



**BEYOND UBI...
NEXT GENERATION LEAK PROTECTION**


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LET'S TALK ABOUT BURST PIPES...



**THE OPPORTUNITY:
HUGE WATER CLAIMS REDUCTION POTENTIAL**






- US Insurers pay over \$10B each year for water damage claims
- Almost 30% of claims are for water damage
- 1 out of 55 homes has a burst pipe each year
- 2016 average water damage claim was over \$7K




OLD-LINE APPROACHES TO WATER DAMAGE

- Improved supply hoses (\$25-75)
 - Low cost...but do they get installed?
- Point moisture sensor systems (\$200-1000)
 - Protection only against appliance leaks
 - Generally no web connected or shut off
- Whole-house leak detection (\$2000-3000)
 - Some are web connected, most are not
 - Expensive, so low adoption!!!






**NEW SOLUTION:
IOT LEAK PROTECTION DEVICES**

- 93% of Water Damage Claims avoidable*
- Old School whole house solutions are expensive (+\$2,000) with limited functionality
- IoT solutions are more affordable (under \$500), with enhanced functionality:
 - smart phone controlled
 - Text and email alerts
 - Over the air updates
 - Integration with other devices at API level
 - Integration with Agent/Claims/Remediation Company/Plumber
 - Water usage, conservation and predictive analytics are by-products
 - Verification they are in use





* ACE Private Risk Services study




HOW CLOUD CONNECTED LEAK PROTECTION DEVICES WORK

- Web-connected
- Controlled via smartphone
- Flow and Temp data sent to 'cloud'
 - Higher level analytics
 - Real time monitoring
 - Usage history
 - Mobile alerts
- Leak damage avoidance: Herd protection across a region
- Post mortem "forensic analysis" for predictive analytics
- Battery backup. Continuity of protection even with power or WiFi outage





**BUT WAIT, THERE'S MORE...
IT'S NOT JUST ABOUT
DAMAGE REDUCTION!**





**LEAK PROTECTION PROVIDES HOMEOWNER
VALUE BEYOND RATE REWARD**

- Peace of Mind






90% of consumers say personal and family security remains one of the top reasons to purchase a smart home system.

**LEAK PROTECTION PROVIDES HOMEOWNER
VALUE BEYOND RATE REWARD**

- IoT Leak Detection Provides Bonus Usage Data
 - "If you can't measure it, you can't improve it"
 - Provides actionable, real time usage information
 - Wasteful behavior wastes +5 trillion gallons of water per year
 - Yes, you can use IoT Leak Detection devices to shut down excessive shower times ☺

LEAK PROTECTION PROVIDES HOMEOWNER VALUE BEYOND RATE REWARD

- Bonus Water Savings
 - US homes leak one trillion gallons of clean water every year
 - +\$8B/year for homeowners
 - Eroded toilet flappers are number the #1 cause and often are silent
 - 10% of US homes leak 90 gallons per day
 - Costing +\$600/year for these homeowners



IoT LEAK DETECTIONS CAN HELP REDUCE TEN TRILLION GALLONS WASTED ANNUALLY

- Acute Water Waste
 - One trillion gallons/year
- Wasteful Behaviors
 - +5 trillion gallons/year
- Chronic Water Waste
 - +4 trillion gallons/year from inefficient appliances/fixtures



LEAK PROTECTION HELPS AGENTS DELIVER MORE VALUE

- Agents are excited about IoT leak protection devices
 - Pro-active touch point with policyholders
- Provide dual value:
 - leak protection
 - water cost savings
- Agent/insurance company/plumber/Remediation information can be included on mobile app



**HOW WILL YOU COMPETE
IN THIS NEW WORLD?**


- How will you differentiate?
- How will you appeal to millennials?
- How will you avoid churn?
- How will you build customer loyalty?




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FUTURE DIRECTIONS



- Integration of wireless moisture sensors and additional safety/security sensors (e.g., combustible gas, radon)
- Interoperability with other home IoT devices (e.g., Nest, SmartThings, Lowe's/Iris, Amazon Echo)



- Analytical reporting on water usage (at home level and for various aggregations)
- Expanding possibilities for strategic alliances (Security, Remediation, Plumbing partners)

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IOT CAN HELP — BUT YOU CAN'T BE PASSIVE!
What will it take to equip homes with IoT leak

- **Policyholders won't do it on their own!**
- **Insurers have to make it happen!**
- **Premium discounts?**
- **No claim awards?**

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CONCLUSIONS

- IoT Leak Prevention is here
- New opportunities for insurers
 - Improve underwriting
 - Reduce incidence and magnitude of claims
- Novel approaches to address water damage
- You can change the nature of competition!
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▪ **THANKYOU!**