

DID YOU KNOW???

INSURERS, REGULATORS MONITOR CELL PHONE DISTRACTIONS

Last week's Did You Know article discussed elements of the distracted driving report by Zendrive, a traffic-data startup. The report makes it clearer and clearer each year that millions of Americans can't stop themselves from talking, texting and livestreaming and yes, even using FaceTime while driving. The results have been increasingly unsettling, showing that drivers in the U.S. are becoming more likely to use their smartphones more often. But there may be hope to address this dangerous practice.

According to information by Kyle Stock of Bloomberg and published on May 1st in The Detroit News, Zendrive now has its monitoring technology on 60 million phones, roughly one of every four U.S. drivers. TrueMotion, a rival, is tracking distraction and other driving metrics for eight of the top 20 U.S. auto insurers, and an additional 30,000 drivers have voluntarily downloaded the TrueMotion system in attempt to self-regulate tendencies to talk and text at the wheel. A third provider, Cambridge Mobile Telematics, monitors distracted driving for 35 insurers, including State Farm.

Distracted driving is more predictive of an eventual loss claim than virtually any other behavior, including speeding and braking. Drivers who use cellphones at the wheel have 20 percent more insurance claims than others in the risk-pool, according to TrueMotion.

The reason for all this data is that at least one in five U.S. auto insurance policies now offers a potential discount if the customer consents to a vehicle monitor. Taken together, there's a very complete picture of the dangerous driving that has led to the 15 percent surge in annual U.S. traffic fatalities from 2014-16.

ConnectedTravel, an app maker, is now rewarding tens of thousands of drivers in Las Vegas and San Diego for driving as they did before cellphones. Early trials show a 40 percent reduction in phone use; four out of five participants check their driving metrics daily. "Nobody believes you can change people's behaviors. That's a common view in the industry," said CEO Bryan Biniak. "But when you start to create awareness, it's impactful." "We just provide you with stats, just like fantasy sports or anything else," Biniak said.

Early indicators suggest simple awareness may be an effective antidote. Cambridge Mobile said distraction levels drop 35 percent among participants who check their data regularly. "Just seeing the results helps," said Ryan McMahon, VP of marketing. "It's like going into a restaurant and being able to see calories on a menu."

The early results point to a market triumph over bad behavior that lawmakers, police and advocacy groups have struggled to deter. Underwriters who are best able to identify distracted-driving tendencies are better able to price the accompanying risk. Most insurance companies still only offer discounts for good cell-phone behavior, but a growing number are using the findings to raise rates on serial tap-and-swipers.

Eventually, the margins of underwriters who best identify inattentive drivers will improve, he argued, while their worst customers will get nudged to less vigilant rivals, further muddying those risk pools. As a result, insurance companies of all sizes are hustling to roll out smartphone monitoring systems.