User Acceptance and Usability of Usage-Based Insurance (UBI)

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Abstract. Usage-Based Insurance (UBI) refers to car insurance policies that enable insurance companies to collect individual driving data using a telematics device such as dongle, black box, smartphone app, or embedded system. Collected data are analysed and used to offer individual discounts based on driving behavior and to provide feedback on driving performance. Although there is a plenty of advertising materials about the benefits of UBI, the user acceptance and the usability of UBI systems have not received research attention so far. To narrow this gap, a series of studies with UBI users were conducted, finding that under certain circumstances UBI may provoke dangerous driving behaviour. Furthermore, some users highlighted negative experiences as more important than positive one. Negative experience of UBI users related to insurance companies, service providers, UBI programs, or telematics device provide more insight about potential issues. In addition, the country culture, the policy conditions, and the perceived driving style influence UBI acceptance.

Keywords: Usability · User acceptance · Usage-Based Insurance · Telematics insurance · Pay-As-You-Drive.