

## You only Pay when You Drive



### Why Airmax believe pay-as-you-drive insurance will work!

Car insurance is often perceived as a grudge purchase as on the face of it it's blatantly unjust. Not only does the motorist often think the method of changing or assessing risk is unfair but also it penalises good drivers against age, status, postal code and car type. Strangely, it takes no account into how and when you drive. A new EOBD (European On-Board Diagnostics) system assisted by a GPS based system aims to end all that, by introducing pay-as-you-drive cover.

An out of sight black box connected to your engine management system will lead to itemised monthly bills for insurance cover.

Vehicle lease management companies that are already installing the technology for other purposes are driving the initiative and 1000's of cars are now primed to accept this value added service.

The system is ready to introduce pay-as-you-drive insurance using 'Remote diagnostics' in the onboard black box and a combination of information and communication technologies to keep track of your movements.

For occasional car drivers it will mean cheaper bills but for people who drive long distances it could be inappropriate. However fleet drivers will see massive benefits with drivers able to use more than one car and see prices charged per car within the car group.



## PAY AS YOU DRIVE

- 1 Telematic (black box) device fitted in the car
- 2 GPS satellite used to track car's route and time of travel
- 3 Information is stored in the car's black box
- 4 Device then calls insurer's computer with data
- 5 Computer works out your bill

Similar in size to a cigarette packet, the black box stores location, speed, acceleration, harsh breaking and vehicle faults information and also reports private and business journeys.

The distance driven can be measured along with the speed at which it was travelled and at what time the journey took place. Excessive speeds can be compared to road speed data such as speeding on a 30mph area or outside a school. Using GPS technology, the black box will also be able to record exactly which roads a car was driven on.

All the information is then sent back to the insurers via the black box, using technology similar to that used by mobile phones but these days wi-fi means that data can also be downloaded on return to the office, home or depot.

The system then calculates your monthly bill and is abstracted by direct debit from your business account. The system has also been designed to be multitasking so it can be used for vehicle security, asset management, driver training, and PLLD capture.

Additionally, it will be adapted for automated congestion payments and road troling initiatives as they materialise. Interestingly, some banks have agreed to reconsider their lending criteria to applicants with inadequate financial status and have altered their underwriting criteria to allow loans to be given to some applications if the system is fitted.

It's not only about location-based services anymore; it's about layer cake applications for more than one interested party. So insurers, lenders, fleet managers will all be interested in the data and hopefully the driver will be the beneficiary.

