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The Internet of Things (IoT) –
Reinventing Insurance

Hartford Steam Boiler

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AGENTS COUNCIL FOR TECHNOLOGY

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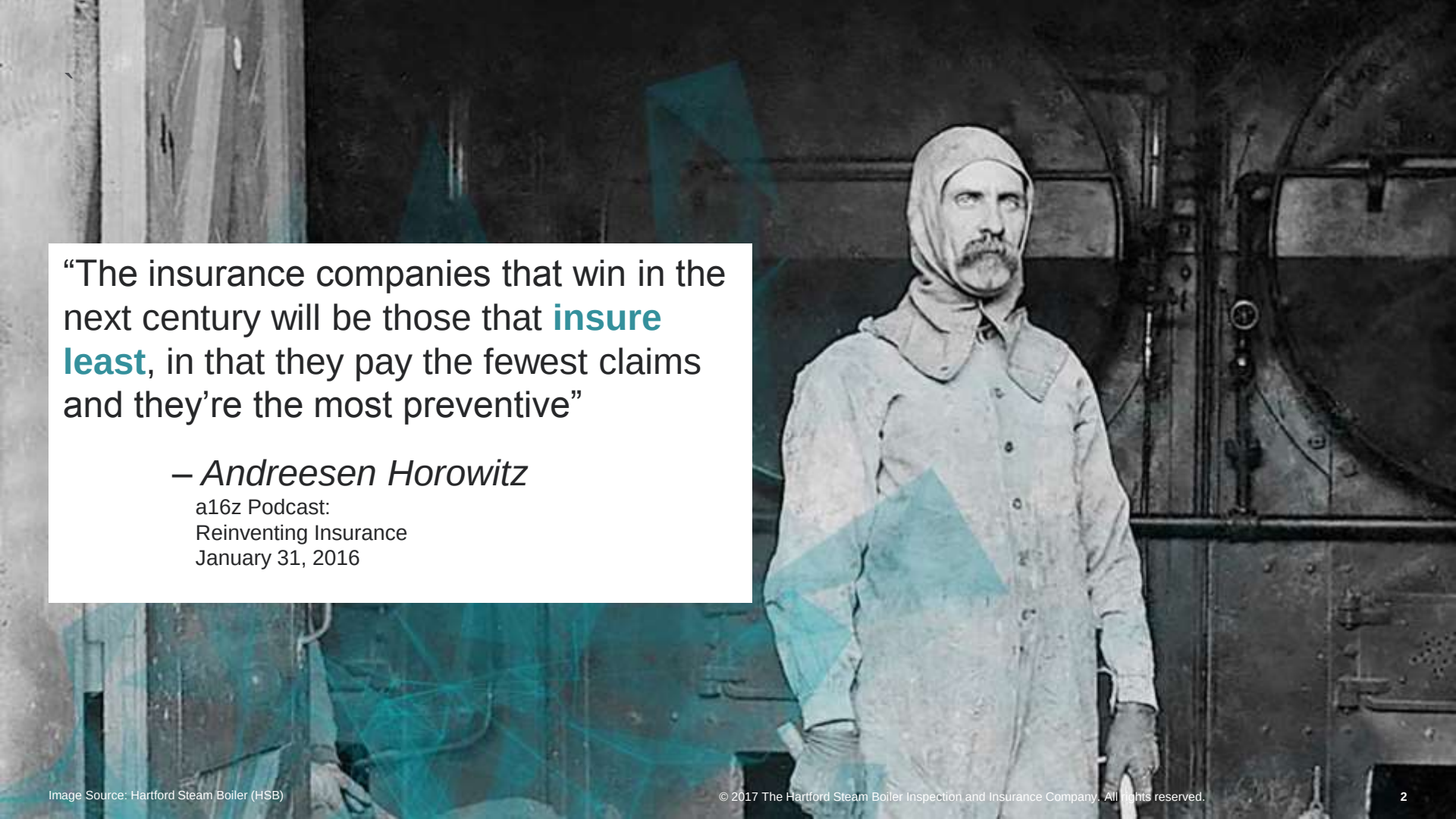

"The insurance companies that win in the next century will be those that **insure least**, in that they pay the fewest claims and they're the most preventive"

– *Andreesen Horowitz*
a16z Podcast:
Reinventing Insurance
January 31, 2016

Image Source: Hartford Steam Boiler (HSB)

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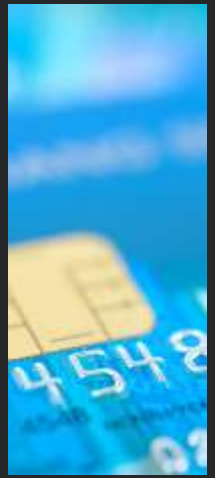

Smart, Connected Everything

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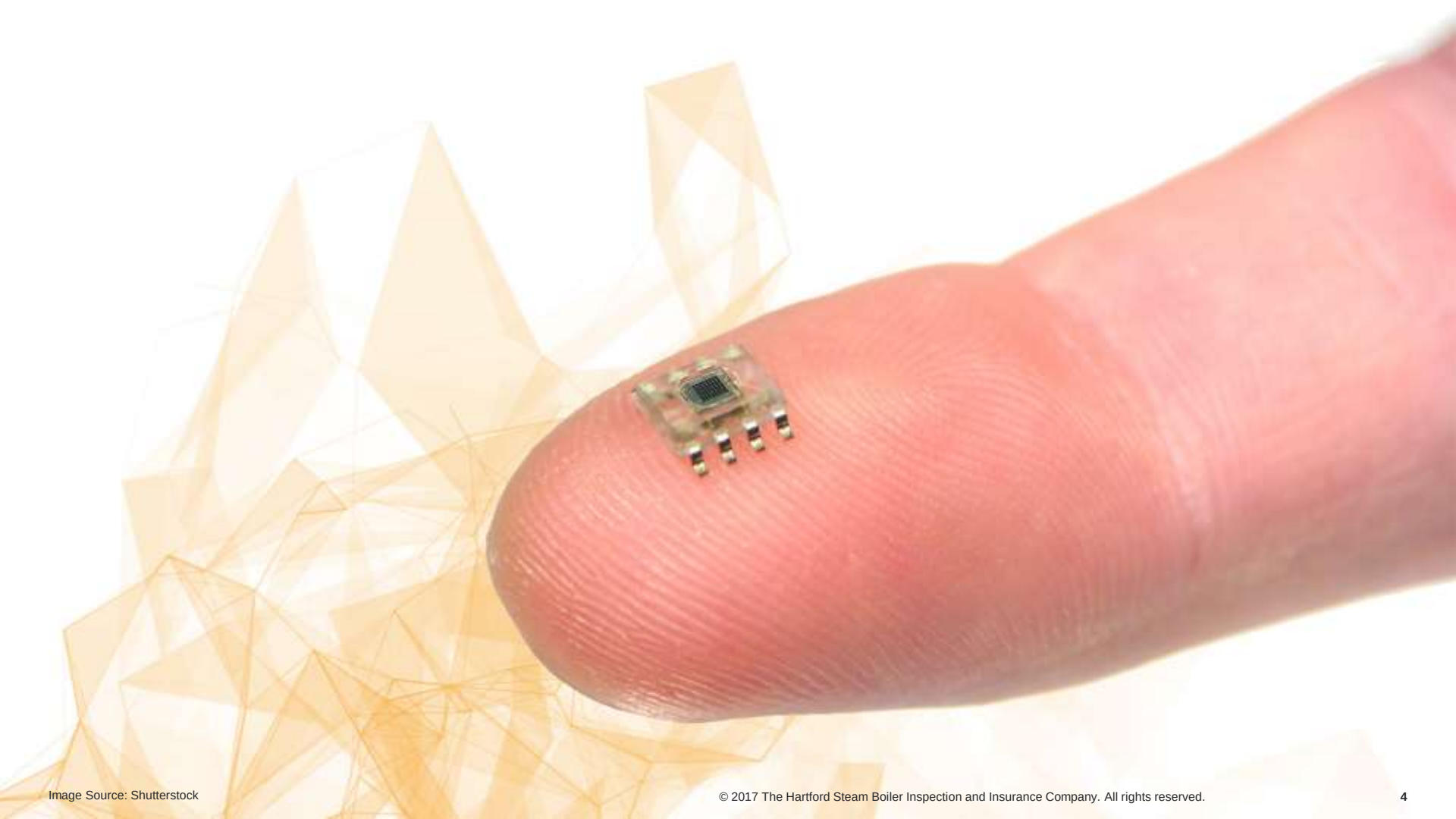

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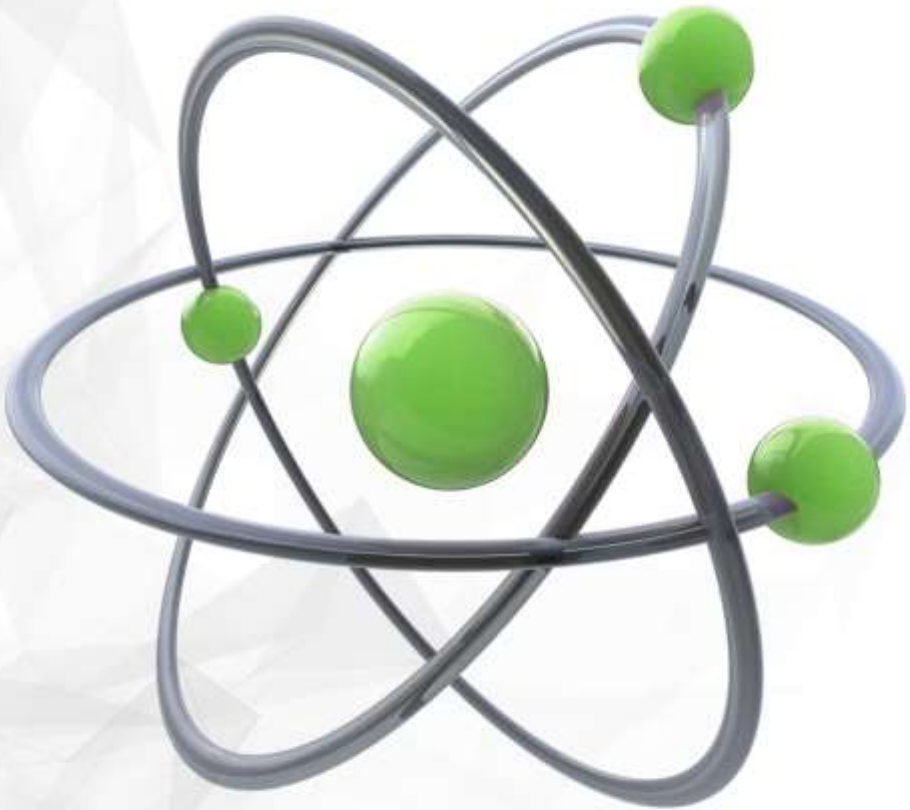
Technology is

getting smarter

“Memristors” could bring a new wave of micro technology and connected devices at the

atomic level



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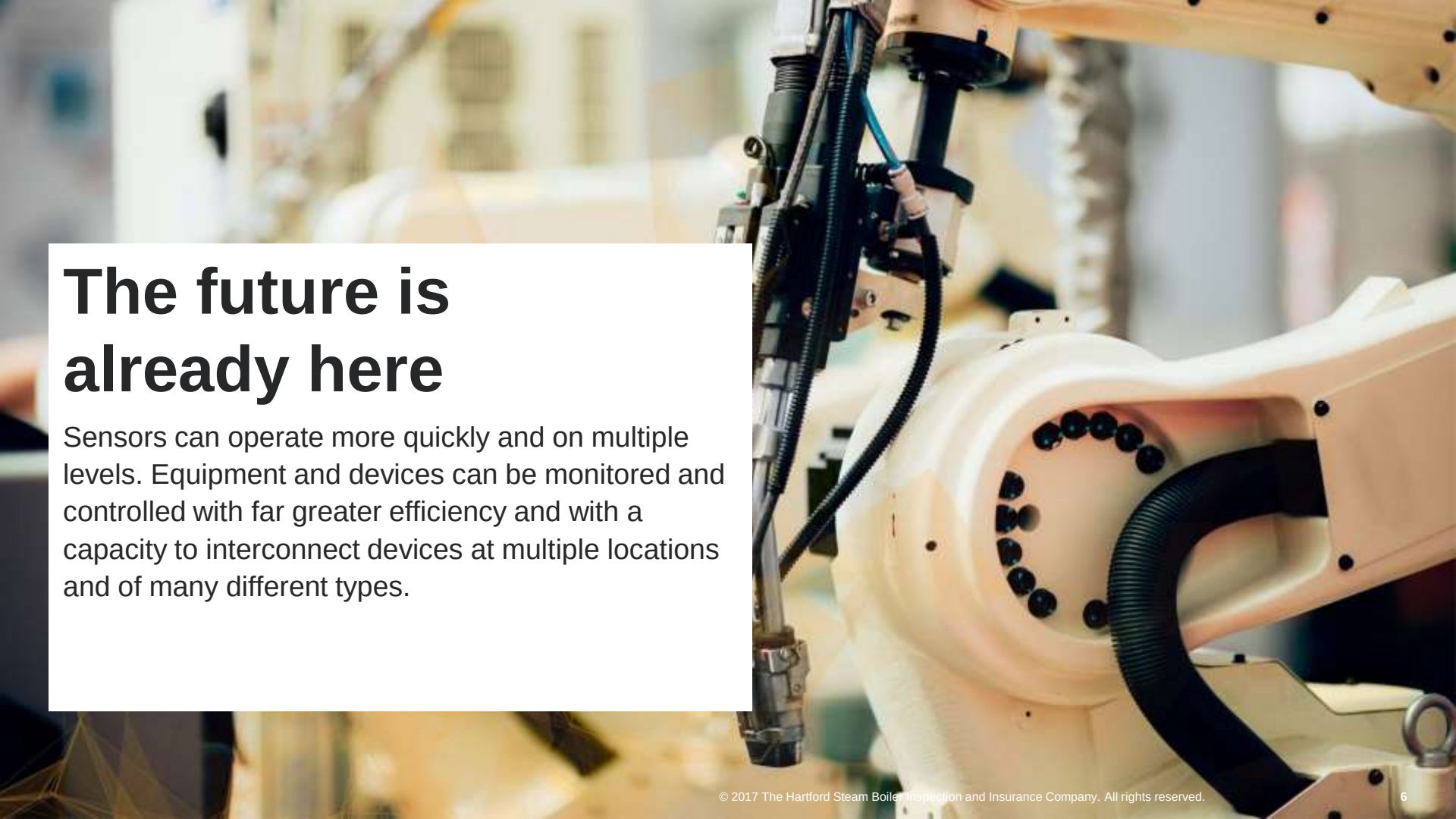

The future is already here

Sensors can operate more quickly and on multiple levels. Equipment and devices can be monitored and controlled with far greater efficiency and with a capacity to interconnect devices at multiple locations and of many different types.

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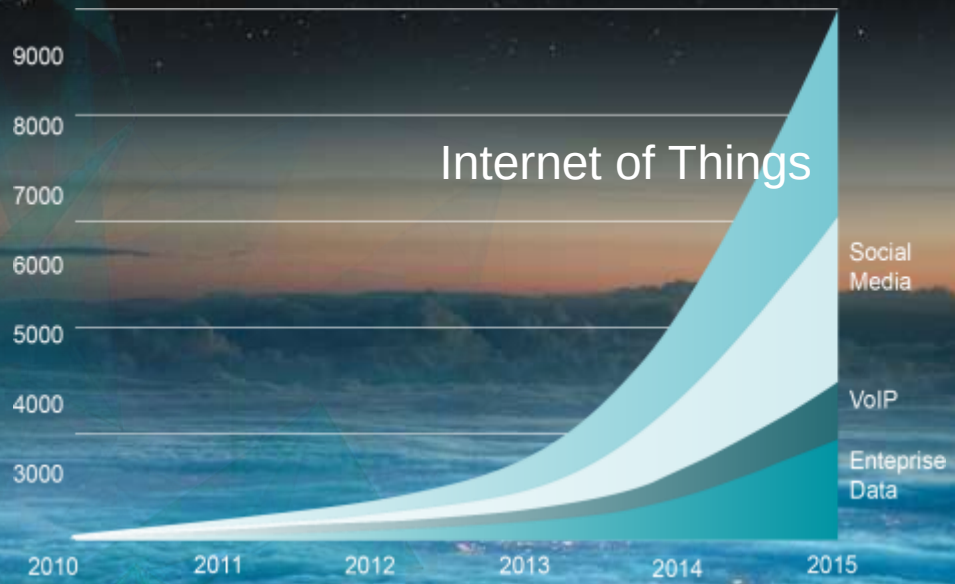
2016:

6.5 Billion devices

2020:

50 Billion devices



Source: "IDC's Worldwide Internet of Things Taxonomy, 2015," IDC, May 2015; "Worldwide Internet of Things Forecast, 2015 – 2020," IDC, May 2015.

9,000 exabytes

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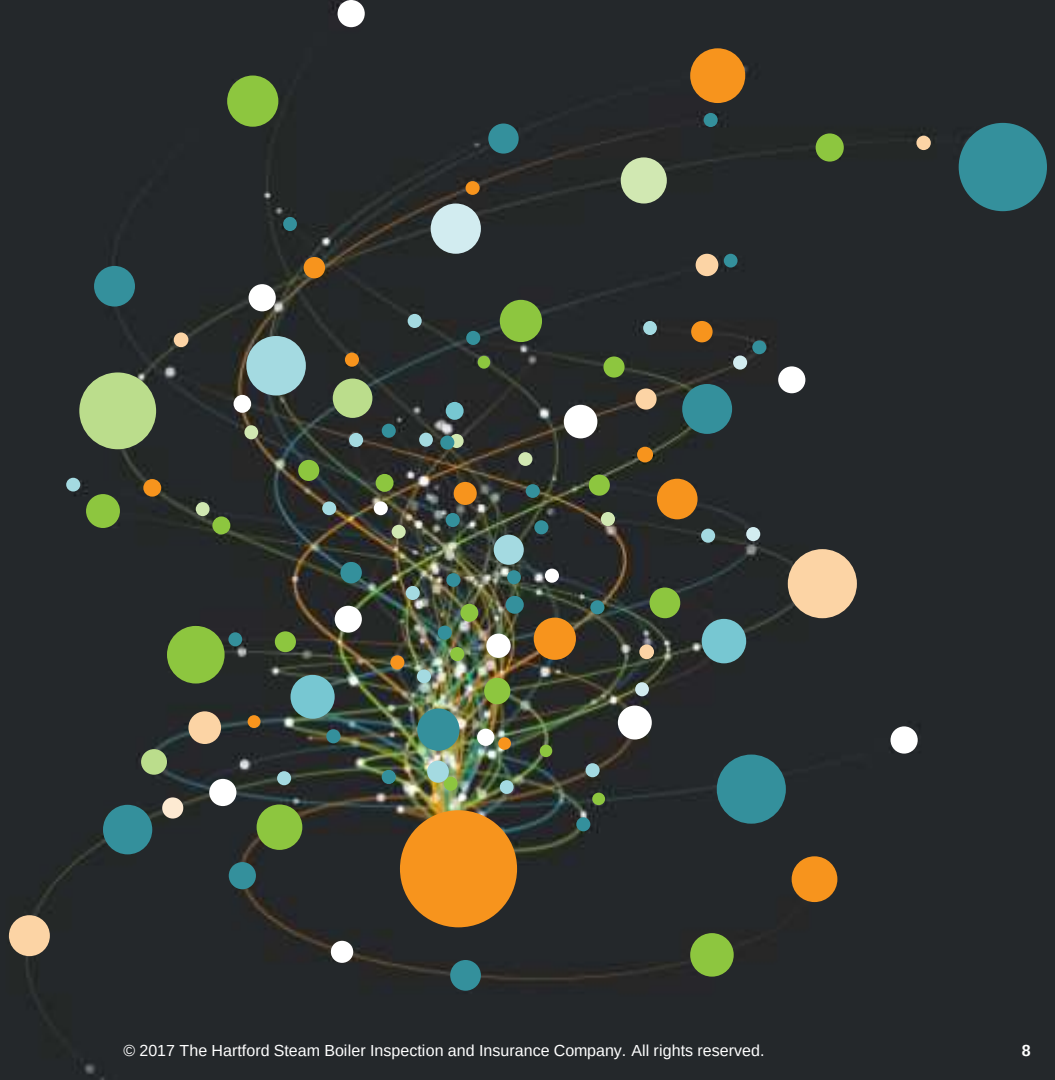
A tsunami of data

Information being transmitted from sensors to devices at a ferocious pace

Inter-connected devices will increasingly be at the heart of equipment, systems and operations in business, industry and homes around the world.



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Financial impact of the

IoT technology revolution

$3.9–$11.1 Trillion annually

Data Source: McKinsey Image Source: Getty Images/iStockphoto

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All Industries are affected

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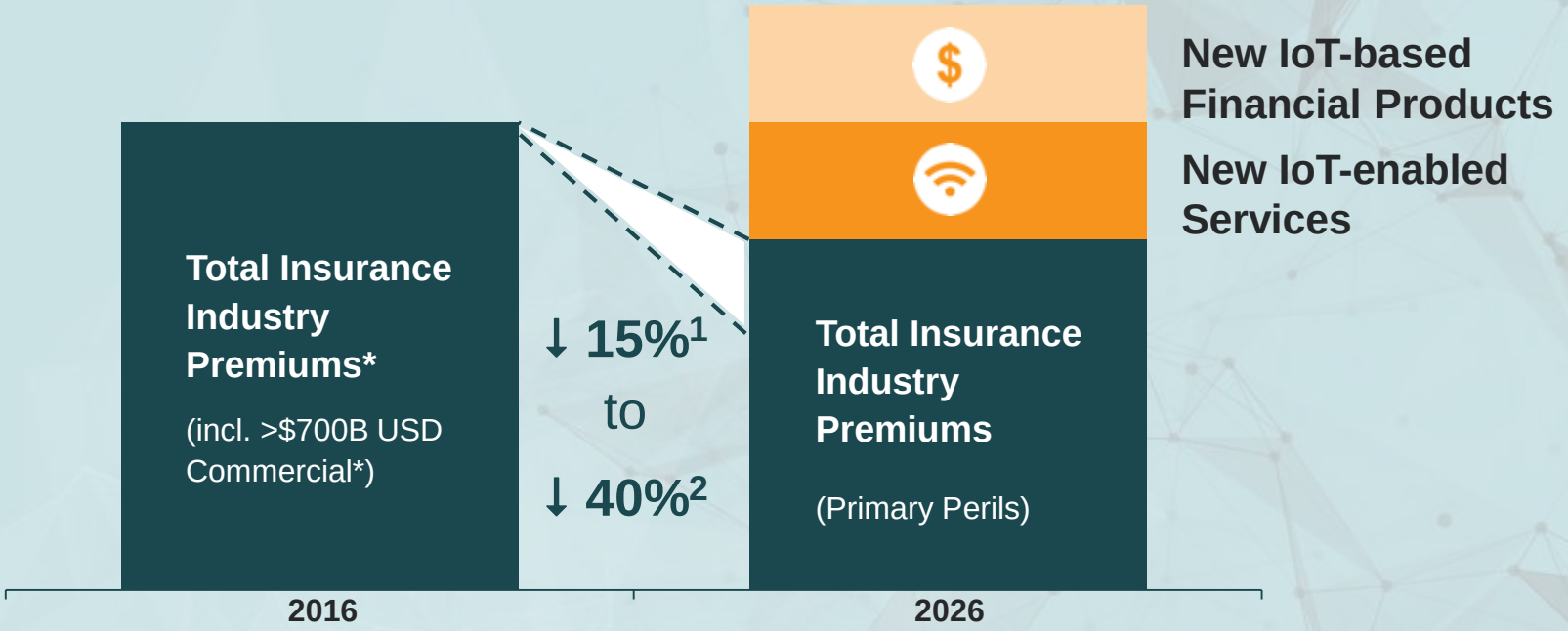
The IoT Opportunity for insurance



* Includes 2014 worldwide commercial premiums of US$728.6B [$210.3B (28.9%) commercial motor] – Finaccord, Dec 2015.
[1] Represents a drop in the premium basis, mostly across primary perils in the next ten year. "Can a Fixed Cost Property/Casualty Industry Survive the Internet of Things?", Celent, March 2016.
[2] As a comparison, the auto insurance market is projected to decline by as much as 40% due to the expected emergence of autonomous vehicles according to a KPMG study

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Powered by the Internet of Things, Insurance will evolve from product-centric to service-centric

New Technology Is Disrupting Insurance

Rapid advances in technology are disrupting the insurance industry with a shift towards near-perfect information that unpacks risk

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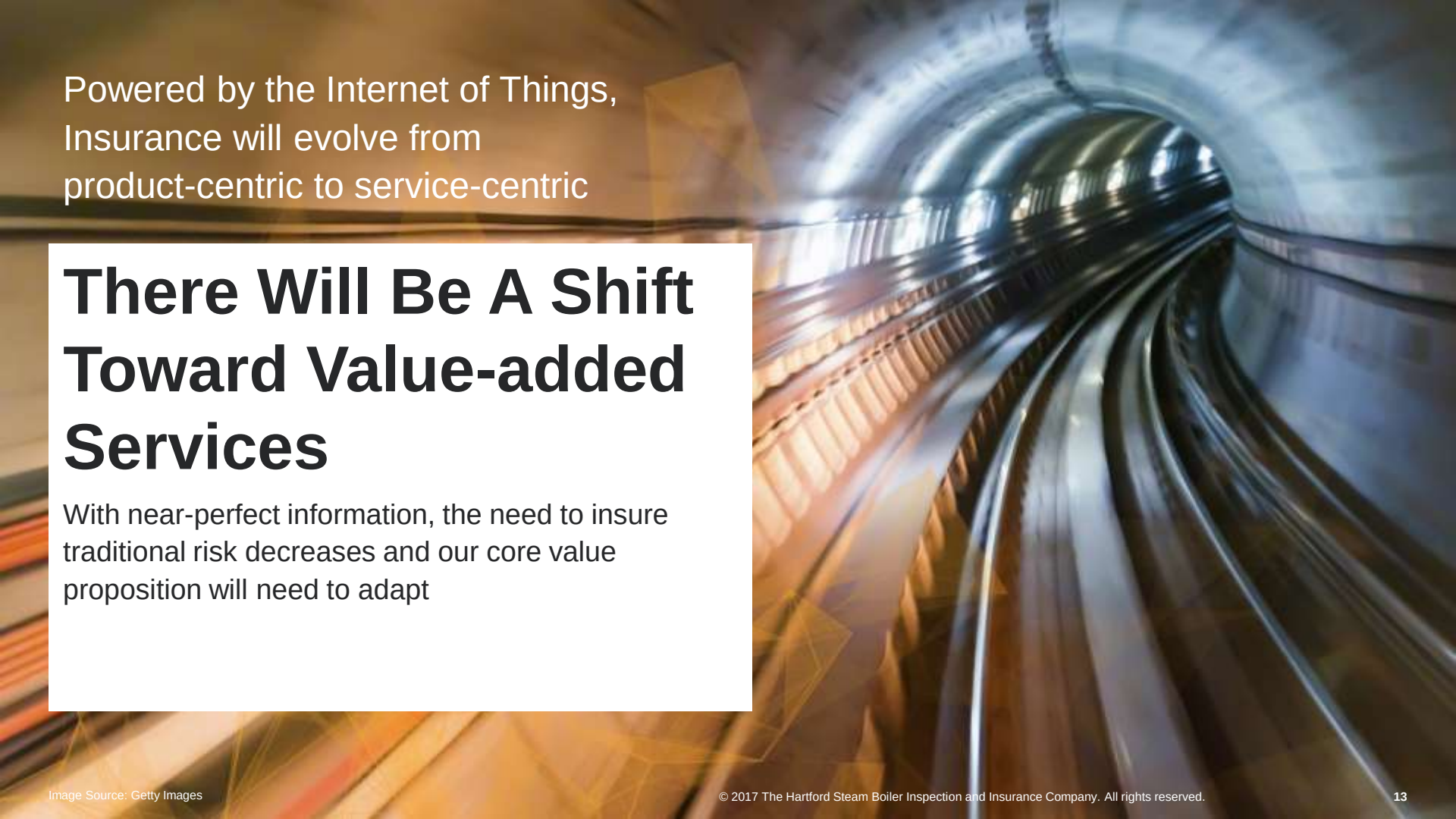
Powered by the Internet of Things, Insurance will evolve from product-centric to service-centric

There Will Be A Shift Toward Value-added Services

With near-perfect information, the need to insure traditional risk decreases and our core value proposition will need to adapt



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Powered by the Internet of Things, Insurance will evolve from product-centric to service-centric

Insurance Will Evolve Into a Service-first Solution

We will address the future “business moments”[1] of our partners, client companies, brokers, and facility owners with service-first offerings that define the nascent IoT landscape – coupled with insight, products, etc.

[1] Gartner

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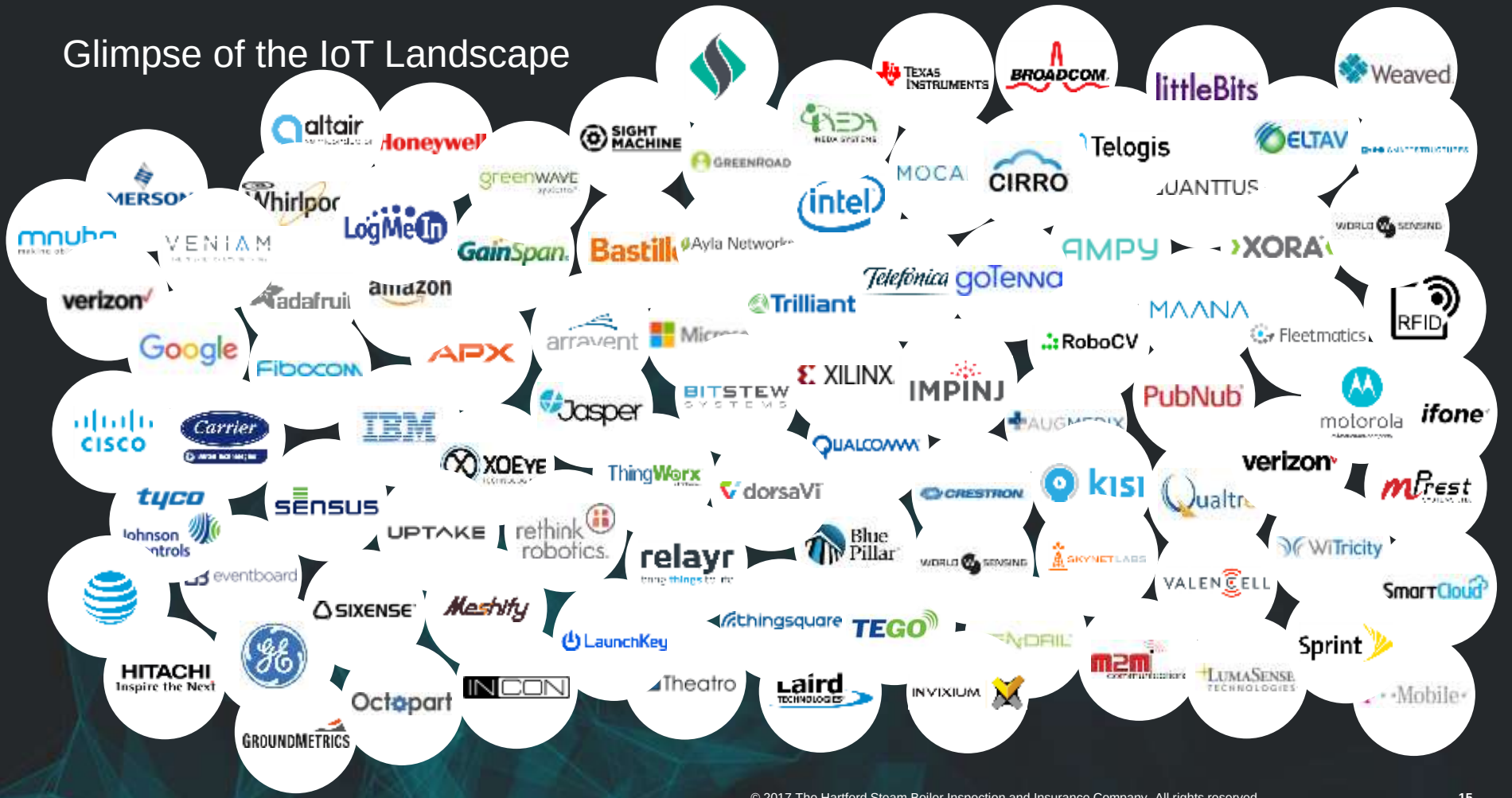
Glimpse of the IoT Landscape



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Orchestrating

an IoT ecosystem of partners and technology

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Hardware (Gateways)
Software (Data, Interface)
Services (Integration)

“Meshify is a complete cloud-based Internet of Things (IoT) platform that develops electronic device management software; offers cross-platform measurement, monitoring, and control; and provides real-time monitoring and alerts of potential risks and information that improves business operations. Meshify offers software, hardware, and services that simplify the collection of data; manages complex monitoring; and displays sensor data in user-friendly web and mobile applications.”

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Perishable Goods

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Medical Office

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Schools

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Air Quality

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and many more

Business Interruption

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With near-perfect information, the need to insure traditional risk decreases and our

core value proposition

will need to adapt

From insurance to ASSURANCE

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Thank You!

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