Data   Insurance

Insurance IoT Use Cases: Industry Progres
Future Direction

Published on June 2, 2022

Insurers today recognize the sharp competitive edge that the Internet of Things (IoT) provides through real-time and cor
enabling **optimized risk assessment, customized products and services, enhanced customer experiences**, and mor
of insurance IoT use cases and the maturity of IoT in the industry vary depending on the line of business.

At the recent North American IoT Insurance Observatory plenary symposium in Piscataway, NJ, insurance business and I
share the progress their organizations have made with IoT. Hosted by ValueMomentum, these leaders discussed current
explored varying trends, and offered up strategies for better business outcomes via IoT.

Expanding Insurance IoT Use Cases

Speakers from diverse enterprises—including AXA XL, Swiss Re, Cambridge Mobile Telematics, and Kinetic—emphasized
no longer relying solely on historical legacy data or self-reported data from policyholders. Insurers are actively investing
real-time data to develop innovative solutions, from medical malpractice insurance to improved claims processing.

To demonstrate how the industry investment is leading to some maturity for insurance IoT use cases, executives from the
shared their experience driving IoT initiatives in their organizations. Drawing from the insights shared by members and th
degrees of success of their use cases, we've observed the following IoT trajectories across three lines of business:

1. Auto Telematics is Mature

Personal auto has the highest level of IoT maturity, with a strong interest in the U.S. market to usage based insurance, or
of telematics data is now a necessary capability, and many insurers offer a UBI program in some shape or form. Thanks t
history of telematics application in personal lines, personal auto insurers have a wider consensus on the use and benefit
challenge now for insurers is the next step—to expand the use cases beyond risk assessment and driver safety to somet
higher personalization to policyholders, as discussed by Earnix.

2. Smart Home is in the Midst of Development

The rise of Smart Home technology such as artificial intelligence and cloud-based solutions has increased the potential
insurers to assess home risk. Despite this rise, insurance IoT use cases for the home remain low in maturity, according to
featuring speakers from Notion, Allstate, Travelers, Nationwide, and Catalyit. The speed of development has been much

IoT use cases in commercial lines are only beginning to pop up. It is still uncommon to hear insurers commit to IoT invest commercial products. New growth and innovation in this line is currently driven by larger carriers. Although the IoT use c smaller portfolios, the innovation shared by these pioneers is worth noting. For example, in one session, European insure about how IoT could be used to innovate medical malpractice insurance. Even though the players in this line of business figure out a model, or models, that would work well for commercial products, more and more insurers are investing in thi committing resources to explore IoT for commercial lines.

The Great Challenge: Modernizing Data and IoT

But of course the success of insurance IoT use cases have a lot to do with how data is managed and how analytics is app business insights. To shine light on this topic, Kumar Maddali, VP of Product Development at Telenav – a ValueMomentu presented a methodical approach to drive business value with IoT data products and analytics . Maddali called out insure siloed data, lack of governance and self-service tools, and a messy array of untapped data sources. He further acknowle technology experts often do not have a complete understanding of their data, and domain experts are unable to apply th efficient and forward-looking manner.

To address these challenges, Maddali offered tips for insurers to deliver robust, context-aware data services with centra **data democratization** via self-service, and analytics for all stakeholders using data products and APIs . These tips inclu

‣ Before utilizing IoT devices to collect data, assess why this data is necessary and how it will fulfill customer-driven bu:

‣ Mandate product-centric thinking with APIs and consumers, as well as establish different objectives and KPIs for diffe

‣ Have a fluid system for feedback and insight analysis to enable even more personalized products and a unified data cu

‣ For the data itself, perform continuous data quality checks and centralize data governance to a domain-based owners

‣ Set data standards and governance structure to streamline access and ensure that "trustworthy" data products are cr downstream consumption.

By following these tips, insurers can create new business models and products with access to data at the right time via t to further reduce operational expenses.

Capturing Future Opportunities with IoT

IoT offers untapped potential for real-time and continuous data to enhance customer experience, personalize products a improve risk mitigation. Current insurance IoT use cases are only the beginning of what is possible with IoT data. Althouc IoT from insurers in the form of investment varies depending on the line of business, it is clear that interest in the applica expanding across the insurance organization—forward-looking insurers will find competitive value from **setting a solid fi**

"It has been fantastic to have the Observatory members back in person in the same room to discuss their experience in data," commented Matteo Carbone founder of the IoT Insurance Observatory. "We had the privilege to hear the evolution of some of the historical members of the Observatory, and also to hear the thoughts of some of the most recent ones su The Floow, which have discussed their IoT-based initiatives on commercial lines."

As insurers continue to explore IoT and use cases in insurance, having a modern data platform to drive business insights critical. Check out ValueMomentum's **data platform modernization services** and see how we can help you capture futu with IoT.

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