

Published based on [Auto Insurance That You Pay As You Go](#)

Auto Insurance That You Pay As You Go

Auto insurance companies have been trying for several years to find various ways to respond to the changing needs of consumers.

As gasoline prices continue to fluctuate across the country, consumers are searching for ways to save money when fueling their cars. Finances are now tightly bound by many consumer goods, including is the rising costs of gasoline and the price of paying auto insurance.

Insurance companies responded to this situation by establishing a new insurance program which is known as the pay-as-you-drive program or pay-go for short, that could provide policyholders some financial relief by way of [cheap auto insurance](#).

Officially sanctioned Environmental Defense, the original purpose of the program was to track an individual's car mileage. In order to make this happen, two proposed methods are under consideration. One way to do this is to install a proprietary odometer that contains an embedded cell unit that periodically calls in your mileage to your insurance company.

The other method for tracking car mileage, is a GPS device installed via cell phone which tracks the travel route you are taking; it is much like the On Star system. If you are indecisive on which method will be best for you, maybe you need to learn more about them.

Some drivers object to the GPS system, because they believe that it infringes on their right to privacy. Using the GPS method has its advantages, however, as it not only monitors the mileage but it also advises you about the best time to travel and the easiest route to follow. You must weigh your privacy concerns against the potential benefits of each of the systems.

A pay as you drive program may save consumers money and reduce the threat of pollution; this is the belief of the Environmental Defense, and most insurance companies are willing to offer incentives for driving less. Such pioneering insurance programs will help to eliminate congestion in the overcrowded cities since there will be fewer drivers on the streets.

Drivers could receive more choice about their auto insurance premiums through the pay as you drive programs, thus making auto insurance more affordable.

It is relatively simple to decide how much can be saved by a pay-as-you-drive program. The pay-as-you-drive program charges part of your annual premium rate, into a per mile fee and your vehicle is assigned to a group in based on vehicle type, frequency of use, and zip code. When the per mile rate is determined you most likely will have to pay an fee for your pre-determined mileage.

The amount of time you will spend behind the wheel is what determines whether or not you will receive a rebate or pay more on your insurance premiums.

There have been calculations that put the savings to policyholders to around 25% on auto insurance coverage using such programs.

If the pay as you drive auto insurance programs can improve our way of life, through less pollution and congestion and lower costing insurance coverage, we need to ask ourselves why it is not more widely used.

Visit Peppercoin Insurance for auto insurance quotes tailored especially for [cheap teenager auto insurance quotes](#) and to read more great auto insurance articles including '[What Auto Insurance Do You Need?](#)' and more.