

Pay As You Drive insurance - no. 13

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Salvador Minguijón Pérez writes from Spain:

The recent report of Frost and Sullivan "Strategic Analysis of the European Markets for Telematics Based Car Insurance Systems" acknowledges the start signal for "Pay as you drive" (PAYD) vehicle insurance in Europe. Their market analysis for Telematics Based Car Insurance Systems estimates a yearly growth rate for the next 8 years of 130% with market revenues of 500 million Euros in the year 2015 and 2.2 million vehicles equipped with a PAYD-system. Those who like to obtain a brief insight into the study's results there is a valuable extract online, titled "Pay As You Drive (PAYD) – New Age Vehicle Insurance Based on Core Telematics Foundation".

In consensus with this extract by F&S, I fully agree in that once the patent EP 0700009 is acquired, the project will gain dynamics. And, if the new owner company has the ability to work in coordination with Norwich and to incorporate in the system additional telematic services for the users and government organisations, I estimate that the market forecasts of Frost and Sullivan will be exceeded considerably.

To this respect, I should remind that the auction of the PAYD-patent will be concluded on October 31st 2007 in a "First Price Sealed-Bid" private auction. This means that all participating companies place one written bid with the highest bidder winning the auction. Companies who are interested to participate in the auction, please contact Mr. Peters from IP Auctions GmbH before October 17th; Email peters@ip-auction.eu; Phone +49.40.878790.220. (Participants will be kept strictly confidential on request)

The upcoming conference NAVTEQ CONNECTIONS 2007, which will take place in Berlin October 3rd-5th can have a decisive influence to define the main technological actors of the project "Pay As You Drive" in Europe.

Every month there are some companies that express their will to participate more or less openly in this project. This month it has been Cobra in Italy, while in France people begin to notice a certain edginess when realizing the risk of losing this technological train. Axa, Covéa and, of course, Aviva have always manifested their interest in this project in France.

In the United States, where there is a strong social pressure on insurance companies to offer this product (organisations like the Sightline Institute, the organization Resources for the Future and the Federal Highway Administration are just a few out of many who deserve to be mentioned), recently GMAC Insurance announced its imminent commercialization.

And in Canada, namely in British-Columbia, especially since ICBC, the insurance company of the basic risks of the automobile, belongs to the State, Todd Litman and other organizations are requesting that the ICBC offer an optional mileage-based insurance policy, which in the further future is intended to become compulsory.

In most countries this state intervention is not given. However in many countries there is a half-public-half-private entity, which is still influenced by the government to a considerable degree. In the case of Spain, it is the Consorcio de Compensacion de Seguros and it is an entity which the State can instruct to offer a more fair insurance, like it is the concept of "Pay as you drive".

The Catholic University of Leuven presents us a very creative proposal to solve the problem of the confidentiality, together with an exhaustive general analysis of the current situation of the projects Pay As You Drive.

As always, I have upgraded my "Pay As You Drive Directory" and my News Bulletin.

Related Trans-Talk items

- [Pay As You Drive insurance webinar](#)
- [Pay As You Drive insurance - web seminar](#)
- [Pay As You Drive insurance update](#)
- [Salvador Minguijón starts Pay-As-You-Drive insurance blog](#)

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