



## American Family Insurance

Madison, WI-based American Family Insurance offers auto, home, life, health, and commercial insurance across 18 Midwest states through its 4,000 agents and 8,200 staff employees.

### OBJECTIVE

Reducing risk is a goal of every insurance company. So when American Family was approached with a new concept from DriveCam that promised to improve teen driving safety, it listened. The in-car technology — an event recorder with two cameras, an accelerometer and a motion sensor — was able to recognize unusual forces and automatically record high-risk driving events. The savvy insurer recognized this as a loss prevention tool that could reduce both the frequency and severity of claims among its insured teens.

Teens are the highest risk accident demographic in the industry. But when parents can see how their teen is driving and talk to them about it, it changes their driving behavior. The challenge has always been getting that “drivers-eye” view. So in 2006, American Family launched The Teen Safe Driver Program<sup>SM</sup> at two Midwest high schools, using the schools’ Wi-Fi coverage to upload the data when a participating student’s car was in the school parking lot.

While the pilot proved the technology’s value, it didn’t demonstrate the scalability and robustness to handle large video files. In addition, it relied on cumbersome manual downloading of data by parents. American Family saw huge value in being able to cost-effectively scale and automate the process.

### SOLUTION DESCRIPTION

3G wireless was the enabling technology. The DriveCam system demanded a wireless network that could transfer large video clips across a homogeneous network and deliver that data to both DriveCam reviewers and then to policyholders’ parents.

In March 2007, an expanded pilot was launched utilizing new event recorders equipped with Sierra Wireless EV-DO Rev. A PC cards. They also included firmware that controlled when driving data was uploaded to the DriveCam review center where behavior analysts scored the teens based on their actions and reactions. Parents could then view the summary data and events on a secure website within one business day.

American Family selected the Sprint Power Vision network because of its ubiquitous EV-DO coverage and, in part, because Sprint was responsive to



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### COMPANY

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### OBJECTIVE

- Improve teen driving safety and reduce insurance losses

### SOLUTION

- Sprint Power Vision (EV-DO)
- DriveCam in-car recording systems
- Sierra Wireless EV-DO Rev. A PC cards

### RESULTS

- Eliminated bodily injuries across its installed base and reduced the number and severity of teen accidents
- Improved customer retention and operational efficiencies
- Reduced expected insurance losses and saved lives
- Received broadcast coverage from 250 outlets within the first 24 hours of launch

the firm's commitment to a 1:00 am to 5:00 am upload regimen, which took advantage of the under-utilized overnight bandwidth. The resulting airtime cost efficiencies allowed American Family to offer the devices at no charge, with lower insurance losses essentially footing the bill.

"Not only did 3G technology make this work geographically and economically, it made it simple enough for consumers to deploy widely," states Ryan Rist, American Family business development specialist. "Parents can now have a virtual presence with their teens when they are driving."

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*Ryan Rist, Business Development Specialist, American Family Insurance*

## RESULTS

By August 2007, the teen driver program was up and running in Wisconsin, Indiana, Minnesota, Colorado, Utah, Nevada, Kansas, and Idaho with more than 1,400 families on board. More than 250 broadcast outlets covered the positive press within the first 24 hours of launch which was a real coup for an insurance firm.

"For American Family, this is not about traditional ROI. It's about increasing the value proposition to customers." Rist says. "We've seen a very positive response from parents. Operational and retention gains are up as well. More importantly, we've saved lives. That's our real return on investment."

Over a million-plus miles, Rist has seen far fewer accidents among Teen Safe Driver Program users than among the general teen driving population. "Normally over this period, you would expect teen drivers to have suffered between five and ten injuries," Rist notes. "We've seen zero bodily injuries since the program rolled out. Moreover, teens would generally be in four to five crashes for every 100,000 miles driven. We've seen a big reduction from this average in both the number and severity of accidents."

This has motivated an aggressive roll out. "Parents tell me that I saved their child's life," acknowledges Rist. "A woman called to tell us how the DriveCam coach found that her daughter was driving with other teens without her seat belt. The woman spoke with her daughter. A few days later, she was riding with friends when they had an accident. All of the kids were OK because they had their seat belts on."



## 3G A-List Awards



American Family Insurance is a 2007 winner for the 3G A-List Award in the Insurance category.

The 3G A-List Awards recognize the leading builders of successful wireless data solutions based on 3G CDMA (CDMA2000 1X, EV-DO, and UMTS/HSDPA) technology. **To learn more about the A-List, please visit [www.3galist.com](http://www.3galist.com)**

## SUPPORTING PARTNERS

The A-List also recognizes supporting partners for their enabling role in assisting with these wireless data deployments.

