

# Consumers now ready for telematics

BY LOUISE MEESON

THE company behind a new pay-as-you-drive style insurance product has said lessons have been learnt from Norwich Union's earlier attempts to launch the idea.

The Coverbox product, created in partnership by data management company Cobra Wunelli and Capita-owned motor intermediary BDML, is due to launch in January.

It uses telematics technology to monitor customers' journeys — in terms of mileage and hours of usage — and charges them accordingly. It resembles NU's PAYD proposition, which was shelved earlier this year

(*Post*, 19 June 2008, p3).

Paul Stacy, managing director of Cobra Wunelli, said Coverbox has the backing of a panel of up to six insurers. Mr Stacy, previously operations director at BDML, said: "Lessons could only be learnt from the first entrant into the market, and NU should be applauded for that."

He explained the technology does not track speed for underwriting purposes but focuses on tracking times of day and distance driven, as well as being simple to use.

An NU spokeswoman said: "Since the PAYD launch in October 2006, we have learnt a great deal about driver

behaviour. However, the market for telematic-enabled insurance didn't evolve as quickly as we predicted. We are not re-entering this market."

Cobra Wunelli chairman Sandy Dunn — also chairman and chief executive officer at BDML — said: "We believe both consumers and the motor industry are ready for PAYD. Others have tried before but our solution is new-generation, highly-capable and based on integrated security solutions specified and proven by the leading car manufacturers in Europe and Japan.

"As well as fundamental features such as monitoring time and location of vehicle



Telematics: back in fashion.

use, the Coverbox system enables tracking and location of stolen vehicles through GPS technology — an added bonus for our customers."

