

Usage-based insurance draws mixed reactions

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Usage-based car insurance is relatively new to Canada and while some customers say they are already cashing in, others wonder if drivers will be paying for it in the long run.

“I’ve already saved 10 per cent so far and I’ve had it in since May,” customer Kristina Blaskovic told CityNews. “I’m happy.”

The insurance plan is based on installing a meter which plugs into a car’s diagnostics port and records driving habits online. The meter tracks how quickly the driver breaks and speeds up, the time of day the vehicle is driven and annual kilometres.

“Based on my wife’s car and mine I’m saving somewhere annually around \$150 a year so it’s worthwhile,” user Mike Mooy said.

The only meter device available in Ontario is the Ajusto made by Desjardins.

Desjardins spokesperson Joe Daily told CityNews the device really benefits the occasional driver.

“This is not for everybody,” he explains. “It’s for that person who doesn’t drive that much, isn’t driving late at night or thought rush hour every day.”

Daly added that it’s ideal for those who live in the city and take the TTC to work but use their car for errands.

Those who would benefit from the discounts would drive their vehicle fewer than 15,000 kilometres a year and not have their vehicle on the road between midnight and 5 a.m.

Users may see up to a 25 per cent discount on their auto insurance.

The insurance option became available in Ontario about nine-months ago and since then about 45,000 people have signed up.

However, many fear these devices could end up costing drivers even more in the long run.

“How you drive every day, where you’re going – all that’s going to be recorded so it gives a lot of powerful information to your insurance company,” lawyer Leonard Kunka said.

Kunka says he fears the information may be used against the customer later on to increase their insurance rates.

Daly says that’s simply not true and that the Financial Services Commission of Ontario will not allow them to use the information gathered against the customers.

“They tell us very strictly we cannot use this to penalize customers,” he said.

However, Daly added that if a vehicle is in a crash, the data from the device may be taken by police and used in court.

For more information on **Ajusto** (<http://www.ajusto.com/on/en>) click here.