Distracted Driving in Commercial Fleets

DRIVER SAFETY REPORT

OVERVIEW

Atlas Financial Holdings, Inc. and Nauto partnered in 2017 to detect and score distracted driving and improve the risk assessment of commercial fleet drivers. During a four-month assessment, the collisions from over 1,450 drivers across 17 commercial fleets were analyzed using data gathered in real-time by Nauto's intelligent driver safety system. This report summarizes three key insights from the assessment.

ATLAS
FINANCIAL HOLDINGS, INC.

INSIGHT 1

Distracted drivers were in 2.4x more collisions than attentive drivers

Percent of Total Collisions

71% DISTRACTED DRIVERS
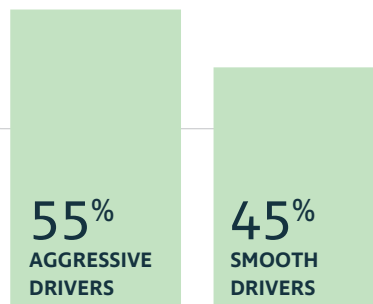
29% ATTENTIVE DRIVERS
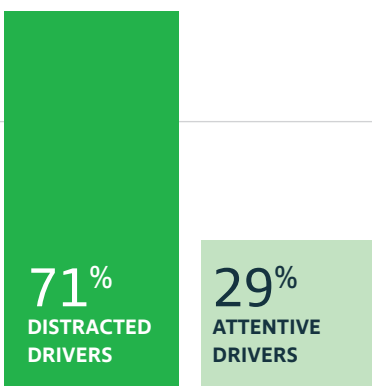
Collisions from the assessment period were categorized based on whether the drivers involved were considered distracted or attentive during the four month period.

INSIGHT 2

Technologies only based on ABCs don't assess risk as accurately

Percent of Total Collisions

55% AGGRESSIVE DRIVERS

45% SMOOTH DRIVERS

The same collisions were then categorized by aggressive and smooth driving based on a driver's average number of harsh acceleration, braking and cornering (ABC) events during the period.

INSIGHT 3

67% of the most severe collisions were from distracted drivers

Percent of Most Severe Collisions

33% ATTENTIVE DRIVERS

67% DISTRACTED DRIVERS
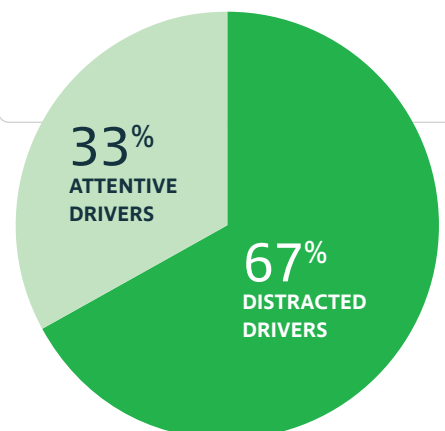
To further assess distracted drivers, their most severe collisions were categorized.

nauto.com

METHODOLOGY

The assessment categorized 1,450 commercial drivers across the United States (from 17 Atlas-insured passenger fleets equipped with the Nauto system) and their traffic collisions during a four month period (November 2017 - February 2018). Drivers were categorized based on their attentiveness and driving behavior. Attentiveness was measured by the frequency of distraction events (including cell phone use and other causes). Driving behavior was measured by the frequency of harsh acceleration, braking, and cornering events that exceeded g-force and speed thresholds. Both event types were detected and analyzed in real-time using Nauto's system. During the four-month assessment, each driver's average number of events per driving hour were compared to the median number of events per driving hour of all drivers:

CATEGORY	MEDIAN (# OF EVENTS PER DRIVING HOUR)	DRIVERS ABOVE	DRIVERS BELOW
ATTENTIVENESS	2.2	Distracted	Attentive
DRIVING BEHAVIOR	3.1	Aggressive	Smooth

Collisions were categorized based on severity as defined by the SHRP2 NDS Crash Severity Classification Scale [1] :

CATEGORY	LEVEL	EXAMPLES
SEVERE	1	Airbag deployment, injury, rollover, high change in velocity, or requires towing
MODERATE	2	Police-reportable crash not meeting level 1 criteria, with min. $1,500 estimated property damage
MINOR	3	Vehicle makes physical contact with another object or departs the road with minimal damage
LOW RISK	4	Tire strike only with little or no risk element or damage, i.e. clipping a curb during a turn

ABOUT THE PARTNERSHIP

On July 12, 2017, Nauto and Atlas Financial Holdings, Inc. (NASDAQ: AFH) announced an agreement to deploy Nauto's intelligent driver system across several Atlas taxi, limousine, and paratransit fleets located throughout the United States. The partnership gave Atlas' public fleet customers and their drivers the benefit of Nauto features, including Nauto's proprietary driver distraction detection — the automotive industry's first aftermarket platform that uses video and artificial intelligence to detect and score distracted driving behavior and improve risk assessment. With Nauto, Atlas gains a greater ability to price and insure commercial fleet risks. In addition, Atlas and its customers have access to Nauto's data network and insights, which could dramatically improve determination of who was at fault in a collision, and streamline claims handling.

ABOUT ATLAS FINANCIAL HOLDINGS, INC.

The primary business of Atlas is commercial automobile insurance in the United States, with a niche market orientation and focus on insurance for the "light" commercial automobile sector including taxi cabs, nonemergency paratransit, limousine/livery (including certain transportation network company drivers), and business auto. The business of Atlas is carried through its insurers American Country Insurance Company, American Service Insurance Company, Global Liberty Insurance Company of New York, and its MGA, Anchor Group Management Inc. The Atlas Group of Companies has decades of experience with a commitment to always being an industry leader in these specialized areas of insurance. For more information about Atlas, please visit www.atlas-fin.com

ABOUT NAUTO™

Nauto is an intelligent driver safety system that helps commercial fleets and drivers prevent collisions before they occur. The system's multi-sensor device contains bidirectional cameras and embedded computer vision to detect risky driving events — including distracted driving — in real-time, while giving safety, operations, and fleet management leaders unparalleled visibility and insights into the safety performance of each vehicle and driver. The company was founded in 2015 and is headquartered in Palo Alto, California, with offices in Japan and Europe. For more information about Nauto, please visit www.nauto.com

1. Transportation Research Board: SHRP2 Safety Research. Analysis of Naturalistic Driving Study Data: Safer Glances, Driver Inattention, and Crash Risk. 2015.