

Driving the Future: How AI and Telematics Are Transforming Commercial Auto Insurance



Executive Summary

Artificial intelligence (AI) and telematics are reshaping the commercial auto insurance landscape. As a trusted partner to agents, Forge believes these technologies offer powerful tools to improve pricing accuracy, reduce losses, and deliver better outcomes for clients. This white paper explores how agents can harness these innovations to stay competitive and deliver greater value.

The AI Arms Race: Why It Matters to Insurance

AI is no longer a futuristic concept—it's here, and it's accelerating. Governments and businesses worldwide are investing heavily in AI to gain economic and strategic advantages. At Forge, we see this as a call to action: to integrate AI responsibly into our operations to enhance underwriting, claims, and customer experience.

Telematics: The Next “Aha” Moment

While AI has captured headlines, telematics is quietly becoming a game-changer in commercial auto. Much like ChatGPT sparked mass adoption of AI, we anticipate a similar tipping point for telematics—especially as business owners seek relief from rising premiums.

Why Telematics and UBI Matter to Agents

Usage-Based Insurance (UBI) and telematics offer a new way to:

- Price risk more accurately
- Reward safe driving behavior
- Reduce loss frequency and severity

- Support clients with actionable driving insights

These tools are no longer limited to large fleets. New platforms make telematics accessible to small businesses and individual vehicles, expanding your market opportunity.

How It Works: Telematics in Action

Telematics devices collect real-time data on:

- Miles driven
- Driving behavior (acceleration, braking, cornering)
- Vehicle location and usage patterns

This data enables insurers to:

- Assess risk more precisely
- Offer dynamic pricing
- Provide discounts to safer drivers

Benefits for Your Clients

Telematics isn't just good for insurers—it's a win for your clients too:

- Lower premiums for safe driving
- Driver scorecards and coaching tools
- Fuel and time management
- Accident investigation support
- Geofencing and payroll tracking for larger fleets

The Future: Real-Time, Personalized Insurance

Imagine a world where:

- Policies are re-rated regularly based on driving data
- Premiums reflect real-time risk
- Underwriting is faster, cheaper, and more accurate

This is the future we're building—with you.

What You Can Do Now

As an agent, you play a critical role in helping clients adopt these technologies. Here's how to lead:

- Educate clients on the benefits of telematics and UBI
- Use driving data to build stronger submission stories
- Partner with carriers that offer innovative tools and pricing models

Conclusion: Forge Ahead

AI and telematics are here to stay. They're not just buzzwords—they're tools that can help you grow your book, serve your clients better, and stay ahead of the curve.

Let's embrace the future together—and **Forge On!**

