

Pay-as-you-drive scheme is new era of insurance

DRIVERS covering up to 20,000 miles a year are in line to make significant savings on their motoring costs because they are changing their driving styles – they can now monitor their per-mile insurance cost as well as their fuel consumption.

That's the finding of pay-as-you-drive car insurer **C o v e r b o x** (www.coverbox.co.uk) after its first full month in business.

"Higher mileage drivers are, in particular, changing the way they drive their cars and becoming vastly more cost-conscious – for instance, we've all noticed lower average speeds and less aggressive driving on motorways since the recession started to bite: we're all trying to cut fuel costs. But drivers can now monitor their insurance cost per mile as well – even on mobile internet during fuel stops or breaks.

"As part of our early product research we've been asking how useful the Coverbox 'dashboard' function is on policy-holders' personal web pages. The answer is that it seems to be incredibly useful for cost

management.

"The dashboard provides information on when people drive, and the distance they drive – but the feedback from our cost-conscious higher mileage drivers, who use their own car on company business, is that they're spotting where they can make significant cost savings.

"They see they are making unnecessary journeys, not thinking through appointment schedules in such a way as to cover the minimum possible mileage, but, crucially, they can see the benefit of organising their day so that they avoid driving in peak periods.

"By working from home in the rush hour, and then setting off on long journeys after 9.30am, some drivers are trading 30 or 40 miles at up to 45p a mile insurance cost in peak times with 30 or 40 miles at as little as 5p per mile in off-peak periods.

"Not only are our quotes competitive with traditional insurers – in many cases significantly lower – we can also offer theft-tracking inclusive in the price, something that would cost hundreds of pounds extra on top of a traditional insurance policy.

"It's an upward spiral though: theft-tracking means vehicles are lower risk, so the policy price comes down."

Coverbox pay-as-you-drive (PAYD) insurance allows drivers to take out comprehensive cover that is paid for by the mile, with the price per mile varying according to the time of the day or night: off-peak, peak or "super-peak" times. The dashboard technology requires a one-off payment of £39 to install.

Over-23s are charged according to rush hour (Monday to Friday 7.30am-9.30am and 4.30pm to 6pm excluding public holidays) or off-peak use, but under-23s are also subject to a "super-peak" charging structure: Friday, Saturday and Sunday 11pm to 5am, and public holidays 11pm to 5am.

However, under-23s will also receive a bonus of 200 free off-peak miles every three months if they stay claim and conviction free.

The technology behind Coverbox – which is provided by Cobra, one of Europe's leading automotive security companies, and based on proven equipment specified as original equipment by several major car makers – means customers will also have the additional peace of mind of theft-tracking: in virtually all cases, Coverbox can track and locate the car if it is stolen.

Which is a nice bonus.

