

TAKING STOCK OF THE INSURANCE MARKET CHALLENGES WHICH EVS PRESENT

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The growing popularity of electric vehicles, as well as the ongoing challenges around building the charging infrastructure necessary to make their widespread rollout possible, is challenging a range of sectors and services to show the model is a suitable fit for the future - and the insurance industry is no exception.

James Roberts, business development director at Europcar has recently discussed the issue within a [Post Magazine](#) opinion piece, and rightly highlights that, 'there is no question that the tide is starting to turn, undoubtedly encouraged by the Department for Transport's 'Road to Zero' strategy which sets out the ambition for at least 50% of new car sales to be ultra-low emission by 2030'.

Opportunities for Insurance

Taking advantage of the opportunities that EVs present to the industry has, therefore, never been more urgent, with agility and efficiency being key for those providers that truly want to make this a reality - and provide suitable insurance services that properly fit the technology and the structure of this new automotive route to market.

While the initial risk around insuring EVs means premiums are higher - as it is more of a step into the unknown than the pricing methods used to insure conventional vehicles - it is hoped that the industry will eventually filter out this risk and premiums will become more balanced. However, as Mr Roberts highlights, automotive insurers need to look at their supply chains as a matter of urgency to ensure that they house the appropriate skills and specialisms for repairing and maintaining EVs. Providing the insurance is only half the battle, of course, as a failure to deliver on claims experience will mean that customers are likely to move on.

Aligning the sector with EVs

A core aim of any new industry is to ensure that customers have a seamless experience with no nasty surprises - the fact, therefore, that EVs are in such an early stage of their product life cycle means all eyes will be on end-user delivery, in relation to which the insurance industry can play a key part. Really challenging themselves to ensure their backend capabilities are aligned to the technicalities and specifics of EV operations is therefore a priority for those looking to not only take advantage of the opportunities but crucially, to add value to the overall EV customer experience. As Mr Roberts highlights, there is a parallel push by The Institute of the Motor Industry to introduce regulation for vehicle technicians working with EVs specifically, which is something insurers need to keep a close eye on, in order that they can act accordingly if it is introduced.

Forward thinking

As with any new industry, developments can be unpredictable, but for insurance firms with the forward thinking skills and capacity to chase this market, the opportunities are there for them to make sensible planning decisions about how they can truly add value to a burgeoning automotive market.

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