



## **Usage Based Insurance Devices Track Drivers Using GPS**

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**THIS TYPE OF PROGRAM MAY BE CAUSING MOTORISTS TO EXCHANGE THEIR PRIVACY FOR POTENTIAL DISCOUNTS.**

Drivers who are looking to save money on their auto premiums are starting to look toward options such as usage based insurance, which involves installing a device in the motorist's vehicle in order to allow the insurer to track actual driving habits, instead of basing premiums exclusively on more general risk models.

**WHILE THIS CAN GIVE SAFE DRIVERS THE CHANCE TO PROVE THEIR LOW RISK, AND SAVE MONEY, THERE MAY BE A CATCH.**

Privacy advocates are saying that providing proof of good driving skill through usage based insurance trackers is not only allowing an insurer to monitor behaviors while behind the wheel, but is also showing those companies where the vehicle is through the use of GPS. Privacy analysts are, therefore, cautioning consumers to first consider the implications before they are swept away by promises of cheaper auto coverage.

**GPS LOCATION IS AN IMPORTANT PART OF USAGE BASED INSURANCE TRACKING IN ORDER TO HELP TO GAUGE RISK FACTORS.**

That said, privacy advocates feel that having to provide insurance companies with the data associated with proving that a driver is safe – such as braking habits, speeds driven, and the average number of miles put on the vehicle within certain spans of time – may not be worth the amount of savings that could result.

For instance, some advocates say that auto insurance companies could make the information that they have collected available to law enforcement or could provide it to attorneys who are involved in private lawsuits (for instance, divorces), or could use it for a range of other potential unacknowledged but legal fashions.

According to a founding member of the Data Privacy and Integrity Advisory Committee, Department of Homeland Security, Jim Harper, who is also a senior fellow at the Cato Institute, "Customers should be aware that this is a trade of information, it's location information that is very useful for assembling inferences about how you live your life." He went on to discuss the

GPS tracking over usage based insurance devices by explaining that “People can use the data to figure out who you hang out with, what church you go to, what psychologist you are seeing.”