TECH TRENDS THAT WILL DEFINE THE FUTURE OF INSURANCE

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TECH TRENDS THAT WILL DEFINE THE FUTURE OF INSURANCE

- Data Analytics
- Artificial Intelligence
- Internet of Things IoT

TECH TRENDS THAT WILL DEFINE THE FUTURE OF INSURANCE

- Cyber Security
- RiskTech
- Enhanced Customer Experience

DATA ANALYTICS

WHAT HAVE WE DONE WITH DATA IN THE PAST?

Collection

Storage

Retrieval

NOW WE HAVE MORE DATA THAN EVER BEFORE

Smart Home Devices

Telematics

Smart Watches & Fitbits

"By the year 2020, 1.7 megabytes of new information will be created every second for every human being on the planet." *

*Marr, Bernard. Big Data: 20 Mind-boggling Facts Everyone Must Read. Forbes Magazine, September 30, 2015.

WHAT IS BIG DATA / DATA ANALYTICS?

Big Data - is a term that describes the large volume of **data** – both structured and unstructured – that a business collects over time. This data can be analyzed for insights that lead to better business decisions.

Data Analytics - is the process of examining **data** sets in order to draw conclusions about the information they contain.

WHAT HAS CHANGED?

- Processing Power has increased
- Systems can process multiple data sets
- Multiple Data Sources – Fitbit, IoT devices, Telematics, Social Media, Client & Policy Data
- Carriers are starting to focus on Data Analytics
- Movement to Predictive Analysis
- Ability to analyze both Structured and Unstructured Data

HOW ARE CARRIERS USING DATA ANALYTICS?

- Better Pricing Models
- Detect Fraud
- Life Marketing Events
- Improve the Customer Experience
- Improve Loss Ratios

42%

of executives from the property and casualty insurance industry are using big data in pricing*

* (2015 survey by Willis Towers Watson)

HOW CAN AGENCIES START USING DATA ANALYTICS?

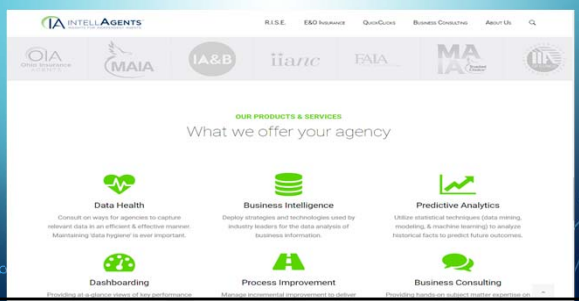
Customer segmentation – age, location, financial, etc… Using this information to develop insurance solutions specific to the customers needs.

Start to gather accurate information! Email cell social media

Example: Family with a 15 year old child – system could generate an email to the parents regarding ways to save on auto insurance for their child.

Adult age 64 might receive an email on medical insurance or financial advisement for retirement.

DATA ANALYTICS – INTELLAGENTS



PRODUCT OVERVIEW

OIA R.I.S.E. REPORT

- Relevant
- Insights
- Strategic
- Execution

OIA R.I.S.E. REPORT

Relevant Insights for Strategic Execution

- Operational Product Mix Overview
- Employee Age Distribution Analysis
- Generational Health Risk Assessment
- Employee Compensation Comparison
- Top 5 Carrier Impact Analysis
- Organic Growth Drivers Overview

2019 Agency Dashboards

- We are working towards accessing agency data directly through their agency management system on a regular frequency in order to develop dashboards that monitor standard KPI's within an agency.
- The key benefits for agents using OIA's dashboards:
  - Flexible
  - Affordable
  - Standardized
  - Benchmarked

DASHBOARDS ARE EXAMPLES ONLY

CONFIDENTIAL / NOT FOR DISTRIBUTION

INSUREDMINE

Gdwd#dqdo|wlfv=
Jdp h#Fkdqjhu#iru#
Lqvxudqfh#Djhqwv#B

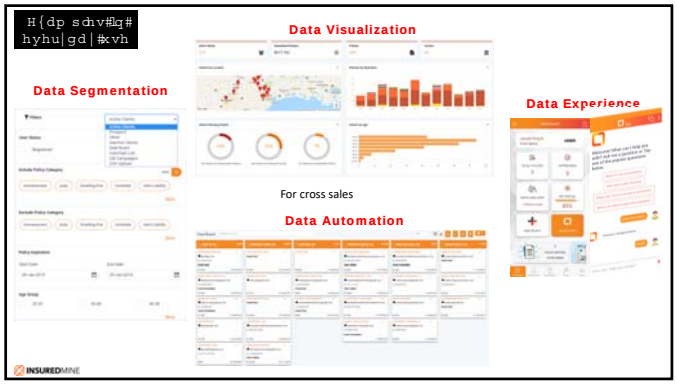
Data Segmentation

Data Visualization

Data Automation

Data Experience

INSUREDMINE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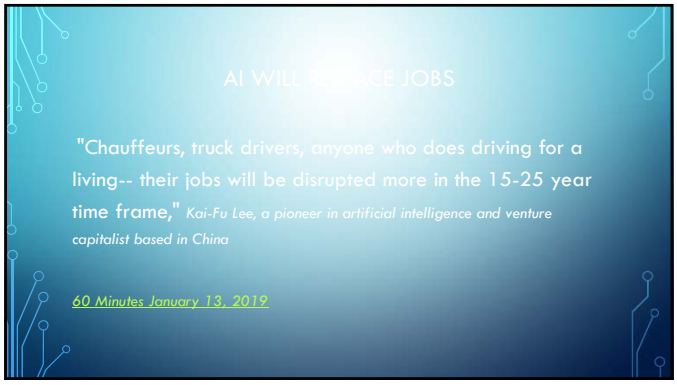
Data Segmentation
Data Visualization
For cross sales
Data Automation
Data Experience
INSUREDMINE

ARTIFICIAL INTELLIGENT &
AUGMENTED REALITY
CHATBOTS
CLAIMS PROCESSING
DYNAMIC UNDERWRITING
CUSTOMER EXPERIENCE
AI


AI WILL REPLACE JOBS
"Chauffeurs, truck drivers, anyone who does driving for a living-- their jobs will be disrupted more in the 15-25 year time frame," Kai-Fu Lee, a pioneer in artificial intelligence and venture capitalist based in China
60 Minutes January 13, 2019

CHATBOTS

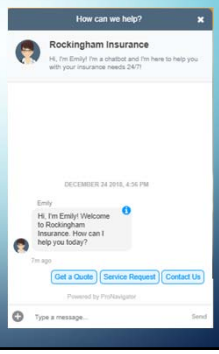
"Chabot applications based on artificial intelligence allow users to interact directly with your business using their own words, through natural, human-like conversations. Chatbots can be used to automatically provide information, facilitate a purchase and help connect customers to the services or information they need, 24×7."

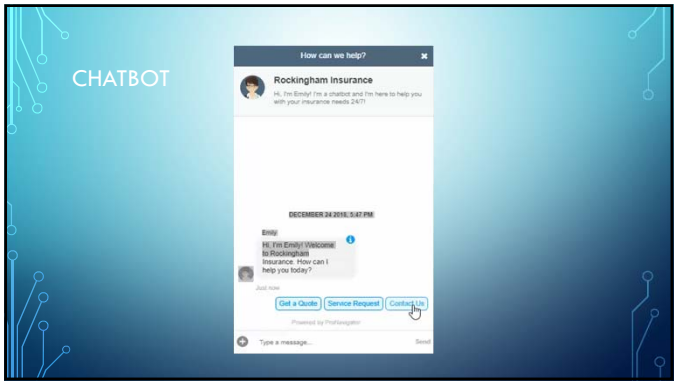
CHATBOTS

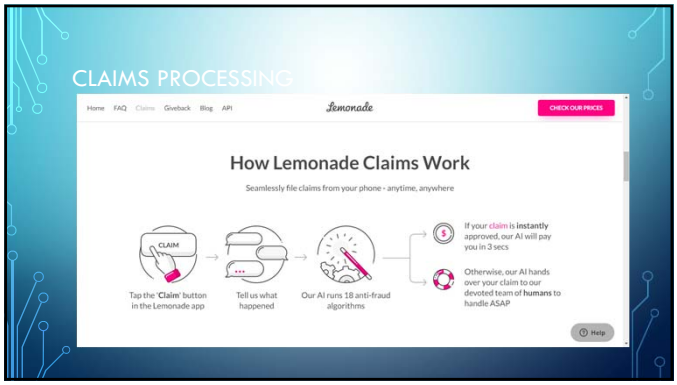
Get A Quote

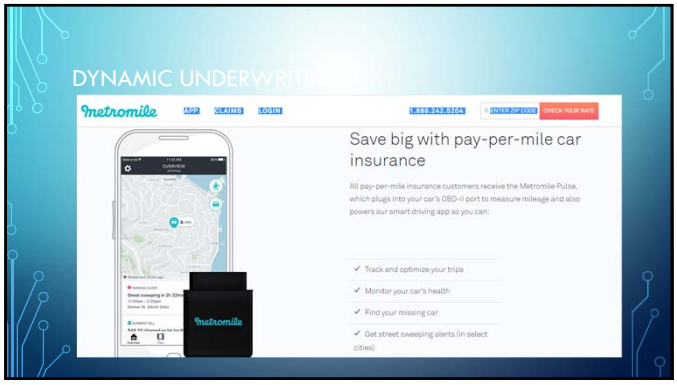
Service Request

Contact

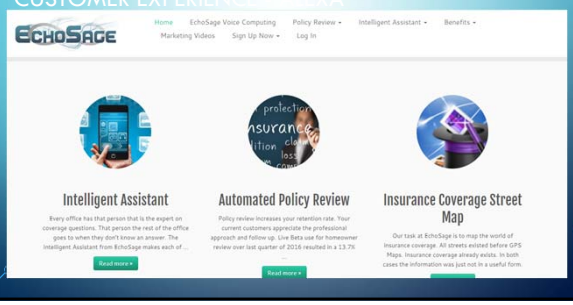



CHATBOT
How can we help?
Rockingham Insurance
Hi, I'm Emily! I'm a chatbot and I'm here to help you with your insurance needs 24/7!
DECEMBER 24 2015, 5:47 PM
Emily
Hi, I'm Emily! Welcome to Rockingham Insurance. How can I help you today?
Just now
Get a Quote
Service Request
Contact Us
Powered by ProNavigator
Type a message...
Send

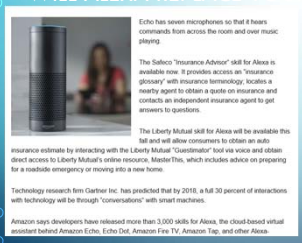

CLAIMS PROCESSING
Home
FAQ
Claims
Giveback
Blog
API
Lemonade
CHECK OUR PRICES
How Lemonade Claims Work
Seamlessly file claims from your phone - anytime, anywhere
CLAIM
Tap the 'Claim' button in the Lemonade app
Tell us what happened
Our AI runs 18 anti-fraud algorithms
If your claim is instantly approved, our AI will pay you in 3 secs
Otherwise, our AI hands over your claim to our devoted team of humans to handle ASAP
Help


DYNAMIC UNDERWRITING
Metromile
APP
CLAIMS
LOGIN
1.888.242.0204
ENTER ZIP CODE
CHECK YOUR RATE
Save big with pay-per-mile car insurance
All pay-per-mile insurance customers receive the Metromile Pulse, which plugs into your car's OBD-II port to measure mileage and also powers our smart driving app so you can:
Track and optimize your trips
Monitor your car's health
Find your missing car
Get street sweeping alerts (in select cities)

CUSTOMER EXPERIENCE – ALEXA



WILL ALEXA REPLACE YOUR CSRS?



Echo has seven microphones so that it hears commands from across the room and over music playing.

The Safeco "Insurance Advisor" skill for Alexa is available now. It provides access an "insurance glossary" with insurance terminology, locates a nearby agent to obtain a quote on insurance and contacts an independent insurance agent to get answers to questions.

The Liberty Mutual skill for Alexa will be available this fall and will allow consumers to obtain an auto insurance estimate by interacting with the Liberty Mutual "Guestimator" tool via voice and obtain direct access to Liberty Mutual's online resource, MasterThis, which includes advice on preparing for a roadside emergency or moving into a new home.

Technology research firm Gartner Inc. has predicted that by 2018, a full 30 percent of interactions with technology will be through "conversations" with smart machines.

Amazon says developers have released more than 3,000 skills for Alexa, the cloud-based virtual assistant behind Amazon Echo, Echo Dot, Amazon Fire TV, Amazon Tap, and other Alexa-

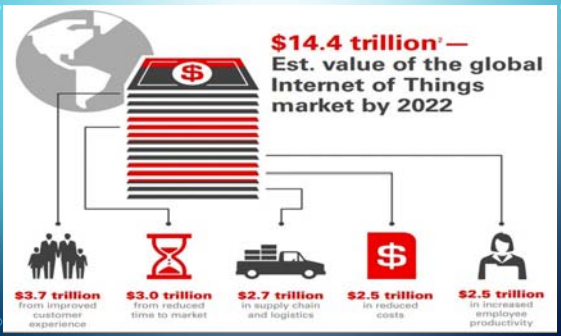
- Insurance Advisor
- Insurance Glossary
- Agent Locator
- Auto quotes
- Insurance Journal – Sept 13, 2016

AI'S IMPACT ON INSURANCE

- Automated Customer Interaction
  - AI will answer basic questions – freeing up CSR's to focus on other tasks.
  - Customer quick access to their data.
- AI Quoting
- Fraud prevention
- Faster Claims Payments
- Improved Customer Experience

THE INTERNET OF THINGS (IOT)

Internet of Things – a network or system of interrelated computing devices, sensors, or other objects that have unique identifiers and can communicate with other devices on the network.



IOT – CARRIERS INVESTING IN THE FUTURE

- **Hartford Steam Boiler** - Meshify (sensors), Relayr (connectivity), Helium, Waygum (industrial mobile app), Augury (industrial mobile app)
- **Liberty Mutual** - Nest (alarms), Notion (damage/leak detection)
- **Nationwide** – SmartRide telematics
- **American Family** – Ring (video doorbell)
- **Church Mutual** – Weather monitoring, temp & water sensors
- **CoreLogic** *(vendor)* - ROC-Connect

Others: *MunichRe, AIG, Safeco, AmFam*

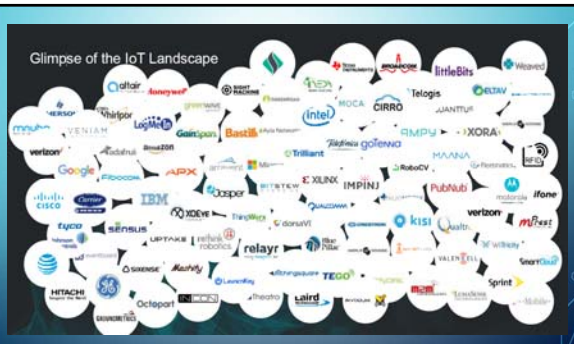
IOT IMPACT ON INSURANCE

Underwriting

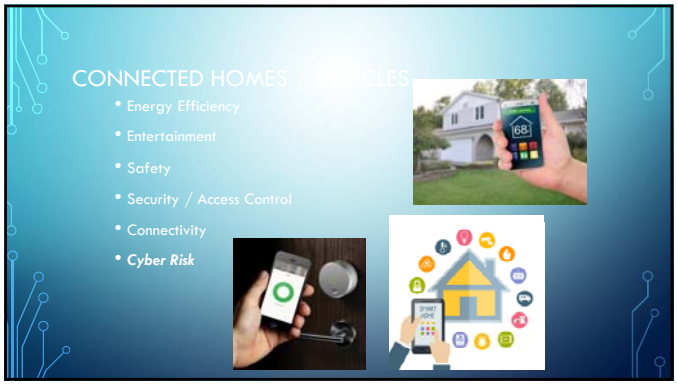
Claims

Customer Experience

New Pricing Models & Product Offerings



IoT Consumer Examples:
nest
75
notion
Personal Lines


CONNECTED HOMES / VEHICLES
• Energy Efficiency
• Entertainment
• Safety
• Security / Access Control
• Connectivity
• Cyber Risk
68

X WLOLWLHV#
P DQ D J HP HQ W
OIL
OIL
Commercial Lines

IoT Consumer Examples – Wearables/Monitoring

Life & Health

INTERNET OF THINGS - CHALLENGES

Security of Information

Interoperability of Devices

Analytics

Break Time

TECH TRENDS THAT WILL DEFINE THE FUTURE OF INSURANCE

- Cyber Security
- RiskTech
- Enhanced Customer Experience

CYBER SECURITY

60%

Of businesses expect to be hit by at least one large cyberattack in the next five years. *

*Source Willis Re Annual "Silent Cyber Risk Outlook global survey" Sept 2018

CYBER SECURITY

- NAIC Model Law Approved
- SC Adopts Model Law
- Carriers Adding Language to Agency Contracts
- California Consumer Protection ACT

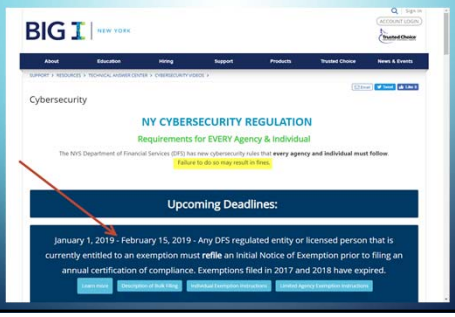
CYBER SECURITY – NAIC MODEL LAW

- NAIC Model Law – October24, 2017
  - Closely resembles the New York DFS Cybersecurity Regulation that took effect March 1, 2017.
  - Provides a framework for states to establish cybersecurity rules for licensees
  - Notification within 72 hours
  - Penalties to be established by each state
  - Recommended exemptions - fewer than 10 employees, HIPAA compliant licensees, NY DFS compliant licensees

CYBER SECURITY – SC INSURANCE DATA SECURITY ACT

- South Carolina Insurance Data Security Act – Key Requirements
  - Implement an Information Security Program
  - Risk Assessment & Management
  - Oversight of Third-Party Service Providers Agreements
  - Incident Response Plan
  - Program Adjustments - monitor, evaluate, and adjust
  - Annual Certification

NY CYBERSECURITY REGULATION - UPDATE



SPECIFIC LAWS THAT CARRIER AGREEMENTS MAY REQUIRE YOU TO BE IN COMPLIANCE

- Gramm-Leach-Bliley Act (GLB or GLBA)
- Fair Credit Reporting Act (FCRA)
- Fair and Accurate Credit Transaction Act (FACTA)
- Health Insurance Portability and Accountability Act (HIPAA)
- Health Information Technology for Economic and Clinical Health Act (HITECH)

WHY ARE CARRIERS ADDING REQUIREMENTS FOR DATA SECURITY?

- In order to be compliant with applicable laws and regulations –
  - GLB
  - NY DFS Cybersecurity Regulation
  - NAIC
  - South Carolina Insurance Data Security Regulation

WHY WOULD THE NY DFS REGULATION HAVE AN IMPACT ON MY AGENCY – WE DO NOT PLACE COVERAGE IN NY

- New York Department of Financial Services – has indicated that carriers are legally required to impose their data security requirements upon all independent agents and brokers with which they partner - even if they do not place coverage in NY or for NY residents.
- Emerging privacy laws and regulations are requiring tighter security of Nonpublic information.

CYBER SECURITY – CARRIER REQUIREMENTS

- Carriers Adding Language to Agency Contracts Regarding Securing Non-Public Information
- Requiring Written Security Information Plans – WISPs
- Some Requiring Cyber Insurance with specific limits
- Notification requirements in case of a data-breach – to the carrier
- Security Assessments

CARRIER CONTRACT - LANGUAGE

"Agent shall, at its own cost and expense, establish, adhere to, and maintain a written information security program to protect the integrity, availability, security and confidentiality of Nonpublic information in accordance with industry standards and Applicable Privacy and Data Protection Law."

CARRIER CONTRACT - LANGUAGE

"Agent shall notify the CARRIER within 72 hours following discovery of any Security Breach via e-mail to Carrier@Carrier.com ..."

Steps to be taken

- Immediately remedy the Security Breach
- Provide all necessary assistance and cooperation to enable the carrier to remedy any impact
- Indemnify and reimburse the carrier for costs and expenses incurred by the carrier

HOW MUCH TIME DO WE HAVE TO COMPLY?

Some carrier contracts are giving you 90 days.

Pertaining to the NY DFS – March 1, 2019

Pertaining to SC Insurance Data Security Regulation – July 1, 2019

CYBER SECURITY - CCPA 2018

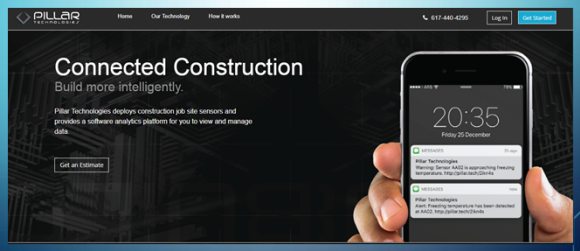
- California Consumer Protection Act of 2018 – AB-375
- Businesses must disclose – categories and specific pieces of information that it collects on consumers
- Business purposes for collecting this data and purposes for its use
- Opt-out ability
- Ability for consumers to access their personal information
- Equal service and price, even if the consumer exercises their opt-out ability
- Effective January 2020
- Cambridge Analytica – misuse of data

RESOURCES

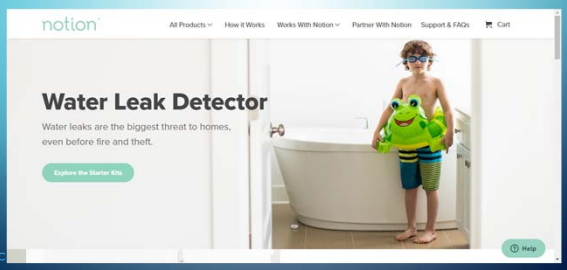
- Act Cyber Guide 2.0
- Insurance Company Agency Agreement Language That Could Drain Your Assets – Judi Newman & Bill Larson

RISK-TECH

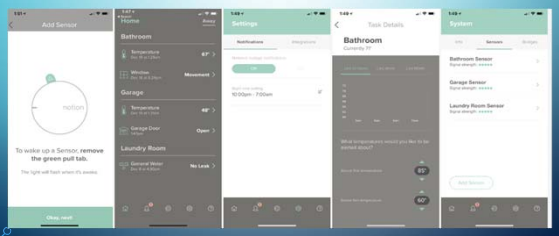
RISKTECH - CONNECTED CONSTRUCTION



RISKTECH - NOTION



NOTION - SENSORS



RISKTECH - KESPRY

The Drone-Based Aerial Intelligence Platform for Insurance and Roofing

Kespry is transforming how companies inspect roofs by dramatically reducing the time spent on each building while improving the customer's experience. The fully-autonomous system improves safety, reduces loss adjustment expenses, and delivers more accurate risk

REFLEX

REFLEX

SMART WEARABLE

KINETIC REFLEX is a smart wearable that reduces the incidence of workplace injuries. REFLEX automatically detects high-risk postures and provides workers with feedback whenever high-risk motions occur. Over time, workers can use REFLEX to improve their biomechanics, resulting in fewer injuries and improved well-being.

LEARN MORE

INDUSTRIES WE SERVE:

MANUFACTURING | WAREHOUSING | TRANSPORTATION | CONSTRUCTION | ENERGY | FIRST RESPONDERS

REFLEX - DASHBOARD

Stream safety data directly from REFLEX to your desktop.

The KINETIC dashboard provides feedback to you quick. Each REFLEX in your workforce automatically syncs to the KINETIC dashboard at the end of each shift, presenting you with up to date analysis and data that giving you up to date analysis and summaries for your workers' safety habits.

CUSTOMER EXPERIENCE

"You've got to start with the customer experience and work back toward the technology, not the other way around."

Steve Jobs - Apple's co-founder

CUSTOMER EXPERIENCE

"We see our customers as invited guests to a party, and we are the hosts. It's our job every day to make every important aspect of the customer experience a little bit better"

Jeff Bezos, CEO AMAZON

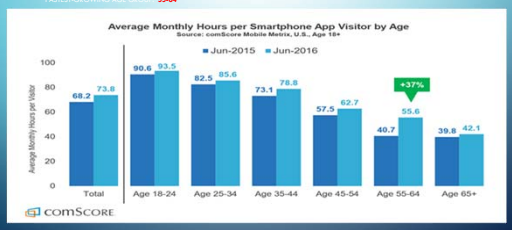
First; MOBILE

- ***85%*** of insurance shopping now starts on mobile *
- ***66%*** depart if not optimized *
- Google now ranks "mobile-usability" higher
- ***92%*** of smartphone time is spent with apps.

** Source: comScore 2018 Online Insurance Shopping Report*

Mobile FIRST *(Everywhere)*

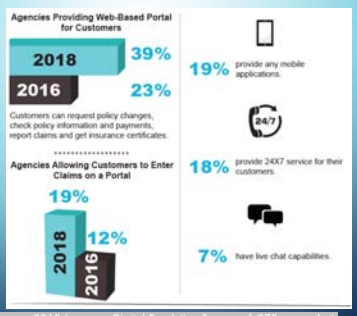
- **71%** Sleep with phones nearby
- **35%** reach for phones before coffee or other morning ritual
- **44%** can't go 24 hours without their device
- **32%** check their device every 5-10 minutes
- FASTEST-GROWING AGE GROUP: **55-64**



WHAT ARE AGENTS DOING NOW?

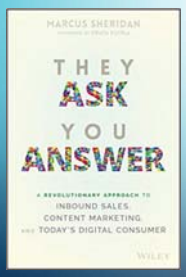
Source: 2018 Insurance Digital Revolution Survey – 1,970 respondents

WHAT ARE AGENTS DOING NOW?



Source: 2018 Insurance Digital Revolution Survey – 1,970 respondents

THEY ASK YOU ANSWER – BLOGGING



Marcus Sheridan - "The Pool Guy"

Great book on how to focus on Writing Blogs that answer questions from your clients.

Video Sells!

START TO USE VIDEOS TO DISTRIBUTE YOUR MESSAGE

Have some fun with your videos!

DIGITAL MARKETING EXPERIENCE

- Birthday notifications
- New Driver
- Home Purchase
- Major Storm Notification
- Show Digital Marketing process
- Agency benefits – increase retention, open rate, survey,

we selected a cloud-based Voice Over IP, (VOIP) Solution

VOIP & THE CUSTOMER EXPERIENCE

THE CUSTOMER EXPERIENCE LIFECYCLE
Six phases, critical touchpoints
DISCOVER
01
EVALUATE
02
PURCHASE
03
EXPERIENCE
04
RENEW
05
REFER
06
Customer Service
Lifecycle

QUESTIONS?