

Proactive Protection

Changing the Insurance Ecosystem



SERVE | ADD VALUE | INNOVATE

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Session Team

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Be Proactive before you need to





Life of a Claim (LoC)



Claims account for ~70% of the insurance premium

Connected Car



The Connected Car speaks

The car collects more data about customers than any other means of data collection:

- Location
- Driving behavior
- Destination and duration
- Driving time of day
- Motor diagnostics



Driving is fun...and dangerous



- Driving in the U.S. reached 3.2 trillion miles in 2016
- A record-breaking number of miles last year for the fifth straight year in a row
- A total of 40,200 people died on U.S. roads in 2016, the highest level in almost a decade
- Distracted driving played a role in 10% of those deaths, according NHTSA



Car Products and Services



Usage Based Insurance (UBI)

- Pricing based upon driving behavior
- Route optimization

Distracted Driving

- Safety
- Gamification
- Teen
- Senior

Pre-Claim Loss Mitigation

- Vehicle Health
- Proactive safety
- Predictive analytics
- Location-based services
- Revenue potential

Post-Claim Service

- Faster claim resolution
- Savings
- Customer satisfaction
- Fraud detection



Proactive Opportunities



Alerting:

- Vehicle health
- Distracted driving
- Geo-fencing
- Accident avoidance
- High crime areas
- Proactive weather

...and change the behavior

Proactive Weather Alerts

- **Enable accurate weather alert system**
- **Include weather data and alerts as a part of your value-added services**
- **API embedded into your app**
- **Track multiple locations**

Provide partners to assist in protecting the property and preparing for the storm

Connected Home/Properties





The Value of Connected Home

- Sensors provide early warning detection on risks
- Manage risks & costs of water, fire, theft, energy & maintenance issues
- Lower tech & support costs putting pressure on traditional security players

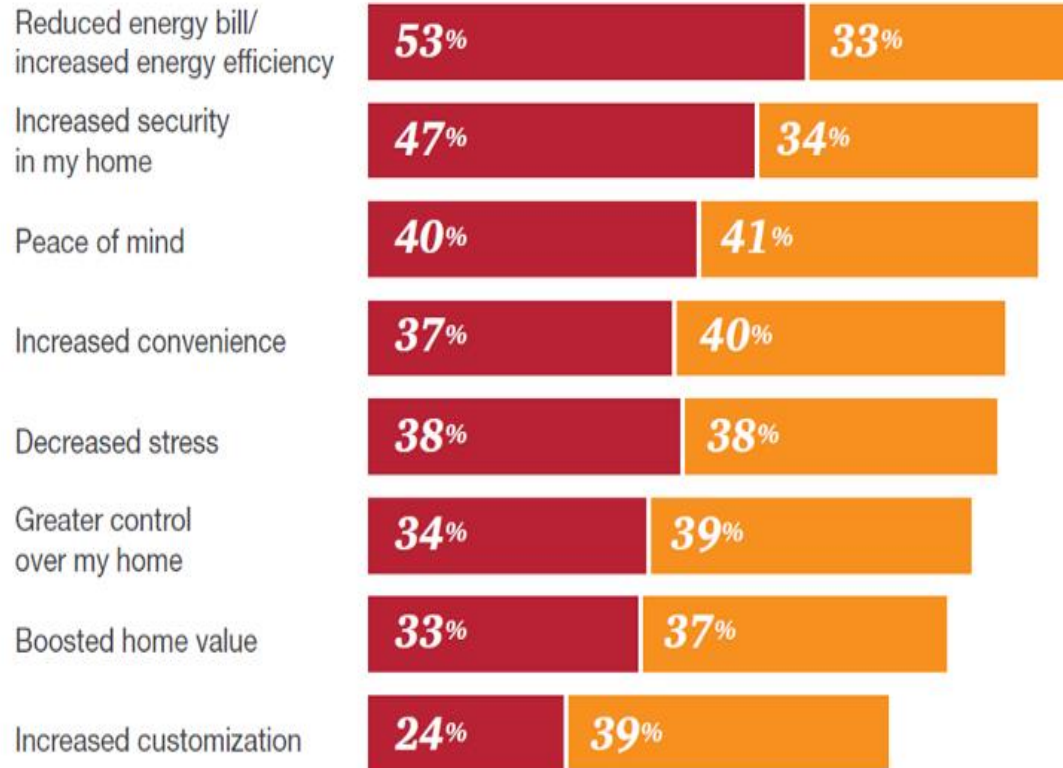




Customer value

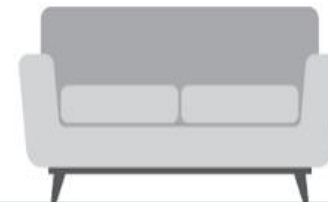
What's in it for me?

Perceived benefits of smart device purchase (among current non-users)



Very impactful

Somewhat impactful



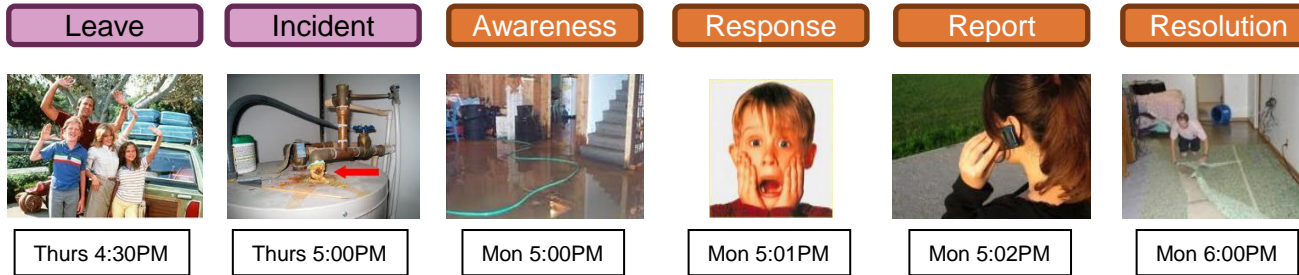


Before IoT/After IoT

Claim scenario:

- 1/8" crack leaks 10.4 gal/hr
- It takes 623 gallons of water to cover 1000 sq feet up to 1"

SCENARIO 1



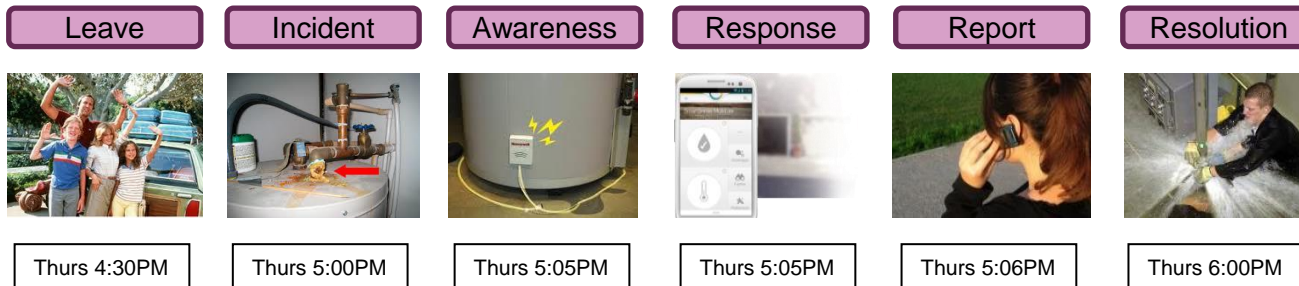
Result:
 Over a long weekend (73.5 hrs)
 765.6 gallons of water or 1.23" of water in the basement.
 Average Claim Amount: **\$4,444**

Incident goes unnoticed for several days and the damage is large.



Incident identified immediately and resulting damage is minimal!

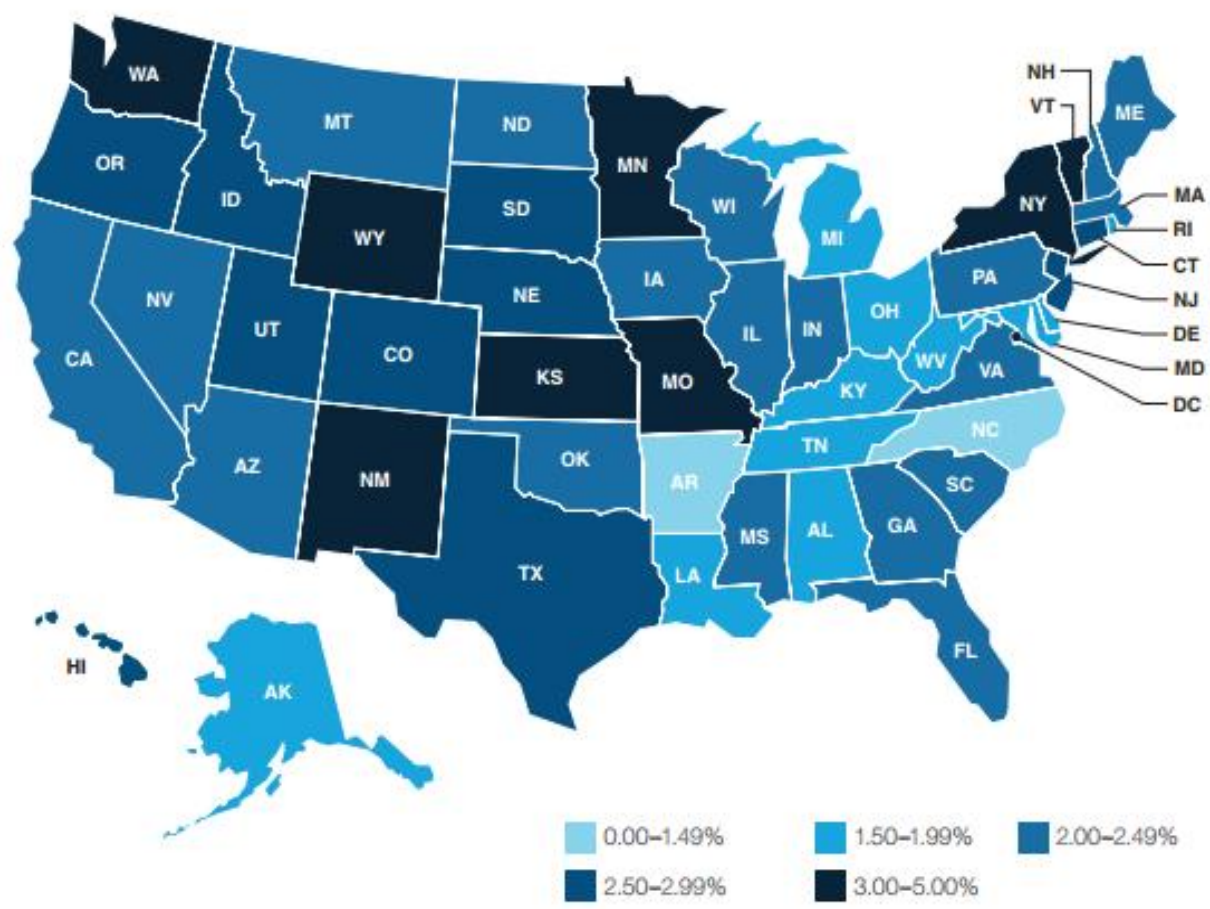
SCENARIO 2



Result:
 Responding within an hour only
 10.4 gallons of water or 0.02" of water in the basement
 Average Claim Amount: **Negligible**



Reconstruction costs on the rise



Changes in reconstruction costs by state from January 2016 to January 2017

Source: 360Value® Quarterly Cost Updates



Partnering for protection



Business Protection



Preventive
Maintenance



Protection
Partners



Who would Proactively Protect?

Conscientious Customer

- Take care of their purchases

Customers with Prior Loss

- Understands the restoration efforts

DIYers

- Care about the upkeep of their property & don't want their hard work get damaged

Digital Savvy

- People understand what it takes to set up and maintain a connected property





Our future





Takeaways

- Identify ways to encourage your customers want to make you a part of their protection partner
- Don't penalize your customers for bringing any and all incidents to you
- Enable a partner ecosystem of suppliers, contractors, and services that help the customer before AND after an accident



Questions?

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