



What Is InsurTECH?

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InsurTech refers to a set of business models and/or platforms that create an enhanced customer experience by applying innovative technologies to the insurance industry.

While some brokerages and insurance companies worry that InsurTech startups may compete for market share, InsurTech is actually more of an opportunity than a threat to the P&C insurance industry.

McKinsey & Company revealed some interesting statistics at an InsurTech conference in April:

- 60-90% of all InsurTechs today are offering a value-added service to insurance companies to improve the way they do business and increase profitability
- Only 9% are truly disrupting the full value chain

There are very few InsurTech firms challenging core insurance systems providers. Instead, most tend to focus more on augmenting and improving a specific niche aspect of insurance. Some examples of InsurTech firms working

together with insurance companies are listed below:

SUREIFY, branding itself “the bridge between carriers and customers,” focuses on improved underwriting

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and customer engagement by providing insurers with more data on policyholders via mobile and Internet-of-Things devices.

TYCHE is an interactive platform allowing underwriters to assess casualty

risk by blending open data with machine learning, ultimately helping insurers improve their bottom line by declining the riskiest fraction of their books.

SENTERI provides smart connected devices that give insurers dynamic updates on their risk, such as the risk in customers’ homes. Senteri’s mobile app allows customers to verify the products installed in their property that qualify for insurance discount programs, such as security systems, smoke alarms and automated door locks.

CLAIMATIC, branding itself “an Uber for claims,” provides a plug-in solution that integrates with existing claims management software systems to automatically assign the best available managers, field adjusters and vendors to handle claims based on real-time data.

Alberta InsurTech startup **BESURE** is a risk-sharing platform developed to facilitate the process of self-insurance among communities through software. Pools are initiated and managed by groups, organizations and associations with shared risk.

What does InsurTech mean for brokers?

The above examples are provided to illustrate how InsurTech firms can present more of a competitive benefit, rather than a threat, to traditional business models. It is true, however, that the simpler insurance products such as personal lines auto may see more disruption. **COVERHOUND**, for example, is an auto insurance comparison shopping platform that has gained some traction in the U.S. CoverHound acts as a broker, helping customers shop for insurance, compare rates and negotiate the best policies for their individual needs. Most brokers are aware that they must continue to innovate to meet the needs of a changing consumer and offer value-added services beyond basic auto insurance; more complex products, such as commercial insurance, still very much require the advice and consultation of a knowledgeable broker to sell effectively. InsurTech provides brokers with an opportunity to leverage these innovative products and services allowing brokers to augment and reinforce their value proposition as knowledgeable advisors.

How will InsurTech change P&C insurance?

Many in the industry are actively developing answers to just this question by learning about this emerging digital landscape, engaging with these startups and considering their innovative ideas, and even funding, acquiring or partnering with them. Aviva Canada, for example, has already demonstrated its interest in engaging the InsurTech startup scene by hosting hackathons and launching an accelerator program, in partnership with Ryerson University, for early stage InsurTech startups that require rapid development.

What can we expect in the near future?

We're likely to see other forward-thinking insurers launch InsurTech programs and accelerators similar to Aviva's in the coming months and years. InsurTech startups will likely continue raising significant amounts of funding, and acquisitions of these startups by insurers and investment companies will also likely continue. Toronto investment company Mill Street & Co, for example, recently acquired

TUQUE, an InsurTech startup based in Ontario. Tuque provides a mobile app and website allowing customers to buy home, auto and business insurance as well as legal and tax coverage. This is clearly an exciting time for the P&C industry and it will be interesting to see how InsurTech continues to evolve in Canada. Consult CSIO.com for more articles and educational resources on technology relevant to the broker channel.



Cyber risk and data breach are growing issues. Are your commercial customers ready if an event happens to them?

Chances are, they probably aren't. That's where you come in. As a broker, you want to protect your clients against all threats, including online.

Introducing CyberOne® and Data Compromise coverage - two new products designed to assist you in the event of cyber attack or data breach.

For more information about these important coverages, talk to your regional Business Development Advisor or visit our website.

