

## California insurance commissioner pushes for green car insurance option

by *Business-Journal*

The California Department of Insurance wants Golden State drivers to drive less, save money and save the planet, all at the same time.

Insurance Commissioner Steve Poizner said Wednesday heâ€™s planning to make a new green automobile insurance option, known as â€œpay-as-you-go,â€• available to California drivers as early as the fall of next year by proposing new regulations that will make the new option feasible.

Poizner, a Republican, described this as a way for consumers to â€œmore accuratelyâ€• pay for the coverage they need, by linking their auto premiums more closely with the number of miles they actually drive. By encouraging consumers to drive fewer miles, and thus reducing their insurance costs, the new insurance option could help reduce both greenhouse gases and vehicle accidents.

â€œAs a strong advocate of healthy market competition and a healthy environment,â€• Poizner added, â€œI am especially pleased to encourage this kind of innovation and additional options for consumers.â€•

The Environmental Defense Fund estimates that if 30 percent of Golden State drivers participate in this new form of voluntary coverage, the state could avoid 55 million tons of carbon dioxide between 2009 and 2020 -- the equivalent of taking 10 million cars off the road. This would save an estimated 5.5 billion gallons of gas and \$40 billion dollars in car-related expenses.

And the California Air Resources Board has recommended the adoption of this mechanism as a way to meet future climate change gas reduction targets, according to California insurance regulators.

Current regulations require that auto insurance rates are based on estimated annual mileage. The new regs would provide an additional option for actual mileage, or pay-as-you-drive coverage, allowing insurers to offer the voluntary option to consumers. As a result, consumers could verify mileage by odometer readings, automotive repair records or a technological device used to collect mileage data. But they explicitly prohibit insurance companies from forcing policyholders to participate in a pay-as-you-drive program, or for insurers to use global positioning devices to track consumersâ€™ driving habits, out of privacy concerns.

â€œA major priority for the Department of Insurance is harnessing this technology to benefit consumers,â€• said Poizner. â€œAt the same time, it is vital that the privacy of drivers remains intact. I will not approve any auto insurance policy that aims to utilize GPS devices in order to obtain location data from consumers.â€•

Public input into the proposed new regulations is encouraged under California law, the DOI said. After that process is completed, the regulations will take effect, probably by next fall.

â€œInsurers will then be able to apply to offer this product in California,â€• according to the commissionerâ€™s office.

Source: San Francisco Business Times-----

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