

Universal Media Flow (UMF)

An auto insurance story

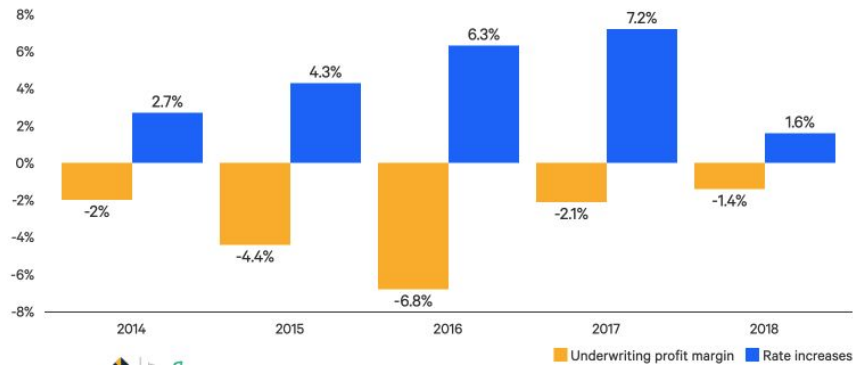
The narrative

1. Auto insurance premiums increase but auto insurance still operates at loss
2. Teen drivers are financially penalized based on broad stats and not by the individual qualities (or the lack thereof)
3. Insurance premiums are not clearly connected to driver behavior and associated risk
4. We are going to change that, by proposing a solution that will shift the costs to where the real risk is
5. Insurance companies will invest into our service \$0.6 per month per insured driver, to quantify and use driving behavior for calculating their premiums
6. We will make \$150M in the first 3 years in production
7. We need \$3M to accomplish that

Auto Insurance profit/loss margins

Rank	Insurer	Direct written premiums 2018 (\$ billions)	Combined loss ratio 2018	2018 rate increase
1	State Farm	\$41.95	99%	-3.7%
2	Berkshire Hathaway (GEICO)	\$33.08	102%	4.8%
3	Progressive	\$27.06	104%	0.2%
4	Allstate	\$22.66	101%	1.2%
5	USAA	\$14.47	102%	4.4%
6	Liberty Mutual	\$11.78	100%	5.0%
7	Farmers	\$10.50	101%	5.3%
8	Nationwide	\$6.73	98%	2.8%
9	Travelers	\$4.70	103%	3.0%
10	American Family	\$4.69	103%	8.8%

Profit Margin and Rate Increases: 10 Largest Auto Insurers



Main reasons for margin slide

- More/costlier accidents
 - Increase in distracted driving accidents
 - Costlier repairs
- Increased number and effect of natural disasters

Teen drivers are major contributor to auto insurance claims

Age of Driver	All Crashes	Injury Crashes	Fatal Crashes
Rate per 100 million miles driven			
16-17	1,432	361	3.75
18-19	730	197	2.47
20-24	572	157	2.15
25-29	526	150	1.99
30-39	328	92	1.20
40-49	314	90	1.12
50-59	315	88	1.25
60-69	241	67	1.04
70-79	301	86	1.79
80+	432	131	3.85

- Teen crash rates (16-19yo) in US exceed all other age groups combined. The impact on others (than the teen behind the wheel) is also most severe.
- For teen drivers, due to the insufficient development of the prefrontal cortex, it is more difficult to evaluate long term consequences and respond to long term stimulus.
- Statistically, insuring a teen driver increases premiums between 80% and 115%. In states where insurance companies are allowed to take into account gender, male teen drivers are penalized up to 30% more.

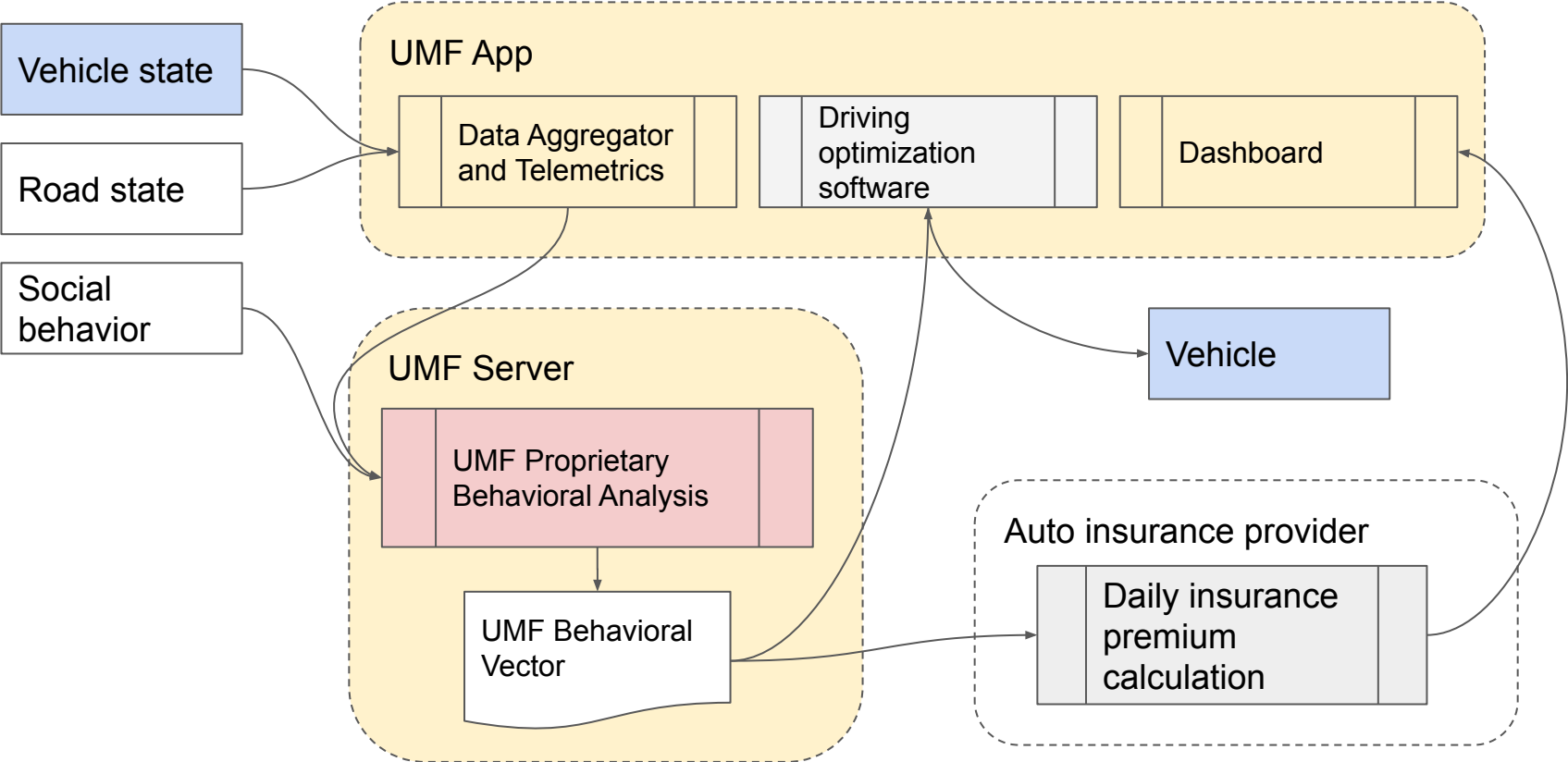
Problem

- Auto insurance premiums run wild without clear connection to driver's behavior and related risk
- Adolescent (teen) drivers, especially males, are indiscriminately penalized up to 115% in premium increase while auto insurance still operates at (or near) loss.

UMF Solution

- A sophisticated behavioral function to turn auto insurance into a near zero sum game shifting the cost toward risky drivers and incentivizing low risk ones
- Daily premium calculations will show a near instant reward and help teens (and adults) stay focused
- The solution is globally available to individuals and businesses alike, leveling the playing field and allowing auto insurance to compete with quality of services rather than technology

UMF driver behavior evaluator schematics



Payment model

- Individual subscription
 - \$8 annually
 - \$1 per month
- As part of auto insurance
 - \$10 per insured driver annually (about \$6.6 per insured car or 0.3%)- can be broken down by payment.
 - Individual subscriptions will be transferred to auto insurance and back as necessary so individuals pay the least amount possible
- There are 150M insured drivers in USA. We aim to capture 10% of that market in the next 3 years either by individual subscriptions or as a fee connected to the auto insurance.
 - Best case we aim to achieve 150M of annual revenue in the first three years in production.
 - Worst case - we are yet another run of the mill player in a market that saturates quickly - 1/100th of the planned amount or about 1.5M annually

Universal Media Flow (UMF)

Universal, Safe and Personal Infotainment System for Any Car

Car Infotainment in 2020

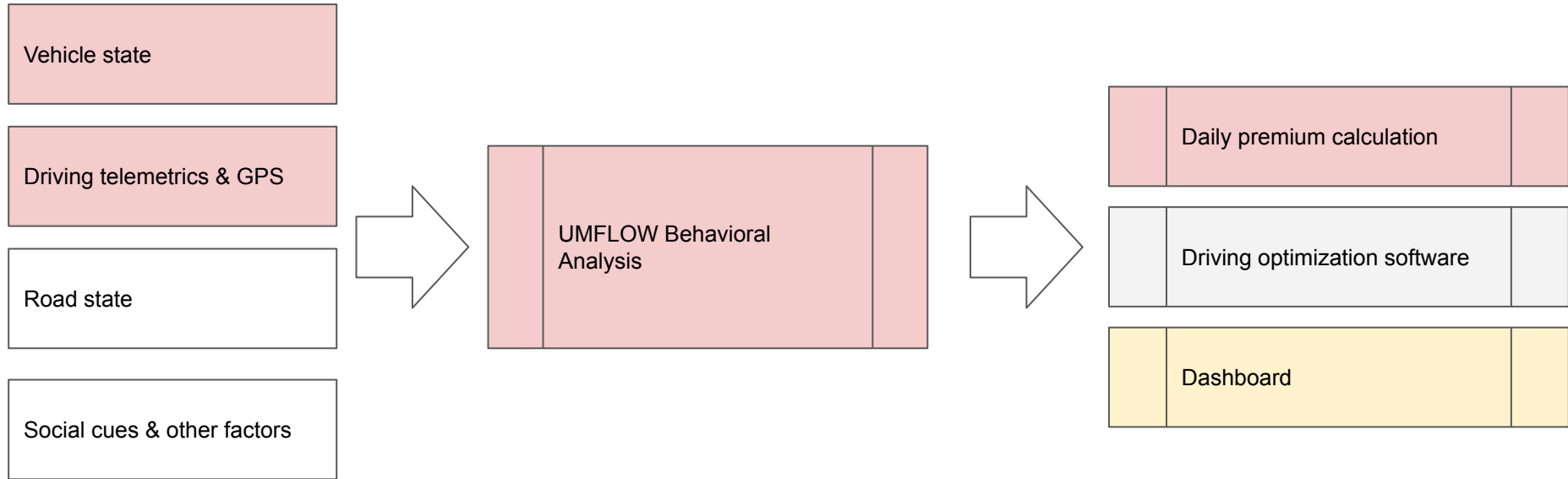
- The average car on the road is 11 years old while the age of the average smartphone is 1.5-2.5 years
- Current smartphones are more powerful and more frequently updated than any automaker built in Infotainment system
- Current smartphones are a digital extension of everyone's personality and social life, holding all the precious and personal information that one needs
- Embedded infotainment will always be dragging and be dependent on the mercy of the automakers, and it will always vary from car manufacturer to another, and even between different car models from the same automaker
- UMF Infotainment has a goal to create the best universal, safe and personal infotainment experience that one can use in any car, and on any device

Problem

- With the raising sophistication of driving companions and corresponding lack of integration between common functions, drivers are increasingly distracted and more prone to accidents and/or fines

Addendum

UMFlow information flow



Distracted Driving Accidents

Texting

Talking to
passengers

Navigation

Entertainment

Grooming

Children & Pets

Other reasons

- The new laws pro