

# Elon Takes on the Insurance Marketplace

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...sorry have to laugh, “you guys (actuaries) are good at math”. um, yeah –

That part he got right. Very good indeed.

While I have a tremendous amount of respect for Elon and his accomplishments, this seems to be a bit out of his usual sweet spot.

Perhaps “Midas” will strike again, but my personal opinion is he got a bad renewal and now wants to go Orwellian. All about a revolution in an industry that is perilously behind the times, but this seems not thought out –

Are we now to be graded individually against our peers? Do we wear letters or colors based on performance. A slippery slope

## Tesla Invites Actuaries to Help It Create a ‘Revolutionary’ Insurance Company

By Andrew G. Simpson | July 24, 2020



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Tesla, which has been testing an [insurance product for its drivers in California](#), is preparing to build an insurer, one CEO Elon Musk says will be “revolutionary.” And he’s inviting actuaries to join his cause.

“I would love to have some high energy actuaries, especially. I have great respect for the actuarial profession. You guys are great at math. Please join Tesla, especially if you want to change things and you’re annoyed by how slow the industry is. This is the place to be According to Zachary Kirkhorn, Tesla’s chief financial officer, the company wants to harness the data from its telematics on its cars and drivers to build the new insurance operation beyond California.

“Where we want to get to with Tesla Insurance is to be able to use the data that’s captured in the car, in the driving profile of the person in the car, to be able to assess correlations and probabilities of crash and be able then to assess a premium on a monthly

basis for that customer,” he said.

He said Tesla is nearly finished with testing its California telematics product and hopes to be filing that in several more states by the end of the year with the goal of going nationwide.

### Tesla Insurance Will Use Driver Video, GPS Data Subject to States’ Approval

Musk said that accuracy of information is “at the heart of being competitive” with insurance. The choice is between assessing drivers “looking in the rear-view mirror” or assessing them individually, “looking ahead with smart projections” and being able to inform them what actions they can take to reduce their insurance.

“It’s like... if you want to pay more for insurance, you can. But if you want to pay less, then please don’t drive so crazy,” Musk said, adding, “Then people can make a choice.”

He said understanding the insurance expense, such as \$15,000 to fix a fender, can actually be helpful to the carmaker, allowing it to adjust the design of its cars to how repairs are done and lessen the cost.

Musk has long maintained that car insurance rates should fall as driver-assist and self-driving technology become standard.

*Top photo: Elon Musk, Tesla Chairman, Product Architect and CEO. (AP Photo/Paul Sancya)*



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