

**“INSU TRACKER”:
USAGE BASED INSURANCE PREMIUM &
DRIVING BEHAVIOUR ANALYSIS USING
TELEMATICS**

Kavitha Selvasenakurukkal

A dissertation submitted in partial fulfilment of the requirement for
Bachelor of Science (Honours) degree in Business Information Systems

Department of Business

Informatics Institute of Technology, Sri Lanka

In collaboration with

University of Westminster, UK

2020

Abstract

Motor Insurance Industry is one of the significant sector under the General Insurance Industry in SriLanka. Currently the Motor Insurance Industry sector is facing challenges due to the increase of claims ratio, which creates a threat for the sustainability. Further, still in SriLankan Auto Insurance industry, traditional premium calculation is used where premium is calculated based on information about the vehicle and driver. This is not an efficient mechanism because the insurance premium does not consider the driving behavior which results in a good driver and a worst driver ends up in paying same amount as the insurance premium.

Usage Based Insurance (UBI) is an innovative concept in the Auto Insurance industry lately which count on the Insurance premium amount which reflects the driving behavior of the driver by measuring the risk involved. UBI scheme assists the insurers with better pricing model for the policy holders and the drivers to improve their driving behavior.

Therefore in this research, Author proposes Usage Based Insurance which consider driving behavior into account for premium calculation. The driving behavior of the drivers are tracked using a device connected to the vehicles, which will collect and send the driving data to the driver/ policy holder's mobile application. Using the collected driving data, driver's driving behavior is calculated. The speed of the vehicle in certain accident prone areas and the time of the day of the trip impact on the driving score of a driver. Based on how good a driver is, discounts are given in the insurance premium of the driver.

This application not only assists the drivers to get some waive off from the premium, but also to track the driving behavior and improve driving. This motive will help in reducing the accidents in the country which happens due to the poor driving behaviours.

Keywords: Internet of things, Telematics, Usage Based Insurance