Top InsurTech Trends for 2019

Part One of Three

Insurance technology is growing at an increasingly rapid pace, with records set in 2018 for both dollars invested and number of investments in InsurTech start-ups. As insurance companies and InsurTechs continue to grow their collaborative efforts, we take a look at some of the key trends that will drive technological innovation for insurance companies in 2019.

Claims Automation

Already a growing trend in 2018, automation of claims (otherwise known as "straight-through processing") will continue to be one of the top insurance technology trends in 2019. Claim automation involves codifying workflows and processes to be executed by machines rather than humans, which can lead to both increased cost savings and a reduced risk of human error when paying claims. Because of this, we are not only seeing InsurTech start-ups launch in this space, but also legacy insurance software platforms being upgraded to be able to handle these workflows. Example: MotionsCloud is a German-based start-up that has built an AI-powered mobile claims adjustment platform (https://motionscloud.com/).

Translation: *How is your company working toward not only digital sales, but also claims digitization? Are there any quick wins available to allow your programs to be more responsive to travellers who prefer to connect only online?*

Machine Learning

Machine learning involves using software applications that can analyze data to not only provide trends based on that data but to recommend to users a variety of actions or tasks based on those trends. Machine learning could be applied as an extension of big data analytics and robotic process automation where processes are not only automatically executed, but those processes are automatically reviewed

and refined based on trends or efficiencies that are detected through machine learning. Example: DataRobot provides machine-learning for insurers that allows them to plug data into and extract insights from their ML tool (https://www.datarobot.com/insurance/).

Translation: *Which parts of your business are a fit for implementing machine learning? Can any of your processes be completed automatically, or do they require human decision making? Do your business systems capture data and provide insights that allow you to review and revise those processes?*

Usage-Based Insurance

Usage based insurance is a product development innovation that insurers have introduced to allow for more fragmented coverage based on actual risk-based usage. Early usage-based insurance schemes can be linked to telematics, and in the travel industry usage-based policies are taking shape both as an innovation to traditional daily coverage (offering shorter cover terms, e.g. hourly coverage for cross-border travel) as well as different cover terms for add-on coverage items (e.g. ski cover for the portion of a holiday where the insured is skiing, not a blanket cover item for the entire trip). Example: Sure has created a variety of different usage-based schemes, including a travel accident scheme that is rated based on the duration of an insured's flight (https://www.sureapp.com/).

Translation: *Are there opportunities for usage-based innovations within your current product schemes? Are there benefits that you are covering that only apply in certain scenarios, or for a portion of a traveller's trip?*

THIA The Travel Health Insurance Association of Canada