

BOXING CLEVER

The problem with being a young driver is that they get lumped in with all those other young drivers. You know, the ones who take stupid risks every time they get behind the wheel. Young drivers have a habit of crashing cars, sometimes through inexperience and often through bravado – and frequently because of the two combined.

Because insurance companies can only go by statistics, the problem they've always faced is the ability to treat drivers as individuals. But not any more, because modern technology allows insurers to monitor how their customers drive, to see just how safe they are. So thanks to the use of telematics, or black box technology, your child can now show their insurer that they're not a liability.

Norwich Union introduced telematics in 2005, but gave up on the tech soon after, because so few people signed up for it. But the promise of slashing premiums has led to huge numbers of drivers opting for it in recent years, especially young drivers. It was ikube, Coverbox and insurethebox that led the charge, launching their schemes in 2009. By the start of 2012 a stack of new players had joined in, such as Co-Operative Insurance, Ingenie, Intelligent Marmalade, Autosaint, The AA and Swinton.

When you take out a black box (telematics) policy, the chances are you'll pay much the same as for conventional insurance. But by driving well the high-tech route can see your premium plummeting, perhaps by as much as three-quarters (75%) after just a year. You won't get that with a conventional policy, which might go down by just 20% or so.

With this in mind you'd be daft not to consider opting for a telematics policy, but don't assume it's automatically the best route. Some drivers can still get cheaper cover with a conventional policy.

THE SMALL PRINT

Before signing up to a telematics policy make sure that you check the terms and conditions, as some insurers might make demands that don't suit you or your child. For example, some policies don't like any night-time driving, which usually means between 11pm and 6am; driving in this period could lead to a hefty penalty. But get the right policy and you might just find that the telematics option allows your child to get on the road – instead of being priced off it.

HOW TELEMATICS WORKS

When you opt for a telematics scheme your insurer will fit a tiny box of electronics into the car to monitor how it's driven. The box is usually free, hidden out of sight and it'll tell the insurer the car's speed, where and when it's being driven, how harshly the brakes are being applied and how fast it's being driven round corners.

As well as these aspects, the black box can also log how many miles the car is driven over the year as well as whether breaks are being taken on long journeys. So if the car is driven continuously for hours on end, an issue will be flagged up as regular breaks are an important part of driving safely.



But with tens of thousands of customers, it's not as though there's somebody actually monitoring in real time, as it's all done by software. While this does constantly monitor how the car is being driven, it focuses on trends rather than individual misdemeanours. As a result the premium is recalculated on a rolling basis.

It's not just your insurer who can keep tabs; most offer a portal through which you can see for yourself how well you've been driving. And because the black box does the same thing as a tracking system, your car can be found more easily if it's nicked - plus if you're in a crash, it could even alert the emergency services on your behalf, so they get to the scene more quickly.

WHAT THE BOX RECORDS



When the car is driven (time of day or night).



The car's speed.



Any sharp braking.



Any heavy acceleration.



If breaks are taken on long journeys.



Any motorway miles.



The total mileage.



The total number of journeys undertaken.

WHY OPT FOR A TELEMATICS INSURANCE POLICY?

When you opt for a telematics scheme your insurer will fit a tiny box of electronics into your car to monitor how it's driven. The box is usually free, hidden out of sight and it'll tell the insurer the car's speed, where and when it's being driven, how harshly the brakes are being applied and how fast it's being driven round corners.

As you can see from the case study on the next page, by choosing a telematics policy your child's insurance premium is likely to go down much faster if they drive well. But it's not just about the cash; there are added benefits to taking the black box route.

Perhaps the key benefit to having a black box fitted is that most young drivers who take this route are aware at all times that if they do something really daft, it'll be recorded. As a result a black box can really make a difference to how a young driver drives. They're less likely to break speed limits, or drive recklessly such as by braking or accelerating harshly.

While cost is the main (often only) reason why many young drivers opt for a black box, there's one aspect that gets very little coverage, yet it could prove to be a life saver. A black box is a sophisticated piece of kit and it's clever enough to know if a car is involved in a crash.

When a car is in an impact the forces are such that the black box knows the car has collided with something. If that collision is severe enough the black box can alert the insurer which can then alert the emergency services. Thanks to the black box working in conjunction with

GPS, an exact location for the car can be given, saving the emergency services time.

This same tracking technology can also be used to locate the car if it's stolen. Because the black box is very small and therefore easily hidden, a thief won't know that the car is fitted with a telematics system. So if they steal your child's car and drive it away they won't even be looking for the black box - which will enable the insurer to locate the car and swoop.



CASE STUDY

IN THE BLACK

Insurance is always expensive for drivers just starting out, but the costs can quickly drop as Alfie Thorn discovered

When Alfie Thorn passed his driving test he needed to insure his Ford Ka as cheaply as possible – but without cutting corners. As a 17-year old male he was always going to struggle to get cheap cover, but he soon realised that by opting for a telematics policy with ingenie he would pay less to start with – while his premiums would also reduce that much faster.



Says Alfie: "I put a lot of effort into finding the best insurance deal that I could. I spent ages on the phone as well as online, trying to reduce my premium as much as possible. In the end I opted to go with ingenie, which offers only black box policies. The result is that I pay less, while the software that ingenie uses helps me to be a better driver".

Alfie is referring here to the app that comes with every ingenie telematics policy. He adds: "ingenie has helped me to become a better driver because it scores my driving in key areas: speed, acceleration, braking and cornering. It also provides a visual score by colour coding each area to clearly show where I need improvement. The driving app also advises me on how to improve as a driver, which is vital when I'm trying to boost my score. It's been really useful as I regularly check to see if I am meeting the criteria. The fact that I know I have a black box in my car means I take extra care and am always concentrating on the way that I drive."

It's not just Alfie who can see his score though; his parents can see it too, so they know whether their son is driving sensibly or like a lunatic. He continues: "I look at my driving feedback every day to ensure that I'm always meeting the requirements for a good driver and to look at my driving score. I also get regular emails when my driving feedback

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MY DRIVING IS AFFECTED BY KNOWING THAT I CAN EARN DISCOUNTS BECAUSE IT MAKES ME TRY EVEN HARDER TO BE A CAREFUL AND AWARE DRIVER.

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has been updated and so I check to see if my score has changed. It's easy for me to check my driving feedback as the app is available on my phone, so I can check it wherever I go.

"My driving is affected by knowing that I can earn discounts because it makes me try even harder to be a careful and aware driver. For example, I always drive at the speed limit and slow down before I reach a corner. It's very important for me that I receive a discount as I am a student getting ready to go to university, so every penny of my money counts. If there's an opportunity to save my money I will do my utmost to meet the requirements".

A year after Alfie passed his test he's seen his insurance premium tumble thanks to opting for a telematics policy. His initial premium was £1677 and after the first quarterly review that was cut by £117. But after driving well for a year he's been able to reap the benefits at renewal time with his premium dropping by a massive £885 – that's a 52 per cent saving on an already keen price.

If you're looking for telematics insurance, these are the biggest companies out there. As you'd expect, the terms and conditions vary from one company to another, so check the small print to see if you're getting the best deal.

Most companies don't have a fitting charge for the black box – but some do, while night-time curfews also aren't the norm, but they do exist. In all cases except one the minimum age for cover is 17; it's 18 for Coverbox though. All of the companies offer comprehensive cover, but only some will insure a car on a third party fire and theft basis. Finally, check what the annual mileage limit is; some policies are more generous than others.

COMPANY	FULLY COMP	TPFT	URL	NIGHT TIME CHARGE	FITTING CHARGE	DEADLINE OF BOX FITTING	MIN AGE	MAX AGE	ANNUAL MILEAGE LIMIT
Acorn Insurance	Yes	Yes	acorninsure.co.uk	No	No	10 days	17	24	3000, 6000, 9000 miles
Admiral LittleBox	Yes	Yes	admiral.com/black-box-insurance	No	No	30 days	17	89	Customer choice
Adrian Flux Blackbox - FluxScore	Yes	Yes	adrianflux.co.uk	No	No	Customer fits	17	73	Varies
Adrian Flux Blackbox - Limited Miles	Yes	No	adrianflux.co.uk	No	No	Customer fits	17	69	Varies
AutoSaint	Yes	Yes	autosaint.co.uk	No	No	14 days	17	25	Varies
Bell Plug and Drive	Yes	No	bell.co.uk	No	No	Customer fits within 14 days	17	79	Unlimited mileage, minimum mileage 1900
Carrot	Yes	No	carrotinsurance.com	No	No	14 days	17	-	Varies
Collingwood	Yes	Yes	collingwood.co.uk	No	No	28 days	17	24	Unlimited
Coverbox	Yes	No	coverbox.co.uk	No	No	21 days	22	80	None
Direct Line	Yes	Yes	directline.com	No	No	Customer fits	17	25	Unlimited
Drive like a girl	Yes	No	drivelikeagirl.com	No	No	14 days	17	80	7,000 miles top up miles available
DriveSmart	Yes	No	drivesmartinsurance.co.uk	No	No	28 days	17	-	Varies
Girls Drive Better (PolicyWise)	Yes	Yes	girlsdrivebetter.com	No	No	14 days	17	65	Unlimited
Hastings Direct SmartMiles	Yes	Yes	hastingsdirectsmartmiles.com	No	No	14 days	17	-	15,000 for year one then unlimited
iKube young drivers	Yes	Yes	ikubeinsurance.com	No	No	8 days	17	25	Unlimited
Ingenie	Yes	No	ingenie.com	No	No	10 days	17	25	Unlimited
Insure the box	Yes	No	insurethebox.com	No	No	14 days	17	-	6000, 8000, 10,000 miles
Marmalade	Yes	No	weararmalade.co.uk	No	No	14 days	17	24	Customer choice
More Than Smart Wheels	Yes	No	morethan.com	No	No	14 days	17	25	Unlimited
Myfirstuk	Yes	No	myfirstuk.com	No	No	7 days	17	24	Customer choice
MyPolicy	Yes	-	youngdriver.mypolicy.co.uk	No	No	10 days	17	-	6000, 8000, 10,000 available
O2 Drive Box on Board	Yes	Yes	o2.co.uk/drive	No	£10	14 days	17	-	No set limit (policy based on stated mileage)
One Call Insurance	Yes	Yes	onecalldirect.co.uk	-	-	-	17	-	Varies (broker)
PolicyWise	Yes	Yes	policywise.co.uk/telematics	No	No	14 days	17	65	Unlimited
RAC	Yes	No	rac.co.uk/blackbox	No	No	14 days	17	75	Customer choice
Sky Insurance Services	Yes	Yes	skyinsurance.co.uk	No	No	7 days	17	24	Customer choice
Tesco Bank	Yes	No	tescobank.com/insurance	No	No	14 days	17	25	6000, 8000, 10,000 available
The Co-operative	Yes	No	co-operativeinsurance.co.uk	No	No	14 days	17	75	Unlimited
Think Insurance	Yes	No	thinkinsurance.co.uk	No	No	7 days	17	25	Customer choice
WiseDriving	Yes	Yes	wisedriving.com	No	No	14 days	17	-	Customer choice



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TELEMATICS MYTHBUSTER

anticipate better when driving. The crucial point is that your premium shouldn't rise in the current year – but it won't go down by much (if at all) when you come to renew.



Many people are suspicious about black box insurance thanks to a whole load of common misconceptions. Many people assume that insurance companies use black boxes to monitor drivers so they can be penalised but it's actually the opposite that's true. The whole point of telematics for young drivers is for them to have some way of proving they're not a liability.

While these are some of the common misconceptions about black box insurance, we can talk only in general terms here. Before you take out a policy it's up to you to ask questions and ascertain exactly what data is collected and how it will be used.

I'LL BE FINED IF I'VE UNDERESTIMATED MY MILEAGE

Your insurer is unlikely to use data to fine you for inaccurately estimating your mileage. If you're getting near your limit you're more likely to be contacted so you can increase your mileage limit, which will probably attract a fee. However, if you do fewer miles than you expected, some insurers offer a rebate.

I'LL BE PENALISED FOR BRAKING HEAVILY

Your driving score is based on your overall standard of driving over an extended period of time or miles. Your score won't be affected by occasionally braking heavily; only if you're braking heavily all the time, which suggests you need to

IF I'M IN AN ACCIDENT THE DATA WILL BE USED TO PROVE I WAS TO BLAME

It's unlikely that the data would be used to prove you were to blame, but if you're in a non-fault accident you might want to access your data to prove that you're in the clear.

MY DATA WILL BE GIVEN TO OTHER INSURERS TO PENALISE ME AT RENEWAL

Your details and data are potentially of value to your current insurer; they're unlikely to hand it over to a rival.

I'M TRACKED WHEREVER I DRIVE

Nobody is sitting at a computer tracking you as you drive, although your journeys are logged. But the focus isn't on where you drive – it's on how you drive. By analysing how you drive, if you drive well you can be rewarded with a cheaper insurance premium.

YOUR DRIVING HABITS ARE MONITORED TO INCREASE YOUR PREMIUM

Looking at your driving habits allows your insurer to get a better understanding of how you drive



YOU'LL BE PENALISED IF YOU DRIVE AT CERTAIN TIMES

It's true that some insurance companies will penalise you for driving at night - but you'll know about that before you sign on the dotted line. As already mentioned, there's no reason for going with one of these insurers because there are so many excellent companies out there that don't have night time curfews. Other than that, insurers won't penalise you for driving at other times, such as rush hour.

so you can be rewarded accordingly. Telematics insurers say that only a minority of drivers who get consistently low driving scores will see their premiums rise at renewal. Also, they'll send you regular feedback on your driving, with tips to help you drive safely and get the best discount.

IT'LL SOON BE COMPULSORY TO OPT FOR A TELEMATICS POLICY

Car insurance is a fiercely competitive market and there will always be a demand for conventional policies - whether it's for new or experienced drivers. While some insurers offer only telematics policies, others give you the choice or offer only regular cover with no black box.

INSURANCE COMPANIES TELL THE POLICE IF YOU WERE SPEEDING

Insurance companies don't volunteer this kind of information to the police, but if you stick to the speed limits you won't have to worry about it. However, if the police request the data because you're accused of being caught up in some kind of criminal enterprise, your insurer is likely to hand over the data.

THE BLACK BOX INTERFERES WITH MY CAR

A telematics box transmits data and it's powered from your car's electrical system. But the box is separate from all of the systems in your car - it doesn't interact with the car in any way. So it won't turn down the radio or somehow impose some kind of speed limiter on you.

HAVING A BLACK BOX FITTED WILL VOID MY CAR'S WARRANTY

Because all black boxes have to be fitted professionally, and they're wired into your car's systems, they don't void the warranty.

