

The Car Insurance Trade-Off: Cut Your Bill or Be Less Private About Your Driving Habits

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Date : January 14, 2024

Are you paying too much for auto insurance? You're not alone as rates in Connecticut went up 8% last year and 20% since 2018 thanks to inflation, higher repair costs and riskier driving by too many drivers.

But now there's a way to lower your rates significantly — if you are willing to let Big Brother monitor your driving habits online via Telematics.

All of the major insurance companies are now employing this technology to better understand their customers' driving style and reward good drivers.

When first launched almost 20 years ago this meant you'd have to plug a fob into your car's OBD (on board diagnostics) connection which would monitor how you drive for a few months.

You'd send the fob back to the insurance company which would analyze the data and "rate" your policy. How much you drove (distance), how fast you drove and when you drove would determine your premium.

Think of it this way:

If you were shopping for life insurance you'd first have to take a physical exam. If you were in good health, didn't smoke and took care of yourself, the life insurance company would charge you less.

But if you're overweight, have a two-pack-day habit and have high cholesterol, you're a bigger risk and would be charged more. So you had an incentive to stay in good health, not only to live longer but pay less for life insurance.

Now drivers can do the same thing — not with the old fob plug-in but just by downloading a smartphone app which monitors your driving. "TrueLane" is just such an app used by The Hartford, our home state insurance company and one of the bigger underwriters in the state. I've been experimenting with the app for a few weeks and love it — but still have some concerns.

Each time I drive the TrueLane app knows where I drove, when and how I drove... scoring me on braking, acceleration, cornering, speed and use of my phone while driving. It gives me a score and dings me for offenses.

The neat thing is it shows on a map where I may have braked too hard or took a corner too fast, teaching me what I did wrong and, hopefully, improving my skills. My incentive: a 12% to 25% premium discount if I maintain a score of 90% or better. So far, driving a Prius where acceleration is already a challenge, I'm scoring about 97%.

But do I want Big Brother knowing this much about my driving? Do I really want some actuary in Hartford to know where I drove and when? Is my data really private?

Most of my driving is short, local trips. But what if I drove into midtown Manhattan at rush hour? Do I get penalized for that? Or what if I'm driving at 3 a.m., a very risky time when a lot of drunks are on the road? Do I get punished for that?

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