

Credit-based insurance scores tell us a lot about how someone drives

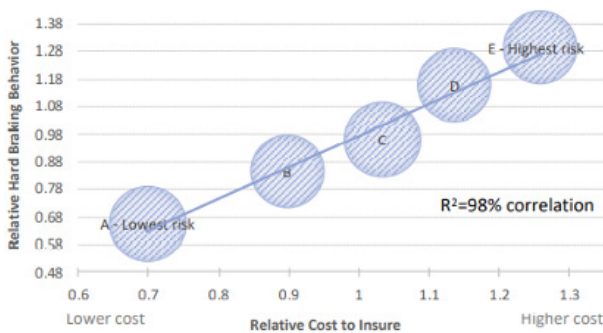
Critics often say that a credit-based insurance score (CBIS) has nothing to do with driving behavior. The data tells a much different story though. **Billions of miles of telematics data actually show that CBIS tells us a lot about how someone drives.** This is why it is such a valuable rating and underwriting tool for auto insurers.

In the charts below, driver groups are broken into CBIS quintiles with A being the lowest risk group, B being the next lowest risk group, and so on until reaching E, which is the highest risk group. The information is based on billions of miles of driving data by voluntary telematics participants from one large member company captured from January 2017 through June 2019.

CBIS tells us a lot about someone's likelihood to brake hard or accelerate quickly

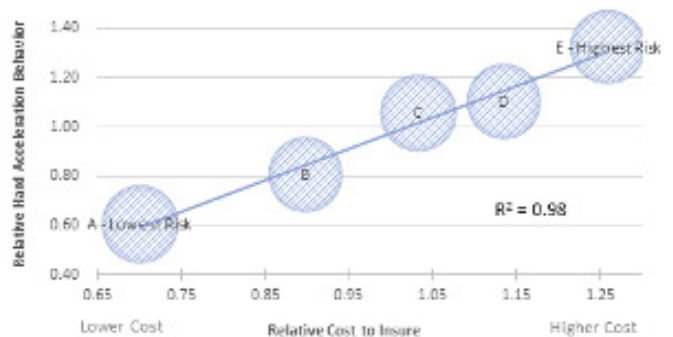
The lowest risk group is 47% less likely to have hard braking and 54% less likely to have hard accelerations when compared to the highest risk group.

**CBIS PREDICTS COST & DRIVING:
HARD BRAKING**



Incidents of hard braking increase as CBIS deteriorates.

**CBIS PREDICTS COST & DRIVING:
HARD ACCELERATION**

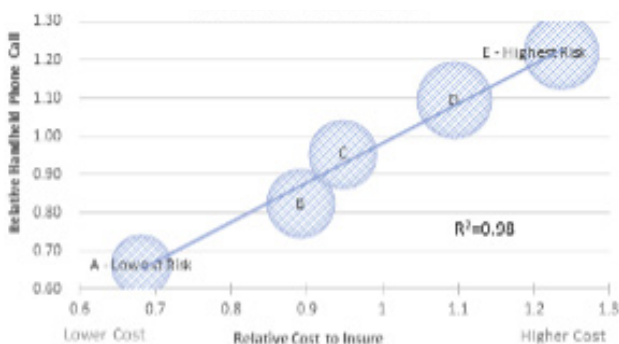


Incidents of hard accelerations increase as CBIS deteriorates.

CBIS also tells us a lot about someone's likelihood to drive while distracted

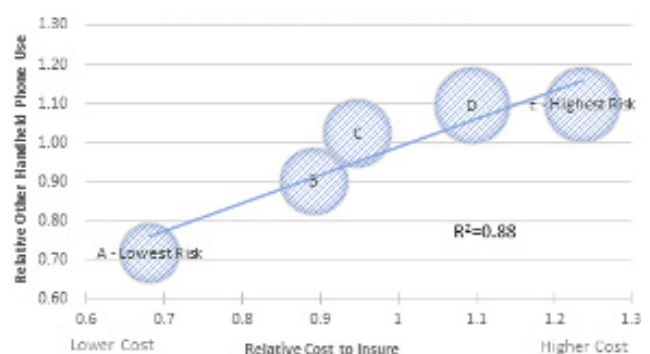
The lowest risk group is 35% less likely to make a handheld phone call while driving and 46% less likely to engage in other handheld phone use (e.g., texting, using the internet, or checking social media) when compared to the highest risk group.

**CBIS PREDICTS COST & DRIVING:
HANDHELD PHONE CALL**



Driving while on a handheld phone call increases as CBIS deteriorates.

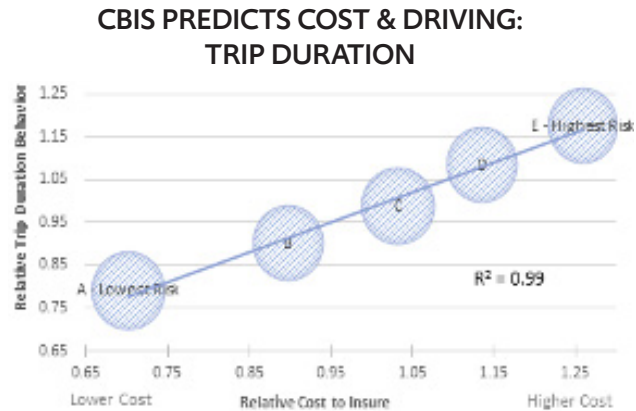
**CBIS PREDICTS COST & DRIVING:
OTHER HANDHELD PHONE USE**



Driving while using a handheld phone for other uses increases as CBIS deteriorates.

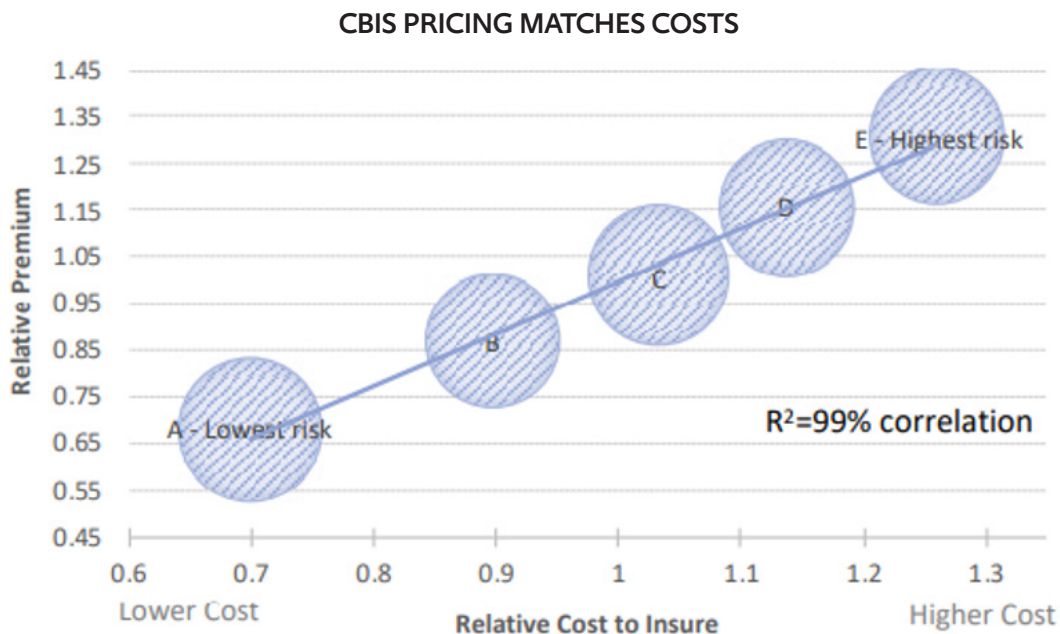
CBIS also tells us a lot about other risky driving behaviors

The lowest risk group has 39% shorter trip durations when compared to the highest risk group.



Length of trips increases as CBIS deteriorates.

In the end, CBIS aligns with the overall cost to insure a driver



Given all that can be learned about someone's driving behavior from CBIS, isn't it logical that insurers would want to use such a powerful tool to help price auto insurance?

Correlation is derived from the coefficient of determination, denoted as R^2 . It is the proportion of the variance in the dependent variable that is predictable from the independent variable. The closer to 1.00, the higher the predictiveness.