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## RAC to drive down the cost of motoring for new and young drivers with launch of Black Box Insurance

*Young drivers confirm insurance cost is their greatest barrier to owning and running a car*

*No curfew or mileage limits imposed on drivers taking RAC Black Box Insurance*

The RAC is today launching RAC Black Box Insurance, giving every new and young driver the chance to lower their car insurance premiums by demonstrating they are safe behind the wheel through the use of advanced telematics technology.

According to new RAC research carried out with 500 young drivers\*, insurance is seen as the greatest barrier to owning and running a car with 62% of those surveyed saying this was the case, as opposed to 22% who felt it was buying a car and 12% who cited day-to-day running costs.

Young drivers aged 25 and under pay an average of £810\*\* a year for their insurance with 18 to 20-year-olds paying £972 a year, in stark contrast to the average UK private car driver premium of £367.

RAC Insurance director Mark Godfrey said: “The cost of car insurance for young and new drivers is unquestionably high due to the high cost of claims, and unfortunately we expect the price of insurance to increase over the next few years which will make it even harder for young drivers to get motoring. The beauty of telematics insurance is that it is fairer for young drivers as it allows them to be judged on their own driving ability rather simply rated in line with every other young driver.

“We also know that better drivers are less likely to have an accident so RAC Black Box Insurance encourages safer driving and looks to reward good drivers with savings when they take a policy and lower premiums at renewal.

“It’s estimated that there are in the region of half a million insurance telematics devices fitted\*\*\* in private cars in the UK and there are some estimates that suggest nearly half of newly qualified drivers take a telematics policy. We hope to further increase this with the launch of RAC Black Box Insurance as we have developed a best-in-class product which comes complete with the trust of the RAC brand.”

RAC Black Box Insurance operates via a matchbox-sized telematics device which tracks speed, braking and acceleration along with where and when the policyholder drives in order to calculate how safe they are through a Driver Score. However, unlike some telematics policies there is no curfew or mileage limits so the policyholder is free to drive when, where and how far they like.

Mark Godfrey added: “We are confident RAC Black Box Insurance is going to be well received as 64% of the young drivers we surveyed think that having a telematics box fitted will make them drive more safely and 44% claim to be interested in taking out a ‘black box’ insurance policy.

“What’s more, two-thirds of young drivers (67%) whose parents are involved in the car insurance decision said they felt their parents would prefer them to have a telematics policy.”

RAC Black Box Insurance can be taken out online or over the phone and is simple and straightforward to use. The RAC telematics box takes less than an hour to fit at a time and location convenient to them and the cost of the box and fitting are automatically included in the policy premium. The telematics box also includes RAC’s unique accident detection technology, which correctly detected 92% of accidents in Transport Research Laboratory tests.

The policyholder can keep track of their driving performance by going to the RAC Black Box Insurance portal to look at their easy-to-understand Driver Score. There are also hints and tips for improving the score through safer and more economical driving. The Driver Score is first calculated after the policyholder’s car has been driven 200 miles and is then updated every seven days after the installation date.

For further information about RAC Black Box Insurance visit:  
[www.rac.co.uk/blackbox](http://www.rac.co.uk/blackbox) or call 0330 1591 042.

## Ends

### Notes to Editors:

\* Research carried out on behalf of RAC Insurance by ICM Unlimited in September 2015 with 500 17 to 24-year-olds – 150 learner drivers and 350 were qualified drivers.

\*\* Association of British Insurers' data – published as part of the ABI-led voluntary agreement on age and insurance with the Government and British Insurance Brokers Association (BIBA), as part of our commitment to equality.

\*\*\* RAC market estimate, 2015

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## Contacts



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