## D08 Usage Based Insurance (UBI)

Customers participating in the UBI program are directed to opt into a “Test Drive”, during which location and sensor data are collected from the customer’s mobile device or by leveraging the telematics data from a data provider. The data collected enables the evaluation of a driving score that is then rendered in the form of a UBI factor in Root’s rating plan.

Customers participating with a mobile device must have cellular or WiFi access in order to transmit data. Customers must grant access to the mobile device’s sensors for the “Test Drive”.

Root offers two distinct UBI products to meet the needs of our customers:

> In product 1, the “Test Drive” precedes the initial quote; the initial quote incorporates a UBI factor into the initial rate based on the “Test Drive”. In option 1, the “Test Drive” ends at 30 observation days or earlier if sufficient data is collected.
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> In product 2, an initial quote is offered that grants a fixed discount through the UBI factor. In this option, the “Test Drive” takes place at the beginning of the initial policy period and ends after 30 days. Once the”Test Drive” is complete, the UBI factor from the “Test Drive” is subsequently incorporated in rating for the remainder of the policy lifetime.

The data collected during the “Test Drive” determine distinct risk factors including: hard braking, net driving exposure, time-of-day, trip/route regularity, distracted driving, speeding, hard turning and volatile or erratic driving patterns.

An applicant or policyholder may refuse to participate in any telematics program. If an applicant/policyholder refuses to participate or if telematics eligibility criteria are otherwise not satisfied at the end of the “Test Drive”, “No-Use”(P31) conventions are applied. For multi-driver accounts, UBI factors of the different drivers are combined by way of an average.

Once established, the UBI factor is maintained throughout the remainder of the customer’s policy lifetime, e.g., if a discount is earned, it is preserved over multiple terms. Root reserves the right to re-monitor at any time after the initial monitoring period has ended.