

# New Usage-Based Auto Insurance Model Revolutionizes Industry Pricing

*Usage-based auto insurance is transforming industry pricing, offering personalized coverage for drivers, and saving money for both insurers and the insured.*

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/EINPresswire.com/ -- As the world adapts to rapid technological advancements, the [auto insurance](#) industry is undergoing a significant transformation in its pricing structure. Usage-based auto insurance (UBI) is at the forefront of this change, ushering in a new era of personalized and affordable coverage for drivers.



**DAN BURGHARDT**  
**INSURANCE**

Traditionally, [auto insurance premiums](#) were calculated based on factors such as age, gender, location, and driving history. However, this one-size-fits-all approach left many responsible drivers with high premiums that did not accurately reflect their actual driving habits. UBI

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*Dan Burghardt*

addresses this issue by utilizing telematics technology to monitor an individual's driving behavior and tailor their premium accordingly.

This groundbreaking model offers several benefits for both insurers and policyholders. Insurers can accurately assess risk based on real-time data, resulting in a more accurate pricing structure that reflects individual driving habits. This, in turn, provides policyholders with an opportunity to lower their insurance costs by demonstrating responsible

driving behavior.

Dan Burghardt, the owner of [Dan Burghardt Insurance](#), is enthusiastic about the potential of UBI

in transforming the industry. "Usage-based insurance has the potential to significantly reshape how auto insurance is priced, ultimately benefiting both insurers and policyholders," he said. "By leveraging telematics data, we can now offer customized coverage that is more closely aligned with each driver's unique risk profile."

Telematics devices, which can be installed in a vehicle or accessed through smartphone apps, collect data such as mileage, acceleration, braking, and time of day the vehicle is driven. This information is then used to calculate the driver's personalized premium. "The data collected by telematics devices provides a more comprehensive picture of a driver's habits," Burghardt explained. "By incorporating this data into our pricing models, we can offer fairer and more accurate rates that better align with a driver's actual risk on the road."

Additionally, UBI programs have been shown to encourage safer driving habits among policyholders, as they are more aware of their driving behavior and the impact it has on their premiums. "Drivers enrolled in usage-based insurance programs tend to exhibit safer driving habits, which translates to fewer accidents and claims," Burghardt added. "This not only benefits the policyholder by potentially lowering their insurance costs, but it also benefits the entire driving community by making our roads safer for everyone."

Despite the many advantages of UBI, there are concerns surrounding data privacy and security. Insurers must ensure that the data collected is secure and used solely for the purpose of calculating premiums. Furthermore, they should be transparent about their data usage policies and provide customers with options to control how their data is used and shared.

In response to these concerns, Burghardt stated, "At Dan Burghardt Insurance, we prioritize data privacy and security. We are committed to maintaining transparency with our customers about how their data is used and providing them with control over their information. By doing so, we aim to build trust and provide our customers with the peace of mind they deserve."

As the auto insurance industry continues to evolve, usage-based insurance is set to play an increasingly significant role in how premiums are calculated. Drivers who embrace this new model stand to benefit from personalized coverage and lower premiums, while insurers gain a more accurate and efficient method of risk assessment. With the backing of industry leaders like Dan Burghardt, the future of auto insurance is looking brighter and more equitable for all drivers on the road.

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