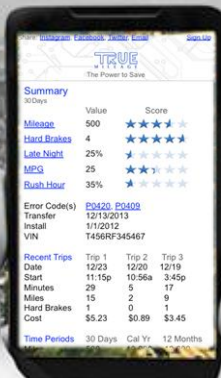


Usage-Based Insurance (UBI)

Environmental and Economic Benefits and Effects
of State Laws and Intellectual Property Claims



The 7th Annual UCLA Downtown Los Angeles Forum on
Transportation, Land Use, and the Environment

THURSDAY, MARCH 20, 2014 . 8:00AM TO 7:30PM

JAPANESE AMERICAN NATIONAL MUSEUM

Convened by the UCLA Lewis Center and the UCLA Institute of Transportation Studies

Ryan N. Morrison

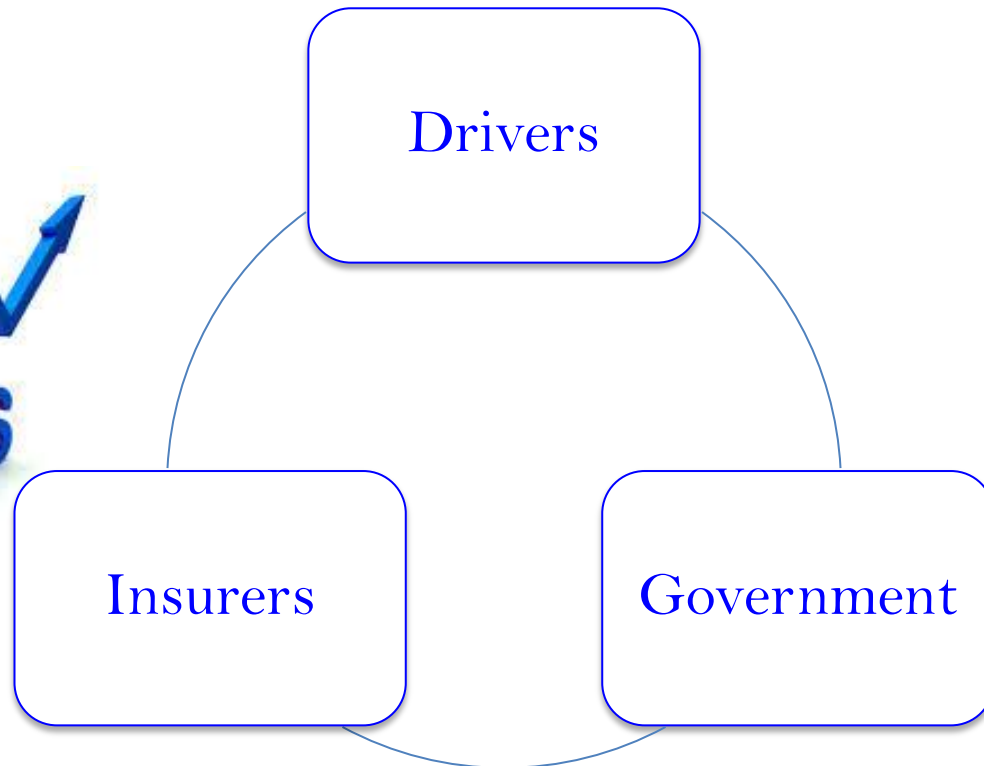
Founder & CEO | True Mileage, Inc. | www.truemileage.com

TRUE
MILEAGE

Usage-Based Insurance (UBI)

Age 29 Male | 2010 Vehicle | 5K Miles | 1% Late Night

Saves 38% / \$380 Annually



UBI Benefits

If motorists paid for **insurance per mile**:



- driving would decline by **8%**
- carbon dioxide emissions down **2%**
- oil consumption down **4%**
- netting US society **\$50-60 billion**

(it would take a \$1-per-gallon increase in the gasoline tax to achieve the same reduction in driving)

<http://www.brookings.edu/research/papers/2008/07/payd-bordoffnoel>

Rating by **hour** of day and driving **behavior** will yield further reductions in **accidents & injuries**.

Usage-Based Insurance (UBI)



Great drivers get
GREAT RATES with
Snapshot®



- 9/10 Top Insurers
- 2M Drivers, 60% growth
- **100M Drivers Soon...**
- 6 Months, **30% Max**



UBI Issues

Tech & Analytics

Industry can solve these



- Device Cost
- Transfer Cost
- Privacy Concerns
- Discounts

Other Issues

Government can solve these

- IP
- Variables
- Filing Requirements
- Acceptance

Summary

30 Days

Mileage

Value

500

Score



Hard Brakes

4



Late Night

25%



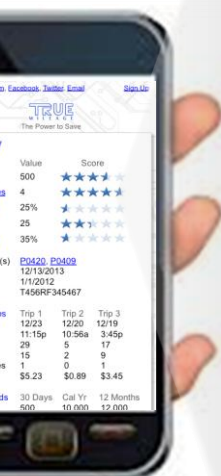
MPG

25



Rush Hour

35%



Error Codes

[P0420](#), [P0409](#)

Transfer

12/13/2013

Install

1/1/2012

VIN

T456RF345467

Recent Trips

	Trip 1	Trip 2	Trip 3
Date	12/20	12/20	12/19
Start	11:15p	10:56a	3:45p
Minutes	29	5	17
Miles	15	2	9
Hard Brakes	1	0	1
Cost	\$5.23	\$0.89	\$3.45

Periods

Cal. Yr. 12 Mo. All

Tech & Analytics: Issues Resolved

	No Location	No Speed	Immediate	Model Data	Error Codes	Monthly Fee	Max Save
True Mileage	✓	✓	✓	✓	✓	0	50-60%
Insurer Device	x	x	x	x	x	0	30%
OnStar	x	x	x	x	✓	19	50%
In-Drive	x	x	x	x	✓	7	50%

UBI Issues

Tech & Analytics

Industry can solve these



- Device Cost
- Transfer Cost
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Other Issues

Government can solve these

- IP
- Variables
- Disclosure
- Acceptance

IP Issues



Great drivers get
GREAT RATES with
Snapshot®

Variable Issues

Mileage: Analytics restrictions in CA

Daytime: Not permitted in CA

Hard Braking: Not permitted in CA

-Insurers need more than mileage to offset collection costs.

Disclosure Issues

States such as **CA**, WA and others request full analytic methodology disclosure.

-Insurers reluctant to relinquish this IP.

Acceptability Issues

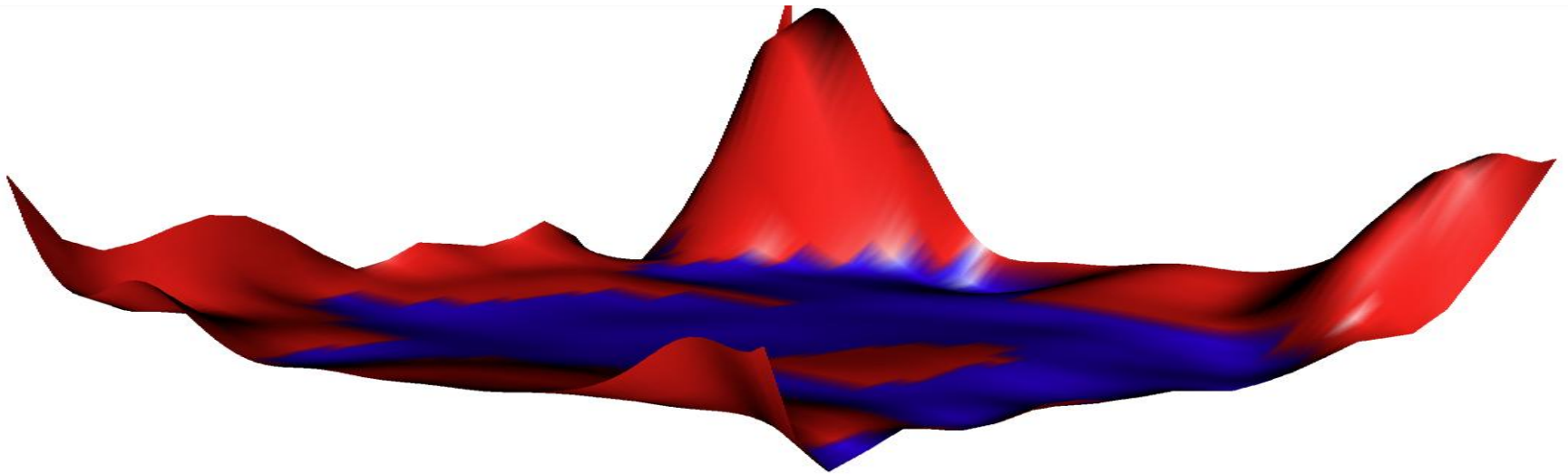
Insurers often choose **not to accept** verified driving data from reliable sources.

-Insurers need to separate data source and discounts, data standardization and certification process could be of helpful.

Suggestions for Officials

- 1) Un-restrict Mileage Discounts. (CA)
 - 2) Daytime & Braking Discounts. (CA)
 - 3) Insurers cannot sue over UBI variables used.
-
- 1) Allow UBI Analytics firms to file directly.
 - 2) Protect UBI Analytics implementation.
 - 3) Mandate acceptance of UBI data by insurers.
 - 4) Move to national insurance regulation.

Driving Risk by Hour & Gender



Are male or female drivers safer?

This modeled surface can answer that question!