

PAY AS YOU DRIVE INSURANCE (PAYD)

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PRESENTATION OVERVIEW

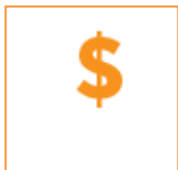
- Project background
- Potential Benefits
- State Farm Drive Safe and Save
- MetroMile
- Price Comparisons
- Comparison Charts
- Commuter Survey
- Recommendations
- Concluding Thoughts

INTRODUCTION

- PAYD pricing model
 - Charges a low monthly fee then a small price per mile
- Benefits annual mileages of 10 thousand and less
- PAYD barriers in the US
- PAYD employee feasibility

15% OF THE U.S. ECONOMY IS CONSUMER SPENDING ON CAR OWNERSHIP

New Car Sales
\$518B



Auto Finance
\$105B



Car Insurance
\$180B



Gas
\$475B



Maint. & Repair
\$180B



Fees
\$100B



Used Car Sales
\$563B



BENEFITS TO THE UNIVERSITY OF OREGON

- Reduced vehicle emissions and parking/roadway congestion
- Leader in sustainable policies
- Happier possibly healthier employees





State Farm™

Drive Safe & Save™

- Tracks miles and driving habits
- Don't drive angry
- Up to half off policy for low mile safe drivers

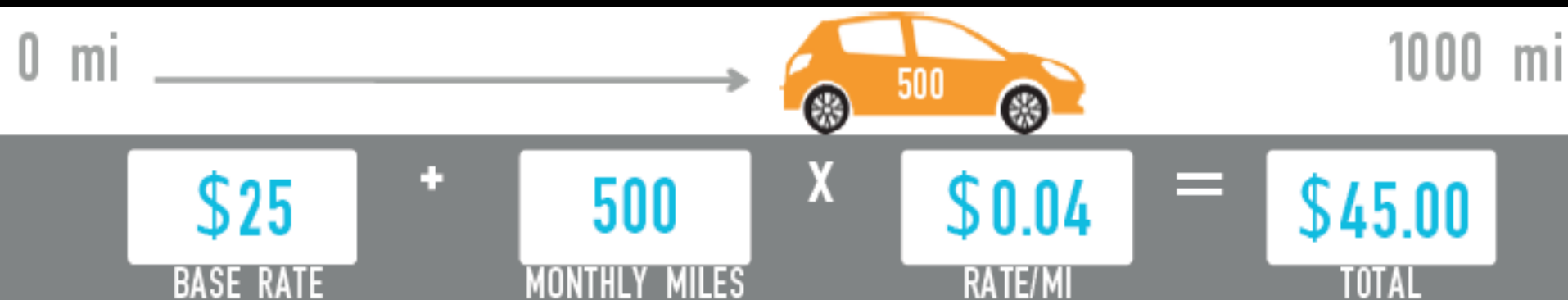
HOW?

Simply have
your car
send us your
driving habits ...



METROMILE

- Approved for operation in December 2012
- Only pay per mile auto insurance product that exists
- Their approach:
 - Nominal base rate/monthly rate + per mile rate
 - Retroactive billing
 - Aligns customer cost with consumption
 - Customers have control over what they pay



HOW IT WORKS

Metronome

- ✓ Counts the number of miles you drive
- ✓ Creates personal dashboard
 - Track trips, set targets, calculate costs



PRICE COMPARISON

- Online calculations
- Assumptions
- Scenarios I
 - Single Male, 35 years old
- Scenario II
 - Single Female, 35 years old
- Scenario III
 - Married Male, 55 years old



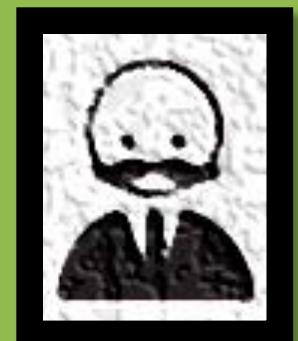
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2



3



8,000 MILES

| Standard Insurance Rates/Month | | | | PAYD Rates/Month |
|--------------------------------|------------|---------|-------------|------------------|
| Vehicle Type | State Farm | Geico | Progressive | MetroMile |
| Ford F-150 | \$100.58 | \$81.12 | \$109 | \$78.13 |
| Nissan Pathfinder | \$104.45 | \$86.16 | \$111 | \$80.04 |
| Honda Accord | \$102.16 | \$82.59 | \$119 | \$81.39 |
| Honda Odyssey | \$95.13 | \$73.55 | \$99 | \$66.86 |
| Toyota Camry | \$101.10 | \$82.59 | \$115 | \$85.54 |

Save up to \$37.00 a month

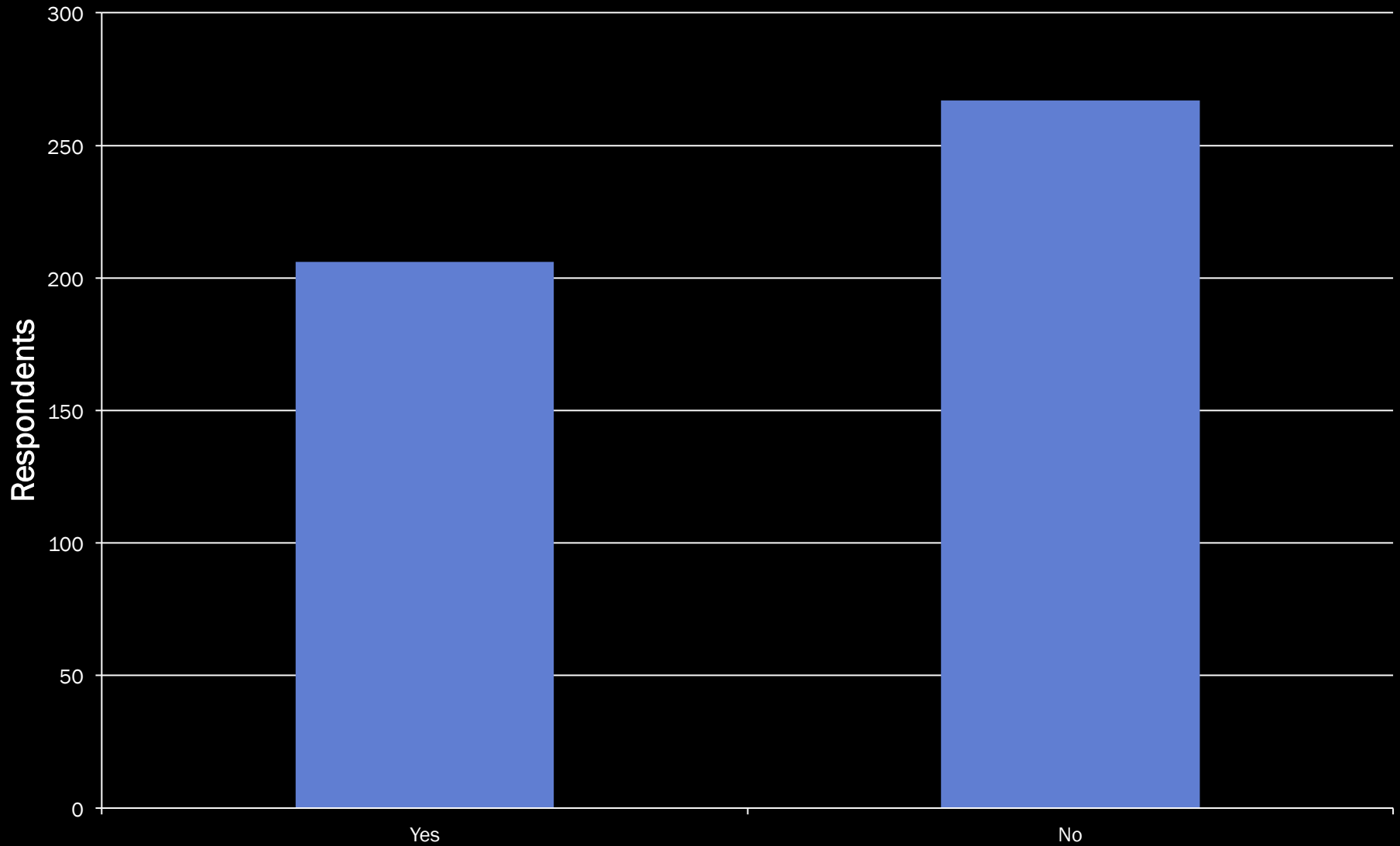
5,000 MILES

| Standard Insurance Rates/Month | | | | PAYD Rates/Month |
|--------------------------------|------------|---------|-------------|------------------|
| Vehicle Type | State Farm | Geico | Progressive | MetroMile |
| Ford F-150 | \$84.16 | \$80.16 | \$108 | \$75.98 |
| Nissan Pathfinder | \$87.36 | \$85.20 | \$108 | \$73.18 |
| Honda Accord | \$85.44 | \$81.69 | \$119 | \$75.67 |
| Honda Odyssey | \$79.59 | \$72.78 | \$99 | \$61.35 |
| Toyota Camry | \$84.23 | \$81.61 | \$115 | \$79.09 |

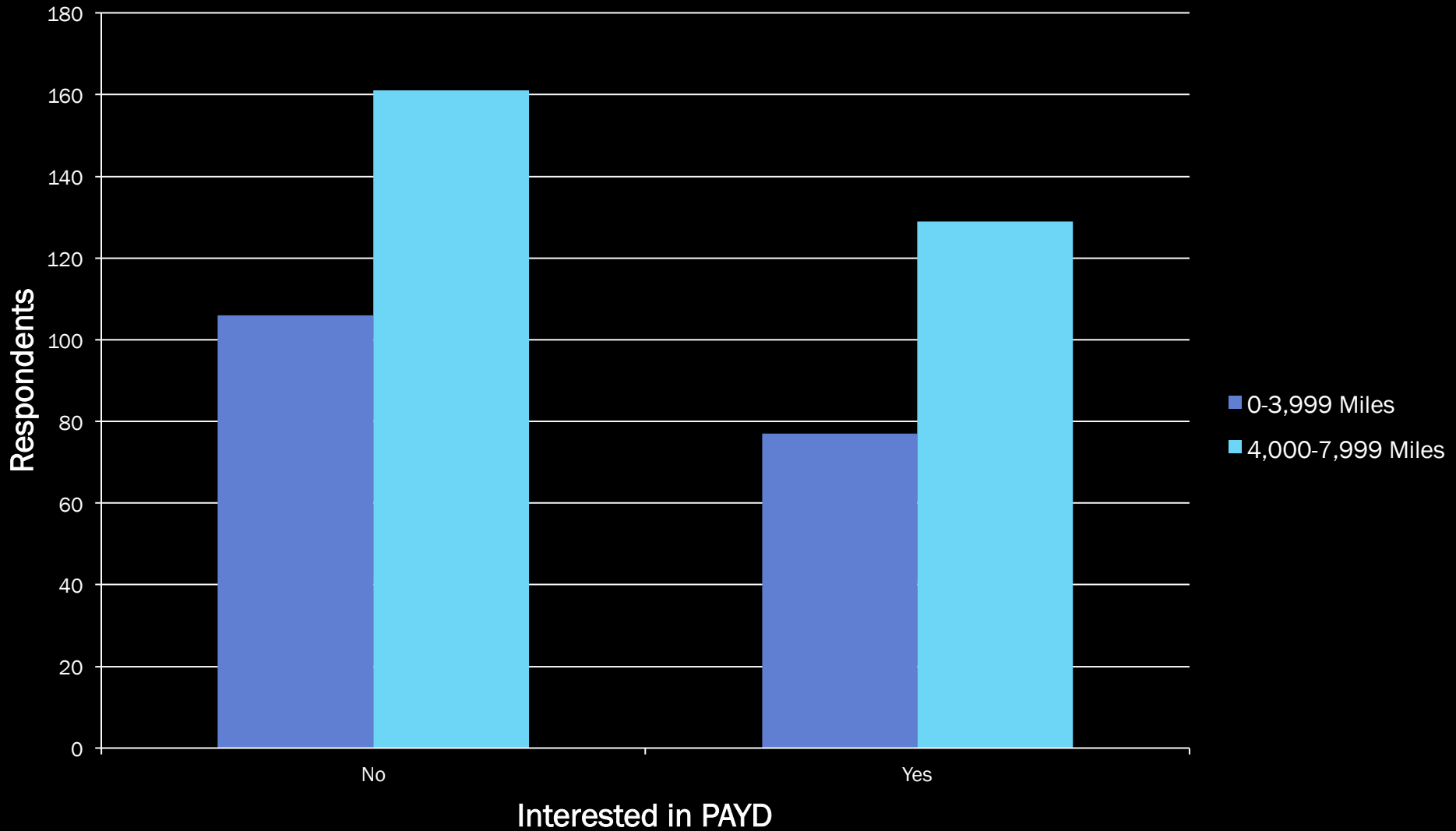
Save up to \$43.00 a month

COMMUTER SURVEY

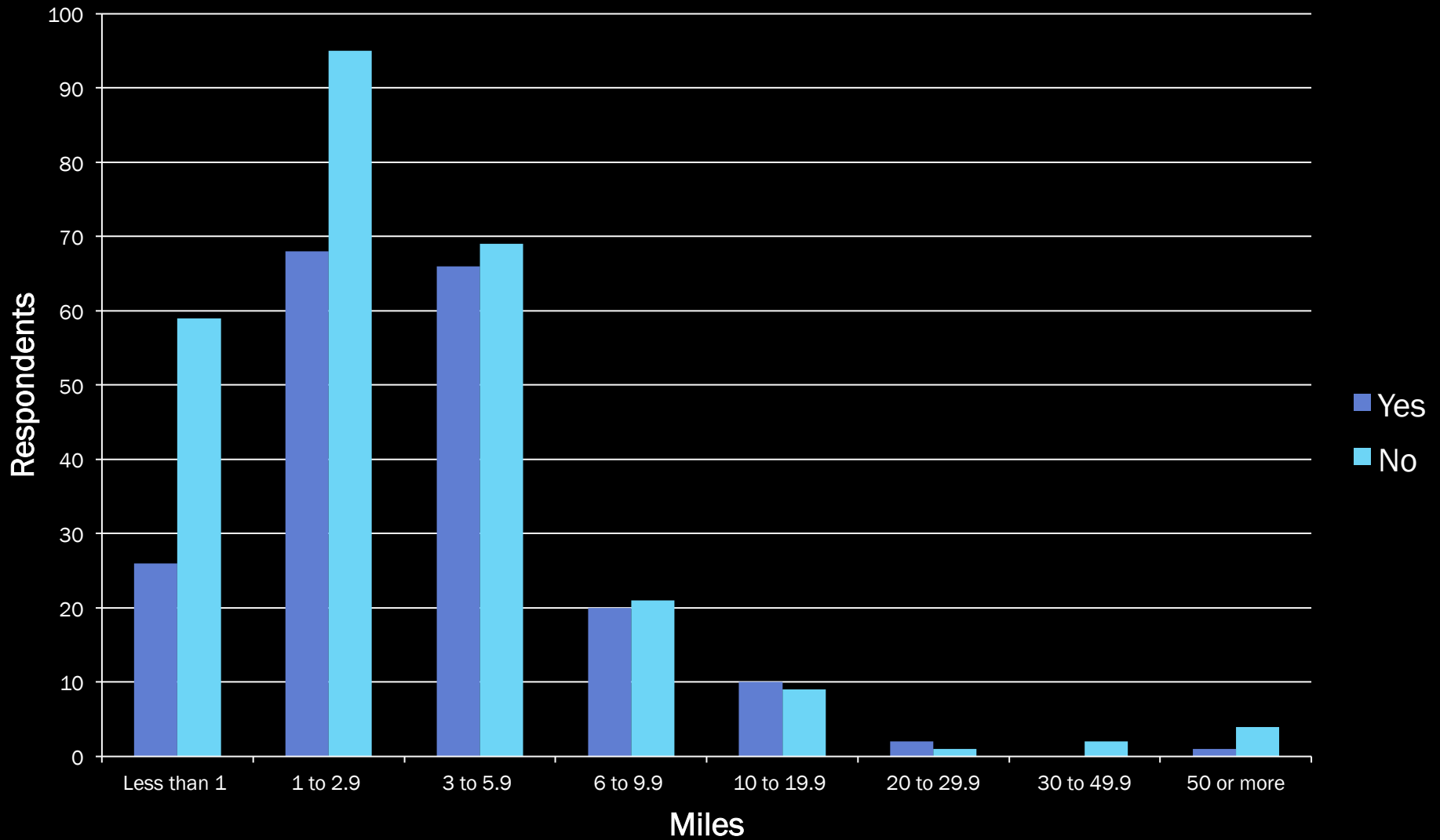
Would you be interested in receiving information on PAYD?



Approximately how many miles do you drive a year?



About how far is your residence to campus?



RECOMMENDATIONS

- Offer those interested in pay as you drive insurance to join MetroMile's pilot program
- Facilitate an information seminar about MetroMile and State Farm's pay as you drive programs
- Wait for market to expand



Drive Safe & Save™
Empowering Your Drive®

Enroll. Activate. Save.



CONCLUDING THOUGHTS

There is great potential for the participation of PAYD insurance for the University of Oregon's staff and students. With many companies looking to adapt similar options, means expanded opportunities for potential costumers. The interest in PAYD for the University could help increase their renowned reputation as a sustainably conscious school.

> 90%

CAR % OF TOTAL
PERSON MILES

15

MILLION
TONS

REDUCTION IN EMISSIONS
FOR EACH 1% REDUCTION
IN U.S. DRIVING

8%

EST. REDUCTION IN
DRIVING FROM PER
MILE INSURANCE