

Is Your Driving Being Secretly Scored?

The insurance industry, hungry for insights into how people drive, has turned to automakers and smartphone apps like Life360.



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By Kashmir Hill

Kashmir Hill is a technology reporter who has been covering the surprising use of data from our cars.

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You know you have a credit score. Did you know that you might also have a driver score?

The score reflects the safety of your driving habits — how often you slam on the brakes, speed, look at your phone or drive late at night.

While you can see your credit score, you will have a harder time finding out what your driving score is. But auto insurance companies can get it — and that could affect the rate you pay.

For the last two decades, auto insurers have been trying to get people to enroll in programs, commonly called usage-based insurance plans, that monitor their day-to-day driving so rates better reflect the actual risk. But privacy-minded consumers have been reluctant to sign up.

So the industry has taken a different tack, getting data about how people drive from automakers or from apps that drivers already have on their phones. Experts say most people have no idea the insurance industry can track them this way.

After The New York Times revealed that General Motors was sharing driving behavior with LexisNexis, customers filed dozens of lawsuits and the carmaker ended its contract with the data broker. But data is still being collected from other automakers and it is still being collected from apps.

Driving behavior analysis, or telematics, as the insurance industry calls it, could be better for consumers, leading to personalized rates that are more fair. Plus, if people have to pay more for their risky driving, they may drive more cautiously, leading to safer roads. But

this will happen only if drivers are aware that their behavior is being monitored.

According to the companies collecting and selling the data, consumers agree to share their information with the insurance industry. But the murky consent process means people may not realize what they are opting into.

“Most consumers are put off by the idea of an insurance company riding shotgun,” said Michael DeLong of the nonprofit Consumer Federation of America.

Smartphone Apps

The smartphone apps collecting driver data may not be obvious at first glance. One, Life360, is used by parents to keep track of their children. MyRadar offers weather forecasts. GasBuddy helps people save on fuel costs.

All of these apps also have opt-in driving analysis features that rely on sensor and motion data from the phone. You can turn on these features to get notifications if a family member crashes or suggestions for a more fuel-efficient route to work. Those features, though, are provided by an analytics company, Arity, which was founded by Allstate in 2016 and pays for access to the data. What is not made clear when people sign up for the features is that Arity also analyzes how risky their driving is for insurance purposes.

On GasBuddy, for instance, users can turn on a feature that rates the fuel efficiency of their drives, a feature “powered by Arity.” Brandon Logsdon, a spokesman for the company, said users “agree to Arity’s privacy statement before they opt in to the Drives function.”

But this agreement is in small gray font under a big red button labeled “Join Drives.” The tiny disclosure says simply that by clicking “Join Drives” you will share “certain information” with Arity and agree to Arity’s privacy statement, which is hyperlinked. The language does not explain what Arity is or does.

The company sells access to the driving scores of tens of millions of people. Auto insurance companies can “request a person’s individual driving score, which is delivered instantly,” according to Allstate’s website.

The scores “look at drivers’ performance behind the wheel, including how often they brake suddenly, speed or use their phones,” according to an Arity blog post aimed at insurance marketers, and can be used to target potential customers based on “10 different risk categories.”

Last month, Kathleen Lomax, a New Jersey mother who paid \$100 annually for Life360 to

track her husband and twin 18-year-old daughters, reached out to the company to ask if it was selling their driving data. An automated response, “crafted with the help of A.I.,” told her that Life360 did share driving behavior data with Arity.

Life360 said driving behavior would be linked to a driver’s insurance rate only if the driver opted in. Life360

“No one who realizes what they’re doing would consent,” said Ms. Lomax, who canceled her subscription.

A spokeswoman for Life360 wrote in an email that “personally identifiable driving data,” for Ms. Lomax and her family, were never shared with an insurance company, that a Life360 member must consent and that Arity was required to “take steps with its partners” to identify Life360 as data source when it was used to generate insurance quotes. In a statement, GasBuddy said Arity provides users “who choose to opt in with personalized offerings and enhanced services.” MyRadar did not respond to requests for comment.

Ms. Lomax ended up canceling her \$100 annual subscription to Life360. Andres Kudacki for The New York Times

When a person shops around for auto insurance, the insurer needs to get consent to have access to the driving data collected by these apps, said Arity's spokeswoman, Stacy Silver. But how explicit is that request? A spokesman for CSAA, a regional insurer for AAA members that uses Arity's product in some states, said the consent to use

smartphone data happened when it informed consumers that “we may collect third party data and reports.” That is standard language that insurers use to view a credit report, for example, and many consumers may click past it without reading closely.

Companies that create consumer reports are required by the Fair Credit Reporting Act to provide them upon request. Not all of the millions of people in Arity’s database can get their individual driving report, though; the company provides a report to a driver only if an insurance company has requested it as part of a quote.

Not all insurers are using Arity’s driving data. Spokesmen for GEICO and USAA said they collected driving behavior only from people who downloaded a dedicated smartphone app to track how they drove.

Allstate said it planned to “soon offer consumers the choice to get a personalized rate based on their driving history,” as collected by Arity.

A New Metric

Auto insurance pricing is complicated. A number of factors go into determining it, including credit history, gender, marital status, age, what car you drive and where you live, said Dale Porfilio of the Insurance Information Institute, a trade group.

“We are trying to predict the future, which, of course, nobody can know with certainty,” Mr. Porfilio said. “It’s a core tenet of insurance that the price of the policy should reflect the risk of the policy.”

He said the insurance industry had access to lots of data, and he described telematics, when drivers granted access to it, as “just one of the most recent variables that has come into play as a tool to align price to risk.”

One reason it may be particularly appealing right now, Mr. Porfilio said, is that traffic citation data, which insurers have long relied on to predict risk, is not as reliable as it once was. Driving has gotten more dangerous, but the police are giving out fewer tickets, a decline that some attribute to a law enforcement pullback after the pandemic and widespread protests over George Floyd’s death four years ago.

But the bigger appeal of telematics is that it could more accurately predict risk for individual drivers and be a fairer way to set rates. Most insurers will charge a 24-year-old man who lives in a busy city more than a 50-year-old woman who lives in the suburbs, an Arity promotional document states, but what if this particular man is a cautious driver who rarely uses his car while the woman is a road-rager who racks up the miles?

Alan Demers, founder of InsurTech Consulting, predicted that everyone would eventually have a driving score, and that good drivers — which most people think they are — might well prefer it.

“Don’t judge me based on everyone else,” Mr. Demers said. “Judge me based on me.”

On this point, advocates for consumers agree with the industry.

“There’s a lot of unfair discrimination in auto insurance,” Mr. DeLong of the Consumer Federation of America said. “Auto insurance companies use a lot of socioeconomic factors, like your credit score or your job or your education level, like whether you went to high school or to college or whether you’re married.”

People with poor credit scores pay much more for auto insurance even if they have clean driving records, Mr. DeLong has found.

“Telematics has substantial promise for consumers, and it could be a way to better price auto insurance,” he said. Still, he had concerns that insurance companies could become overly invasive or use data in ways that lead to new forms of discrimination.

What time of day someone drives, for example, can be tracked. Significant time spent driving at night hurts a person’s score because of poorer visibility and drivers on the road who are more likely to be tired or inebriated. But that, Mr. DeLong pointed out, penalizes people who work the night shift and are more likely to be lower-income workers, such as janitors.

Mr. DeLong also objects to consumers’ being “unknowingly or unwillingly enrolled in these programs.”

Chi Chi Wu, a lawyer at the National Consumer Law Center, raised another concern: The law requires consumer reporting agencies such as Arity to make efforts to ensure that their data is accurate.

“They need to have procedures to figure out when the app is collecting data about you as the driver versus the passenger,” she said.

Ms. Silver, Arity’s spokeswoman, said Arity “uses advanced technology to determine if a person is driving or riding as a passenger.”

Unexpected Monitoring

Rob Leathern learned that his Toyota Sequoia was collecting time-stamped data on his driving habits and turning it over to an insurance broker. Brandon Bell/Getty Images

Last year, Rob Leathern, a tech executive in Texas, got a seemingly innocuous email from Toyota: “Good news, Robert! You’ve been identified by Toyota Insurance as a safe driver.”

The email promised “big savings” from Progressive and invited him to get a quote for his 2023 Sequoia sport utility vehicle. When Mr. Leathern clicked the link in the email, it took him to a Toyota Insurance website that told him to enter his ZIP code and “get a quote.” If he clicked the quote button, the website informed him, he would authorize a company called Connected Analytic Services to send his contact information, vehicle identification number and “certain vehicle driving data” to Progressive.

Mr. Leathern wanted to know what information was being collected about him. After a month of phone calls, emails and data privacy requests to Toyota and Connected Analytic Services — which turned out to be an insurance data broker — he got a report in January from Connected Analytic Services that detailed the previous six months of driving in his S.U.V. (Corey Proffitt, a Toyota spokesman, said that Connected Analytic Services is a Toyota affiliate that anonymously shares location and driving data with partner insurers, and that customers can manage what is shared about them in the data privacy portal of the Toyota/Lexus app.)

The report had two parts. A driving summary included Mr. Leathern’s mileage, how

many times his car's safety systems had been engaged and the number of times he had braked and accelerated at a rate "that insurers view as harder than necessary for defensive driving."

There was also a Microsoft Excel file with time-stamped lists of his every offending event and the latitude and longitude for where they occurred. In the speeding tab, for example, there were more than 200 second-by-second entries for the handful of drives during which Mr. Leathern had exceeded 85 miles per hour.

"I had no idea they'd be collecting this data, let alone using it this way," he said.

Ronald Davis, a spokesman for Progressive, said the insurer got identified driving data from a carmaker only when customers provided explicit consent to use that data to determine their rate.

In a presentation for investors in 2022, Progressive said data about how people drove was improving its pricing accuracy. It included a screen that a potential customer would see when seeking a quote. "Get a personalized rate based on your driving behavior," the screen read, with a yes-or-no option to "use my existing driving data."

A 2022 Progressive presentation showed the screen that potential consumers would see to opt in to a program using driving data collected by carmakers (or O.E.M.s, for original equipment manufacturers) to set rates. Progressive

“When quoting a new policy with Progressive, we specifically inform eligible customers that driving data is available from their vehicle manufacturer and ask them if they would like us to use that data in determining their rate,” Mr. Davis said. He noted that 70 percent of people who had chosen to share their behavior had gotten a discount.

Driver, Beware

In April, Connecticut’s insurance regulator issued a consumer alert warning that new cars may track people’s driving and affect how much they pay for insurance.

George Bradner, an assistant deputy commissioner at the Connecticut Insurance Department, said his agency supported the use of telematics and the opportunity for people to be rated on how they drove.

But his agency issued the alert because many consumers aren’t aware of the use of the data. He said insurance companies needed to be transparent and disclose the information they were using to rate people.

And consumers, he said, “need to be more vigilant about their protection of their privacy.”

What You Can Do

- Check the privacy settings on your car’s dashboard system and in smartphone apps.
- If an app connects to your car, or gives you feedback about your driving, that’s a good place to start.
- In some apps, such as Life360 and MyRadar, you can select this option: “Do not sell my personal information.”
- Two apps you don’t have to worry about: Google Maps and Waze. Google, which owns both apps, said it doesn’t provide driving data that’s linked to individuals to third parties.

A correction was made on June 9, 2024: An earlier version of a picture caption with this article misspelled the given name of one of Kathleen Lomax’s daughters. She is Bridget, not Brigitte.

When we learn of a mistake, we acknowledge it with a correction. If you spot an error, please let us know at nytnews@nytimes.com. [Learn more](#)

Kashmir Hill writes about technology and how it is changing people's everyday lives with a particular focus on privacy. She has been covering technology for more than a decade. [More about Kashmir Hill](#)