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Developing Technology Foresight: Case Study
of AI in InsurTech

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InsurTech and Underwriting

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Acknowledgements

1. *What five complex new risks are emerging that make the underwriter's job harder?*

2. *Self-adjusting win probability scores can help the underwriter prioritize which submissions to work on to help improve ___ _____.* Fill in the two blanks.

3. *With intelligent solutions, the underwriter's work does not have to end with the binder or policy. What three technologies can help underwriters make the shift from simply evaluating risk potential to working with customers to actively monitor and reduce losses?*

INSURTECH AND UNDERWRITING

➢ InsurTech is a major disruptive issue facing the insurance industry.

➢ Refer to the **"Quarterly InsurTech Briefing Q1 2019 Willis Towers Watson"document (https://www.willistowerswatson.com/en-US/insights/2019/05/quarterly-insurtech-briefing-q1-2019)** to answer questions on the following slides.

➢ Note that questions related to this document can appear on exams, so make sure you read the document and answer the questions.

InsurTech and Underwriting *(continued)*

1. *For the underwriting function, what is there greatly increased analytical support for?*

2. *What is an important current challenge for insurance pricing and underwriting departments?*

3. *An area that InsurTech looks likely to have a substantial role to play, is the Internet of Things (IoT) and its application to what?*

4. *In what form did IoT first manifest materially in the insurance industry?*

5. *Advancing technologies have reduced costs and enhanced analytics capabilities and connectivity to the point that what kind of insurance has become a thing?*

InsurTech and Underwriting *(continued)*

6. *The information received from monitors (IoT devices) provides far more granular data on which insurers can make more of what type of decisions?*

7. *IoT devices are not for collecting demographic information from policyholders. What information from IoT devices has been provided for motor insurers and what is it correlated with?*

8. *What are IoT devices used for in marine insurance, what does it support, and what type of products has it opened the way for?*

9. *What does more granular data from monitored assets, allied with advanced analytics, enable and identify?*

10. *What does customer self-monitoring and feedback allowed by motor telematics insurance enable customers to control?*

InsurTech and Underwriting *(continued)*

11. *What kind of customer proposition is a motor telematics insurance policy?*

12. *The take up of motor telematics policies has been greatest among which customer segment and why?*

13. *For what type of customer is a monitored risk proposition far less attractive?*

14. *What does Insurtech company Root make use of as a sensor, for what, and what does it facilitate?*

15. *With all the improvements and changes in the pricing and underwriting arena, what are there implications for?*

InsurTech and Underwriting *(continued)*

16. *With all the improvements and changes in the pricing and underwriting arena, what is the extremely fine balance between pricing and maintaining?*

17. *If an insurer's pricing goal is to get as close to individual risk itself as possible while maintaining a sensible profitable margin, what is there a risk of?*

18. *For insurers, what is real profitability in the delta (difference) between and what is the trick about pricing risks?*

19. *For larger carriers, how can a healthy portfolio be maintained with truly affordable policies for all manner of risks?*

20. *What do advances in deep learning and machine learning make it possible for insurers to do?*

InsurTech and Underwriting *(continued)*

21. *What is a main obstacle that could result in a level of trepidation on the side of the insurer in dealing with emerging data sets?*

22. *What company has developed a number of proprietary data sets to provide further insights on property risk that includes some unique data points including sinkhole susceptibility, clandestine drug labs, fire hydrant locations and airport noise?*

23. *Leveraging big data, what have a number of carriers found a statistically significant link between?*

24. *What did Facebook block a U.K. insurer from attempting?*

25. *What type of pricing process results from increased access to third-party data, dynamic and real-time data feeds, and IoT-derived insights?*

InsurTech and Underwriting *(continued)*

26. *What is Concirrus capitalizing on the growing use of to process and analyze vast quantities of data to understand the underlying behaviors of risk?*

27. *By leveraging AI and machine learning algorithms, Concirrus can analyze insurers' existing portfolios to help them better understand what and enable them to do?*

28. *Car insurance in the eyes of Root is an industry that needs to be reinvented because rates are assigned based on what and insurers tend to use what type of approach?*

29. *What has Root, the first entirely mobile/app-based motor insurer in the U.S., used to reverse the traditional auto insurance proposition and what are Root insurance rates primarily based on?*

30. *To get a customized auto insurance quote with Root, what does the company ask drivers to complete, and what does this enable Root to reduce reliance on and move toward?*