

US EPA ARCHIVE DOCUMENT

**REDUCTION IN AUTO INSURANCE RATES  
WEIGHED IN CONJUNCTION WITH INNOVATIVE POLLUTION CONTROL PLAN**

**Luke C. Hester 202-564-7818**

An innovative approach to reducing auto pollution is being weighed under EPA's Project XL. An agreement announced today calls for an assessment of the environmental benefits of lowering insurance costs for vehicles that are driven less, both overall and during congested periods. EPA believes that providing an economic incentive for driving less should cut emissions. Progressive Insurance, based in Mayfield Village, Ohio, is participating in a Project XL study that will determine if the company's usage-based auto insurance product motivates drivers to drive less. The system, "Autograph," uses recording device installed in vehicles. Progressive Insurance will provide aggregate data on participants driving habits. EPA and the U.S. Department of Transportation will study how much environmental improvement results from the reduced insurance cost incentive. Reducing vehicle miles traveled promotes several environmental objectives, pollution reduction, discouragement of urban sprawl, and protection of wetlands, wildlife habitats and lakes and streams from pollution runoff from roadways.

The agreement calls for EPA to consider incentives such as State Implementation Plan credits for states that enable this new pricing system to be offered, if the study determines that the innovative approach results in reduced driving and less auto pollution. Project XL, which stands for eXcellence and Leadership, is a national initiative that tests innovative ways of achieving better and more cost-effective public health and environmental results superior to those achieved under current regulations and policies, in conjunction with greater accountability to stakeholders.

Further information is available at: [www.epa.gov/projectxl](http://www.epa.gov/projectxl)