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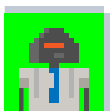
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3 Insurtech Trends We Will See More Of in 2020

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In today's digital world, all industries are making a massive shift towards technology to improve their products and services. Customers expect their problems to be addressed as fast as possible. And, those companies that can achieve that are going to put themselves in the driver's seat.

The insurance industry is no exception to this change. And, that's precisely what Insurtech means. It represents the shift more and more insurance companies have made towards technology to improve their efficiency and more accurately assess risks.

The insurance industry has been very traditional since forever. So, the emerging technology has the potential to dramatically change the industry for good. With the world becoming more digital by the day, policyholders and consumer expectations change.

To be more precise, customers now shop for insurance policies online or compare quotes before speaking to an agent. So, since consumers now have the ease of quick access to information, the insurance industry needs to embrace technology more than ever before.





Here are 3 of the biggest Insurtech trends that customers and agents can expect to see more of this year:

Insurance Consumers and Companies have open-access to each other

When was the last time you went online to purchase a product or service? The answer is, most likely, this week, if not even today. That's because today, consumers look for everything they need online, be it food, clothes, gadgets, and even insurance.

Now, let's go back, let's say, 20 years ago, before the rise of technology. People had a little insurance office down the street where they can get health, car, or home insurance.

Today, on the other hand, a simple search on Google leads both a searcher to an insurance company and allows the agency to reach the searchers with a personalized search experience. To be more precise, the Internet now allows insurance companies and customers to reach each other within minutes. But that's not all.

What has really changes is how insurance companies and their customers interact online. And, now is when chatbots come into the scene. Chatbots are gaining momentum in all industries these days, including the insurance industry. And, the global chatbot market is expected to reach \$1.25 billion by 2025.

But how exactly are chatbots changing the insurance industry? A website or landing page with a proper conversational AI implementation provides consumers with a guided buyer experience.

Also, they assist in delivering faster and more efficient claims management and underwriting process via automation. A 2017 study from PWC actually highlighted that although the industry as a whole has not entirely embraced bots, for those insurance companies that have, chatbots can have a high impact on the customers' experience, especially in providing immediate help with insurance claims and approvals.

Using Big Data in the insurance process

The insurance industry has been using data to price risk for a long time now. Yet, with emerging technologies, insurance companies can now analyze larger volumes of information, including consumer's journey and patterns.

The McKinsey Global Institute points out that data-driven organizations are 23 times more likely to gain customers and six times more likely to retain them. Moreover, it seems that those companies that adapt to a data-driven world are also 19 times more likely to be profitable. And, trust us on this one: insurance companies are no exception to this rule.

Insurers are at an early stage in their journey with big data. However, they are using data analysis as their secret sauce to more accurately price each policyholder by comparing individual consumer behavior and collating it with risk.

For example, for life and health insurance, big data can help assess risk by analyzing patterns associated with behavior and mortality and healthcare needs. And, these patterns are usually measured using wearable devices.

As for settling claims, big data seems to make things easier for both insurers and their customers. Before big data, a traditional claim journey involved a long and drawn-out process.

Yet, the use of big data benefits both parties in several ways, including analyzing all information quickly, better segmenting claims, and, in some cases, even fully automating them.

And, it seems that it is not just insurance companies who understand the benefits of using data, but customers do too. In exchange for more tailored and improved services, consumers are also willing to share their data with their insurers.

According to Statista, in 2017, a survey has found that 35% of consumers shared their data with their car and health insurers, and 25% of them did so with their home insurance. So, for consumers, protecting their homes has never been easier. Insurance companies use data to provide a tailored policy for each home instantly.

Drones to assess damage in the claims-handling process

Who would have thought more than a decade ago that flying drones will become an integral part of the modern logistic pipeline? No one! Yet, today, drones are used for several things, from bringing medical supplies to remote villages in developing countries to dropping off orders placed online by customers. And, now, it seems that they have also made their way to the Insurtech market niche.

As our planet is changing rapidly and the global climate crisis is becoming worse day by day, natural disasters ranging from wildfires to floods and hurricanes are becoming more and more common.

And, guess who must act quickly after one of these natural disasters? Insurance companies, as they must quickly come to the scene to assess the damage and start paying out claims to their affected customers.

Now, this poses a real problem considering the fact that natural disasters are more frequent and affecting more of their consumers than ever before. So, the Insurtech companies have come up with an innovative solution: they send drones to assess damages.




Drones offer plenty of new data collection opportunities by having access to areas where insurance companies can never reach to assess damage. Therefore, on-demand video inspections performed with drones will become an essential part of the claims-handling process.

With customers' needs, knowledge, and expectations changing exponentially in the past decade, technology is the best solution for insurers to adapt to their changing demands.



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