

# The future of insurance is proactive

When we think of insurance today, we think of services that are reactive. When a customer has a claim, the insurance company pays for the damage or the customer gets a compensation. Soon IoT-devices, sensors and other technologies might help to prevent damages from happening in the first place. From a customer and societal perspective, everybody is better off with the possibility of preventing fires, flooding, accidents, etc.

However, this means that insurance companies must find new ways of serving the customer, as old products and services become obsolete.

The challenges that Alm. Brand are currently facing are:

- Current customer behavior
- Reactive insurance products
- Ethics of data sharing

## Preventive customers behavior

Customers will always want to avoid accidents, but not everyone remembers to take the necessary preventive actions because they have more important things to do. Especially young people do not prevent because they have a hard time imagining that an accident will ever happen to them. Families are also an exposed group. They often don't have the time to research for different types of preventive products even though they are concerned. They would rather spend time with their family. Also, they often have a tight budget, meaning that preventive products are often not a priority of things to invest in.

## Target group

- Young people: under 30 years
- Families: over 30 years, one or more adults, with one or more children

Besides the different target groups, there are also great difference in the incidents that can happen for our customers depending on their housing situation. There is a greater number of accidents in houses than in apartments. Another important factor is whether the house or apartment is rented or owned. When a house or apartment is owned the customer is more prone to invest in preventive products than if it was rented.

How can we help our customers, under 50 years, to change their behavior, so they proactively engage in prevention of accidents such as stolen bikes, for the young segment, as well as fire and flooding of the house for the family segment?

- How do we get our customers to be proactive and prevent accidents by the use of IoT or other technological solutions?
- How do we make preventive actions and investments easy to understand, joyful and educational?

### New product offering

Existing insurance products cover the incident when something unexpected happens. It can be fire, flooding, burglary, accidents etc. Today more and more technology can help us predict and prevent these things. The future role for us, as an insurance company, should be to offer products and services that helps the customer prevent these unwanted experiences through technology.

Today when a fire happens, people will often get notice because of the fire alarm, but this is a reaction to fire that has already developed. Instead, in the future we will see technologies and products that can monitor and track where a fire is about to happen before it develops into an accident. This information can be accessible for the insurance company, meaning that they can take action before the fire develops or the system that monitors can ultimately shut down the fire. This does not only count for fire, but for flooding in homes, burglary, car accidents etc.

Imagine a new kind of preventive insurance.

- How might new preventive product/service offerings look and what is the preventive element?
- How is the preventive product/service presented for the customers and how can they pay for it?
- In what way should preventive products be part of the insurance offering in order to create safety for the customers?
- How do we incorporate preventive products and technology in our insurances in a joyful and educational way?

### Ethics and data sharing

With IoT and other technologies, there are endless ways to collect data. This data is crucial in order to prevent accidents from happening, because the technology can inform the customer about a potential accident. This data is also valuable for insurance companies to create even better services for predicting future risks for the customer.

There are many ways to collect data and different data types, that can be useful for different purposes:

- GPS-data can be used to track actual and previous locations
  - Good for burglary related incidents
- Usage-based data can be used to track how you use and treat things
  - How you treat things in your home
  - How you behave in traffic
- Video and surveillance
  - Face recognition and pictures are good for burglary related incidents
- Video recording in cars to solve car accidents
  - Indoor climate data and sensors
- Tracking of temperature, humidity and CO2-levels can help prevent incidents with mold and water damage in houses.

The question is what data we should collect and how we should collect it, so it is respectful and useful for our customers and us.

- How might personal data be collected in an ethical responsible way?
- How can we gather data that can help customers do more of what we see as preventive behavior?
- How should data be shared between customers and insurance companies in ways that make customers feel safe and secure?
- How do we create control, transparency and value for the customers in a data sharing situation?