivers of risk, habits formed in context and reinforced over time, remain unchanged. If behaviour varies by individual, forms in specific contexts and evolves along distinct trajectories, then influencing it requires far greater precision.



It is necessary to intervene in a way that is:



> **Specific to the individual**

> **Aligned to their current pattern of behaviour**

> **Delivered when it can influence action.**

This creates a fundamental challenge: **how do you influence deeply embedded, highly individual behavioural patterns, consistently and at scale?**

Answering this requires a shift from observing behaviour to actively shaping it, and from generic intervention to systems capable of adapting to the individual. That shift is enabled by personalisation.

04 Behaviour change is a science

Most driving behaviour is automatic, habitual and shaped by context. Changing behaviours requires deliberate design that is grounded in the science of how behaviour actually changes.

This is the step that has largely been missed by industry. Telematics does not suffer from a shortage of data or technology; it lacks behavioural science in the design of the intervention itself. A recent review found that, of published academic work on telematics feedback over the past 25 years, only a single paper included an explicit model of behaviour change (Kinnear et al., 2026). The field has been rich in measurement and poor in the science of influence.

The distinction matters, because predicting behaviour and changing behaviour are completely different problems. Decades of behavioural science have shown that awareness rarely translates into action on its own: people continue with behaviours they know to be risky because those behaviours are convenient, rewarding, familiar or simply easier in the moment (Wood & Neal, 2007; French et al., 2017). Sustained change comes from designing feedback that creates genuine insight, connects to something meaningful and makes the next action clear and achievable (Michie, van Stralen & West, 2011).

Effective Behaviour Change

What is said:

The intervention must be structured around a clear behavioural logic, not a generic score or a simple warning.

How it is said:

The words, framing and tone of a message materially shape whether a driver feels informed and supported, or judged.

When it is said:

Feedback delivered at the right moment, relevant to a driver's own recent behaviour, is far more likely to influence what happens next.

Getting all of these right is what comprises the actual intervention: the behavioural framework guides the logic of what should change; psychology determines how that message is constructed so it is understood, believed and acted upon; and it recognises that the same insight delivered in the wrong tone, or at the wrong moment, can fail entirely.

Crucially, behavioural science also tells us that this cannot be generic. Two drivers with an identical risk profile may behave in the same way for entirely different reasons, and may need entirely different messages, framing and encouragement to change. Science points directly to a single conclusion: to change behaviour, the intervention must be built around the individual.

That is the principle personalisation exists to deliver.

05 Personalisation at scale

If behaviour is habitual, context-specific and resistant to generic intervention, then sustained, meaningful change cannot be achieved through one-size-fits-all approaches.

Each driver exhibits a unique behavioural pattern, shaped by their routines, environments and past actions. These patterns do not simply differ in magnitude; they differ in structure. The behaviours that drive risk for one individual may be entirely different for another, and even the same behaviour can carry different significance depending on how it is repeated, when it occurs and how it is evolving over time.

Standardised feedback treats individuals as averages. It highlights behaviours and presents information, but it does not prioritise or guide action to change.

Personalisation changes this. It enables intervention to move from broad and reactive to precise and adaptive, aligned to the individual and their behaviour (Tong et al., 2021; Choudhary et al., 2022). At its core, personalisation is about linking behavioural insight to targeted action.

This requires a system capable of:

-  **Identifying meaningful patterns** in individual behaviour
-  **Determining which behaviours matter most** for change
-  **Timing intervention**
-  **Translating feedback into clear, achievable actions.**

When these elements come together, intervention becomes both relevant and actionable – two conditions that are essential for changing habit.

This approach is already embedded across Discovery's broader model. At Discovery Health, personalised pathways guide individuals through incremental behaviour change, recognising that outcomes are driven by sustained patterns over time.

At Discovery Bank, behavioural profiles make it possible to understand how individuals manage money, enabling targeted actions that improve financial behaviour.

In each case, the principle is consistent:



**Understand
behaviour**



**Identify the next
best action**



**Reinforce change
over time**

06 Proof of concept

The case for personalised, behaviourally informed intervention is conceptually strong. The critical question is whether it translates into **measurable impact in real-world conditions, and at scale**.

To test this, Discovery Insure partnered with Johns Hopkins University to design and implement a large-scale behavioural trial. The objective was not only to assess whether personalised coaching could influence driving behaviour, but to do so with a level of scientific rigour suitable for independent validation.

The result was a live, large-scale experiment, embedded within an operational telematics environment and grounded in established behavioural science.

From behavioural theory to practical intervention

A central challenge in behaviour change is not identifying what should change, but translating that into guidance people can act on consistently, addressing a key limitation in traditional telematics: **the absence of actionable guidance**. The intervention was built on a structured behavioural framework combining leading models from behavioural science, including COM-B, the Information-Motivation-Behavioural Skills model, and Fogg's Behaviour Model (Michie et al., 2011; Fisher & Fisher, 1992; Fogg, 2019).

Professor
Johnathon Ehsani

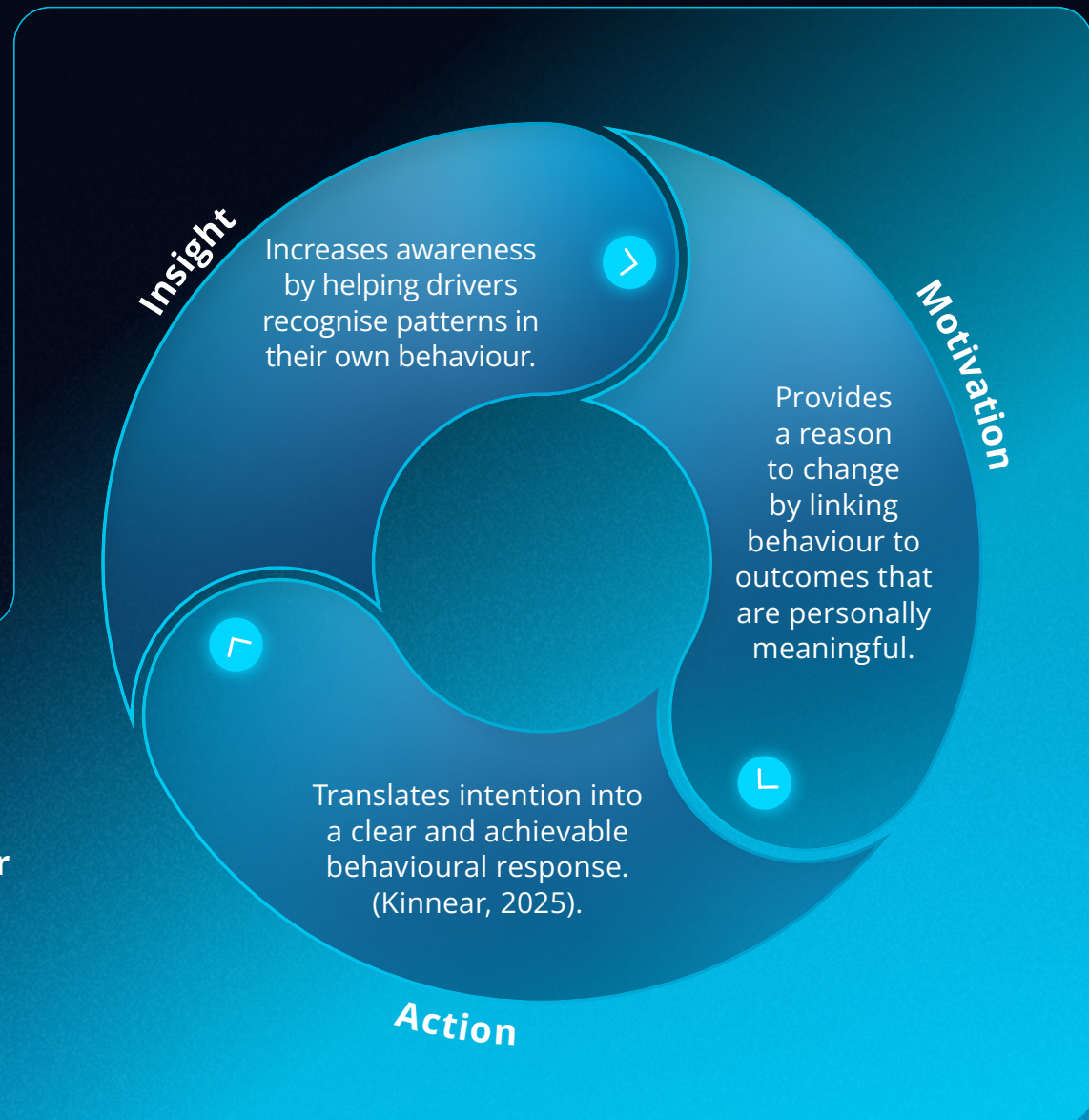
(Johns Hopkins Bloomberg School of Public Health's road safety, policy and behavioural science expert)



The study was grounded in the Insight–Motivation–Action (IMA) framework developed by behavioural scientist Neale Kinnear of Affective Mobility. This framework provides the basis for operationalising a structured behavioural framework as outlined below:



Dr Neale Kinnear
of Affective Mobility



An additional component of the work was the recognition that how feedback is delivered can matter as much as what is delivered. The trial tested coaching styles as outlined below:

- An **authoritative** style, being clear, factual and instructional, which was effective at creating measurable immediate change.
- A **supportive** style which was more collaborative, encouraging and reflective – associated with building intrinsic motivation and sustained, longer-term change.

The significance is that tone is an active behavioural lever: the right voice, matched to the driver and the moment, is part of the mechanism of change itself. Delivering that consistently – the correct framing, tone, and action – for thousands of individual drivers, is something no static message library can accomplish.

From behavioural science to personalised coaching

Behavioural science defines how change should happen, while AI enables that science to be delivered consistently and individually at scale. The system should therefore not be understood as an AI model with behavioural messaging attached, but as a behaviour-change engine in which psychology, behavioural theory, telematics data and AI each play a distinct role.

For each driver:



Behavioural data was used to build a dynamic profile, capturing risk patterns, context and engagement.



A priority behaviour was selected based on risk, frequency and potential for change.



A short-term, achievable goal was defined (typically over a two-week cycle).



A personalised message was generated using the Insight–Motivation–Action structure, generated by an LLM guided by structure and examples from behavioural science literature.

Importantly, the message does not need to mirror the risk event exactly. It can target the upstream behaviour most likely to reduce risk, such as following distance, speed management or trip context.

Experimental design

The study was designed to go beyond proof of impact and to understand **what drives behaviour change most effectively**. 5,000 drivers were randomly assigned across multiple experimental groups, allowing comparison of different intervention strategies, including:

- Coaching style (directive versus supportive)
- Use of social benchmarking
- Goal design (location-based versus behaviour-based)
- Presence of real-time alerts.

The trial ran over four months, structured into repeated two-week cycles of goal-setting, feedback and reinforcement. This design ensured that outcomes were not only observable, but causally attributable to the intervention approach.



Measured impact

The scale of the trial was substantial:

- **More than 15 million kilometres driven** across about 1.7 million trips
- **23,000 personalised goals** generated
- About **160,000 push notifications** and over **390,000 coaching messages** delivered
- **Goal achievement rate of about 50%.**

More importantly, when compared to the underlying population, a clear pattern emerged:

- Drivers receiving personalised coaching improved materially more than the broader book.
- Improvements were sustained over time, rather than transient.
- Behaviour change was concentrated in targeted, high-impact areas.

Outcomes from the proof of concept

The difference is not that behaviour improved, it is that it improved meaningfully more where intervention was personalised, targeted and actionable.

The proof of concept establishes three key conclusions:

1. Personalised coaching drives materially stronger behavioural outcomes than generic feedback.
2. These changes show early signs of shifting underlying habits and trajectories, not just short-term compliance.
3. The approach is operationally scalable, with sustained engagement and measurable impact.

Taken together, this provides robust evidence that behaviour, and the habits that define risk, can be influenced in a structured, repeatable way.

The successful outcomes laid the foundation to build **Advanced Driving Instructor** and deploy personalisation at scale for behaviour change across the entire insurance population.

Relative change in behaviours relate to a matched comparison



Phone use

-8.6%



Acceleration

-5.2%



Braking

-4.5%



Cornering

-3.9%



Speeding

-2.5%



07 Introducing the Advanced Driving Instructor

The Advanced Driving Instructor takes the core elements validated in the trial, behavioural pattern recognition, personalised goal setting and structured coaching, and integrates them into a continuous system.

At its core, **Advanced Driving Instructor** is built around a simple feedback loop:

Goal-driven change

What differentiates the Advanced Driving Instructor is not just feedback, but structured goals and personalised messaging tied to behaviour.

Each goal focuses attention on a single behaviour, defines a clear improvement target and is reinforced through messaging and interaction. This creates a mechanism for incremental, sustained change, aligned with how habits form.

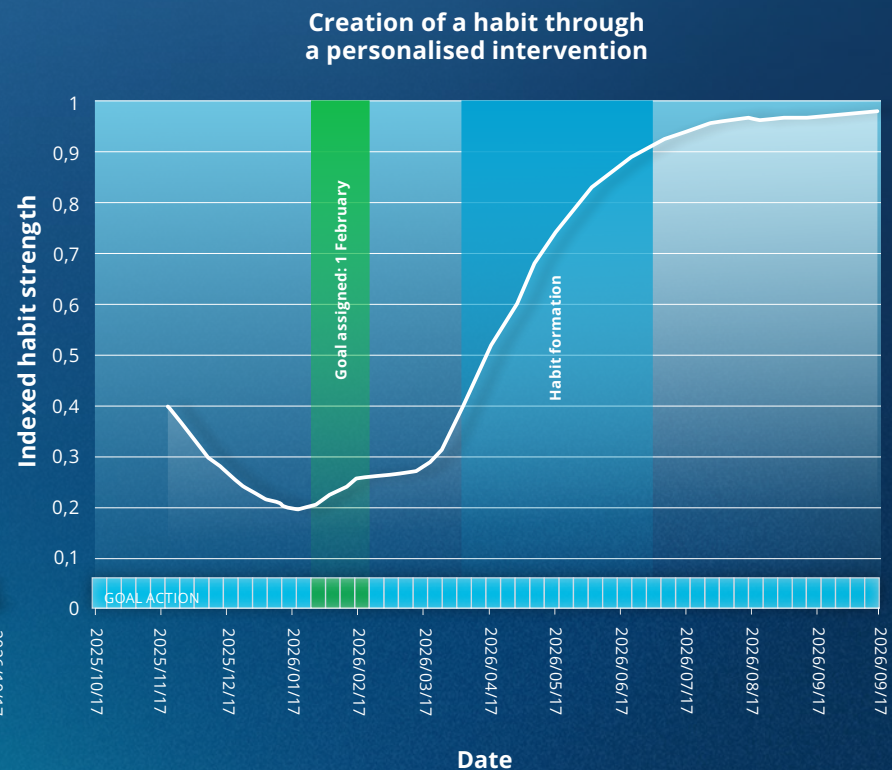
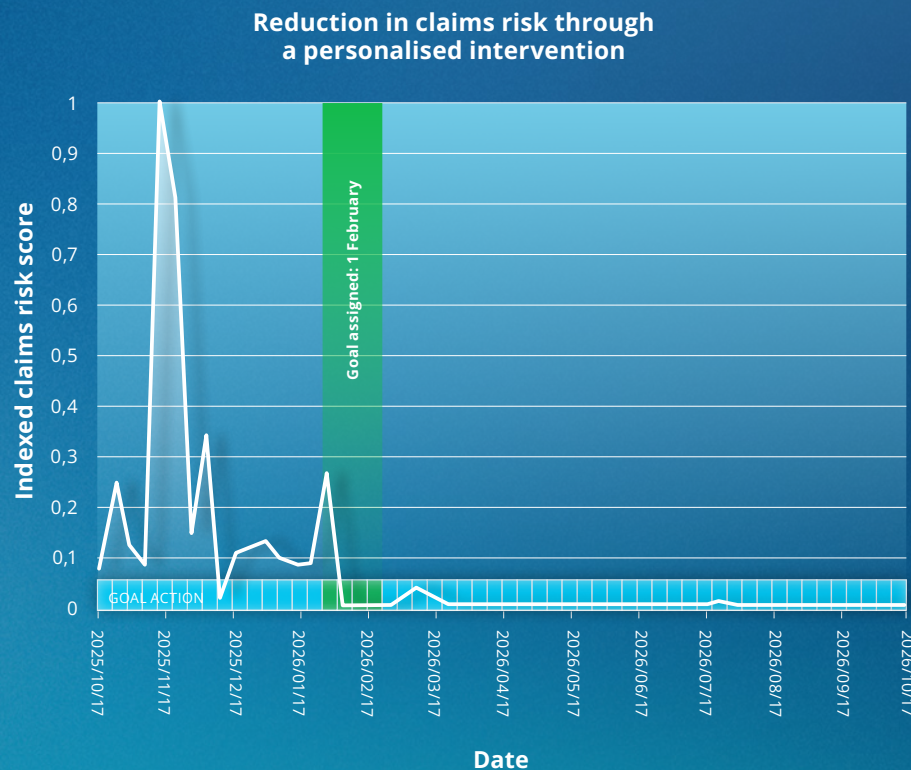


Behaviour change driven through the loop

The most compelling result of the system is how behaviour responds to goal assignment.

Clients who engage with the Discovery Insure app and messages improve materially more than the broader population. Behaviour shifts after goal assignment and messaging, and improvement is sustained over repeated cycles.

The below graphs show the impact of a goal being assigned to a client on one of their risky driving behaviours. The goal initiated awareness of a specific problem and resulted in the client changing their behaviour (and reducing their risk) and sustaining this changed behaviour over time.



A key insight arising out of this is that **behaviour improves even when goals are not fully achieved**.

Drivers exposed to personalised goals show meaningful improvement before completing the goal and even when the goal is missed. This indicates that:

- Attention is redirected to the behaviour
- Awareness translates to changes in actions

- Repeating these changes leads to changing long-term patterns, even in the absence of reward.
- The significance of the Advanced Driving Instructor lies in its simplicity.

It does not rely on large, infrequent interventions. It works through small, repeated, individualised and targeted changes, aligned to how habits form.

The below graph shows the impact of a goal being assigned to a client on one of their risky driving behaviours. The goal initiated awareness of a specific problem and resulted in the client changing their behaviour (and reducing their risk) and sustaining this changed behaviour over time.



08 **Looking forward:** The future of behavioural insurance.

Insurance is at an inflection point.

For decades, the industry has been designed around a single principle: assess risk and price it accordingly. That model has been effective, but it is fundamentally reactive. It assumes that risk is something to be measured, not something that can be shaped.

That assumption no longer holds.

The combination of behavioural data, real-time feedback and AI-driven intervention makes it possible to act much earlier, at the point where risk is created. This shifts insurance to influencing the behaviours that produce insurable outcomes. What emerges is a different operating model altogether, one that is defined by the ability to intervene.

This places insurers in a unique position. They are one of the few actors in the system with continuous visibility into how people behave, direct engagement with individuals at scale, and the mechanisms to reinforce change through incentives and feedback. In a system where human error is inevitable, the question is not whether mistakes occur, but how often they occur and how severe their consequences are. Insurers have the capability to influence both.

Delivering on that capability requires a fundamental shift in design.

Behaviour change cannot sit on the periphery of the product; it must be built into the core. Generic feedback, delayed signals and one-size-fits-all incentives are not enough. Behaviour changes only when guidance is specific, actionable and delivered at the moment it can influence what happens next. That means treating the individual as the unit of change.

This is where the real transformation lies. Two drivers with similar risk profiles may need entirely different interventions. Understanding behaviour at that level, and responding to it continuously, is what enables meaningful change. Advances in data and AI have made this viable at scale for the first time. Personalisation is no longer a feature; it is the mechanism through which the system operates.

As a result, behaviour-based insurance is becoming something fundamentally different. For clients, the value is not limited to lower premiums, but extends to safer outcomes and greater control over how they drive. For insurers, the impact is not only improved pricing, but a reduction in risk itself.

The implications are clear. If risk is created through behaviour, and behaviour can be influenced, then insurance does not need to wait for loss to occur. It can act earlier, with greater precision and with greater impact. The future of insurance will not be defined by how well risk is priced. It will be defined by how effectively it is changed.

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