

Safeco Insurance Launches Teensurance Program

by Finance-Tech

In an effort to differentiate itself in a crowded auto insurance marketplace, Seattle-based Safeco Insurance (\$6.2 billion in 2006 revenues) recently rolled out the Teensurance program, a bundle of technologies and services designed to aid parents as they deal with their new teen drivers. The program was launched by Open Seas Solutions, a division of Safeco formed last August to focus on research, development and innovation.

The Teensurance program allows parents to monitor specific aspects of their teenaged children's driving, thanks to the Safety Beacon, a GPS device installed under the dashboard. Parents can set specific speed, distance, location and curfew limitations, according to Safeco. Notifications are sent when those limits are exceeded.

"It does a couple of things -- most notably immediate event notification," explains Jim Havens, VP, consumer solutions, at Safeco. "It transmits [to parents] things like destination arrival or departure [data] in the form of a text message, an E-mail or a voice mail, depending on how you've designed the system. It does things like speed notification if there's a certain speed you want to be notified of."

With the use of mapping, parents can even pinpoint a car's location, Havens notes. Teen drivers will have access to a roadside assistance program and remote door unlock capabilities, he adds.

The program currently costs \$14.99 per month. No premium discounts are offered, but Havens says Safeco will look into it once they've accumulated the necessary data.

According to Havens, consumers have been asking insurance companies for relief in the area of insuring new teen drivers for years. "What we tried to do was step back and say, 'Is it really a rate issue, or are there other issues at play here?'" Havens relates.

Giving Parents a Hand

Through talks with parents, teens, industry experts and independent agents, Open Seas came to the conclusion that the problem extended further than just cost. The division found that parents and teens were tackling a very difficult life event but were largely unprepared for the task, according to Havens. "The business drivers for us were that this was an underserved need, and there was real opportunity to make a difference," he says. "As we look at this, both in our pilot and intuitively, we know that this will absolutely impact teen driving for the positive, and we think that's an outstanding result."

Safeco is using technology from Seaguard Electronics (Irvine, Calif.) for the in-car GPS devices and event-notification capabilities. A Web portal was developed internally, with assistance from Seaguard, to provide materials and services to help establish safe driving plans. InstallerNet (Haverhill, Mass.) has been contracted to perform GPS installations, which take approximately 45 minutes to an hour at no cost to the consumer.

When asked about privacy concerns, Havens stresses data won't be sold or shared and is intended to be discussed between parents and their teens.

-----By Nathan Konz

Copyright © 2007 CMP Media LLC

Safeco Insurance Launches Teensurance Program by Finance-Tech