INSUR. TECH. TALK

WELCOME

to Insur.Tech.Talk Issue #8!

Despite being only days away from hosting Europe's largest Insurtech conference, I sat down to interview a selection of the most impressive insurance sector leaders from across the globe.

In this issue, I query some of the latest cross-continental innovations, consider how the current economic climate is affecting strategies, and ask what actions the industry should be taking to remain resilient for the years ahead.

To summarise a few of the key takeaways:

1. VCs are adjusting back to the fundamentals, looking for companies with a clear path to profitability and a unique competitive advantage. Insurtechs should be willing and able to demonstrate traction, with a clear path to profitability and unique competitive advantage.
2. Disruption could come from outside of insurance, as tech enabled companies can have a better ability to underwrite than insurance companies.
3. Consolidation will happen as M&A activity picks up - although it takes longer to sell a company than most people think!
4. Partnership and integration will rule 2023 with a focus on marketplaces, ecosystems and APIs.
5. Trailblazing insurers are embracing data - ML and AI, combined with cloud and digital - to rethink their business models, operations, value chain reinvention and enterprise capability transformation.

If you'd like to meet or hear more from some of the insurtech leaders interviewed in this issue, there's still time to get your hands on a ticket for Insurtech Insights Europe in London on March 1st and March 2nd! Artur, Tiffine, Angus, Glynn and myself will take to the stage alongside 400 speakers, with 5,000 senior executives from all over the industry also in attendance. I guarantee that this event will boost your inspiration, insights and network, with plenty of fun to be had in the process!

Until next time,

Bradley Collins

Bradley Collins,
Chief Commercial Officer,
Insurtech Insights Advisor,
Insurtech Week

Insurtech Insights

Chartered Insurance Institute

Q Hi Artur, great speaking with you as always. Given your background in the enterprise, investor and startup side of things, I'm interested to hear your thoughts on how the economic situation is going to affect future innovations in insurance...

A At the height of the valuation bubble in 2021, every startup received funding - no matter how unrealistic - often after only 2 weeks of DD. Now, the outgoing tide of 2022/23 has shown 'who's been swimming naked.' Insurtechs with a strong customer proposition, which are differentiated and add tangible value in the insurance value chain will do well. Those that do not will fail. For example; omni:us, a claims AI specialist, has successfully closed funding in November 2022 from a German insurer.

All large insurers, brokers or reinsurers continue their innovation and/or venture investment programmes. For instance; Aviva, Generali, Ardonagh, Howden, and Zurich all have innovation ambitions and dedicated teams behind those ambitions. Just like the startups, these teams focus their efforts on technologies and breakthrough ideas to improve their company's customer proposition and/or add value within the value chain. However, these innovations have to deliver tangible ROIs within a reasonable timeframe.

Q How can both startups and incumbents make themselves resilient for what's to come?

A There are 3 key success factors in the current economic environment: (1) Profit, (2) Profit, and (3) Profit. Doesn't matter whether you are a large established insurer or a startup, you are being judged on that oldest and most surprising business metric: The Profit.

I also serve on the board of a UK home mutual insurer. The UK home insurance sector was badly hit in 2022; first by a subsidence spike due to the dry summer, and then by burst pipes due to the winter freeze. Add this to claims inflation running at 25%+ pa - driven by building materials - and the premiums they had collected are not enough. If you thought you had it hard as a startup, the life of an established insurer is not much easier either!

So if you're an insurer, it's about your LR and COR. If you're a broker or MGA, it's about your cost to income ratio. If you're a techie, it's about your licence fees versus development costs. A profitable business negotiates with investors and shareholders from a position of strength. An unprofitable business negotiates from a position of weakness.

Our mutual friend, Adrian Jones, just dug out 'The Journey,' a timeless McKinsey classic from 1993. In Adrian's words, 'this is the single best document ever written about how to run an insurance company' – if you haven't already done so, read it!

Q Finally, do you have any advice to offer to incumbents and startups on how to best work together?

A This is exactly what we do at Anthemis, where I serve as an Advisor. Our LPs are established insurers and our role is to build bridges between startups and corporates, helping them to speak each other's language.

For the startups, just having 'cool tech' isn't enough. Learn to understand the motivation and buying behaviours of your corporate clients. For example, Eigen Technologies - arguably the coolest NLP startup, where I serve on the Advisory Board - understood this early on. They handle some super sensitive customer data for Aviva and Swiss Re. The Eigen team had gone out of their way to demonstrate compliance with all the current data privacy and information security standards, including 5 ISO certifications.

For the established companies, don't ignore startups which might struggle to 'speak the corporate language'. One day they might transform your business and accelerate your success.

I'm very much looking forward to our session together at InsurTech Insights Conference, 'Ethics in Insurance: From Humans to AI', this time wearing my Chartered Insurance Institute hat!

Artur Niemczewski,
NED, Chartered Insurance Institute

MS&AD Ventures

Q **As an investor, has your investment strategy changed given the economic climate, and if so, how?**

A Our strategy has always been to focus on startups with strong foundations, who can build long lasting resilient companies. This year, VCs are just readjusting back to the fundamentals.

Part of our job is always to look for opportunities that arise regardless of market conditions. Companies that are well positioned to take advantage of it will thrive. Many startups will die, but companies with strong business models and clear paths to profitability will get funded.

We continue to invest in early-stage startups, looking for later stage companies that we can partner with to go to market in Japan, South East Asia, Europe and beyond. Sectors include fintech, insurtech, mobility, digital health, enterprise, security and beyond!

Q **What are the most interesting areas of innovation that you're seeing right now, and what does the next generation of insurtechs look like from your perspective?**

A AI/ML is finally mainstream. There's a fear that technology will replace humans, but those who embrace and adopt it will adjust better to the future. These solutions will enable insurance companies to become more efficient and customer-centric. Technologies will get easier to understand and implement, which can be used to augment underwriting, claims, fraud prevention, customer service and beyond.

Real time access to data will allow insurance to become embedded into our everyday lives, because it understands customer behaviour and preferences. This means there's a new baseline and expectation from customers. Whoever can use the information to make better decisions will stay ahead of the game.

Q **Will disruption come from within insurance, or outside of insurance?**

A Companies in industries such as finance, ecommerce and tech are already using large amounts of data for insights and decision making. Most of them don't want to become an insurance company, but as these companies continue to collect and analyse data, they may have a better ability to underwrite than the insurance companies themselves.

With many of our portfolio companies, we're already seeing that it has become much easier to partner and integrate with tech enabled companies then incumbents. Over time, this can greatly impact the direction of our industry.

Q **Finally – is there any advice you can offer insurtechs seeking investment during these changing times?**

A Investors are always looking for companies that have a clear path to profitability, with unique competitive advantage. If your company doesn't have strong growth, focus on serving your paying customers well, as this will fund your runway.

It's much easier to build insurtech products these days, so now investors have much higher expectations for MGAs. It's important that your loss ratios and CAC are under control. Startups need to demonstrate traction and show that there's a viable product with long term defensibility in order to get funded.

Some consolidation will happen, as we're already seeing M&A activity pick up. Always remember that it takes much longer to sell a company than most people think. During these challenging times, the strong ones will emerge and grow up to be long lasting reliance corporations of the future.

Tiffine Wang,
Partner, Investments, MS&AD Ventures

InsurTech Asia Association

Q Hi George, great to catch up. What are the most interesting innovation areas you're coming across in Asia?

A There are two exciting areas of innovation in the region. First, the convergence between online and offline into a hybrid insurance distribution. The second exciting area involves the rapid emergence of digital bancassurance, with most digital banks and e-wallets actively looking at insurance as a powerful add-on. While embedded insurance continues to grow rapidly, cross-sell from embedded into more complex insurance products does not work so well.

Q How is the economic situation affecting insurance innovation in the region and how can insurers / insurtechs best prepare for the years ahead?

A The economic situation in Asia leads to increasing consolidation and M&A activity between insurers and insurtechs. The best way to prepare for the future is to focus on profitable growth, and reinvest in a product efficient innovation engine. The era of cheap money and burning investor funds in a race to hit questionable growth methods is over. And thankfully, it allows the industry to double down on the growth models that have proven scalable.

Q China is a particularly interesting example of the benefits of a connected ecosystem. What do you think the rest of the world can learn from this advancement?

A Yes, indeed! Insurtech innovation in China remains a couple of years ahead, although Southeast Asia and India are quickly catching up. The connected ecosystem in China means that the data and connectivity level provides exciting learnings for insurance innovation. For example, the top insurtech in China is thought to reach a peak volume of 13B API pings per day from all the digital ecosystems in China; that's more than the average of 150 thousand requests per second, all day long.

The evolution of the ecosystems moved from purely embedded, which was all the hype in China back in 2018, to focus on dynamic bidding for presenting insurance offers. Imagine a consumer taking a Didi ride-sharing car, buying groceries on Meituan, or shopping for a new microwave on Alibaba. Each of these ecosystems would ping a few insurance companies in real-time to see who wants to bid for a space to insert an insurance offer alongside their core proposition. The highest offer wins, and while only meta-data is included with the offer to bid, insurtech companies have derived creative ways to triangulate the highest propensity targets using a combination of AI and data science.

Another impactful learning from China comes from ByteDance, TikTok's parent company. The amount of insurance sold on TikTok's China equivalent makes it a number five insurance company by value. With many insurance purchase journeys originating and completing in that ecosystem, simple health insurance and influencer marketing seem to become a robust customer acquisition combination.

George Kesselman,
President, Founder, InsurTech Asia Association

Cover Genius

Q Embedded distribution has obviously been a hot topic for a while now. Are you expecting any new developments in this space throughout the year ahead?

A The future of insurance undoubtedly involves embedded offerings that create seamless, intuitive experiences online. Our research shows that 70% of global customers are highly interested in receiving embedded protection directly from their bank or financial institution; a trend that carries through other sectors, like retail, travel and property. Simply put, customers don't want a "second step" when seeking out protection options. They prefer relevant, tailored offers directly alongside the purchase of their core product. As more business ecosystems move online, there's greater opportunity for embedded distribution to enhance the customer experience. We see this with our current partners as they respond to the growing needs of their customers. Understanding those needs, and responding with tech-forward solutions will be critical in the year ahead.

Q What industry segments are you finding the most interesting to work with at the moment, and why?

A What's most interesting is that embedded insurance is ubiquitous, rather than confined to one industry or sector. Cover Genius offers global, end-to-end capabilities to a wide range of industries, including property insurance for renters, landlords, homeowners and corporates, fintech and bank insurance programs, solutions for retailers, gig contractors, logistics platforms, cyber security companies and online travel agencies, rental car aggregators, and airlines.

Travel is perhaps the most well-known use case for embedded insurance, and we recently announced some important partnerships with HomeToGo and Turkish Airlines in the region. It is an area that is seeing a post-COVID resurgence, and one where many consumers felt traditional insurance providers had failed them. In our Embedded Travel Insurance Report, we found that 45% of travellers would prefer to buy protection from embedded sources (ie. their travel provider, agent or airline) rather than traditional insurance sources, such as credit cards. There's still room for innovation to address these gaps in the industry, and we've made headway in those areas with our recent partnerships.

We're also excited about the inroads we're making with our business services partners, which include a large number of industry segments. The gig economy and remote work is changing how businesses and their teams are protected in this increasingly digital world. We're able to embed protection to keep businesses safe, from Business Owners Policy (BOPs) to cyber and commercial liability, property and more - helping to eliminate time-consuming paperwork and ensuring compliance in many cases.

Financial institutions and banks are another unique use case. Today's consumers want customised protection at the same time as their major life events, and financial institutions are uniquely positioned to deliver value-added services with embedded protection. According to our Embedded Insurance Fintech report, demand in the sector is high, with 70% of consumers worldwide showing a high interest in bank-embedded insurance offers based on transactional data.

Q Finally - what are the most exciting developments that you have in store at Cover Genius over the next 12 months?

A Consumers increasingly want convenient, tailored protection offered within their online experience, and we don't see that momentum slowing down any time soon. As a company, we've experienced a year of immense growth including completing our Series D funding round, reaching $1.1m in daily Gross Written Premium (GWP), nearly tripling our year-over-year revenue, and doubling our partnership base.

Our teams are continuing to work on exciting partnerships in travel, property, ticketing, logistics and fintech, and we'll be announcing more about this over the next few months in the UK and abroad. We're also focused on expanding our insurance distribution platform to dive deeper into new industries, continuously innovating to make protection more convenient and accessible to the customers of the world's largest digital companies.

Angus McDonald,
Co-Founder & CEO, Cover Genius

EIS Ltd & Industry Influencer

Q Hi Ema, lovely to catch up. I know you're a big advocate of human-driven transformation. What advice can you offer insurers that are struggling to engage team leaders in their digital transformation journeys?

A Always start with the 'why'. It might sound simple, but I believe this is the biggest factor in getting your team to support a change. The average 4-year-old asks 200-300 questions a day. As humans, we are wired to be curious.

We need that 'why' to determine our own individual motivators for supporting a change. This is increasingly important when it comes to digital transformation, because there are mixed feelings about automation and implementation of emerging technologies. Fear, resistance, disbelief, confusion and frustration will start to show up if you don't take the time to focus on the people side of change.

Q What are the other key factors in implementing a successful digital transformation project?

A My top tips for successful digital transformation are as follows:

- Let software companies manage the application development. Not because you can't do it, but rather your team should be focused on other (arguably more important) things, like change management and process redesign. Find a platform that enables rapid configuration.
- Find partners, not just vendors. No transformation is without its bumps in the road. You want to surround yourself with partners that have experience to guide you, and the conviction to stay with you and support you through the sticky parts. When you enter into the right partnerships, you get the opportunity to form symbiotic relationships with your software providers that create win-win opportunities.
- Sometimes you must go slow to go fast. Take the time that is needed to slow down and evaluate if you have the basics in place. It can be very easy to jump right to the shiny tools that you feel will provide a quick ROI, but often this approach will lead to disjointed results.
- Be sure to have a clear, articulated vision for your company that focuses on enabling your competitive differentiation with technology. Share that vision across the entire company to ensure that everyone is headed in the same direction. Be sure that your vision includes critical components like process redesign and change management. Check that you're allocating the appropriate resources, timeline and budget to accomplish the vision, rather than rushing it.

Q Finally - which hot trends are you envisioning for the year ahead?

A Partnership and integration are going to rule 2023. If the last few years have taught us anything, it's that the way to innovation in the highly complex world of insurance is to foster partnerships between carriers and technology providers. Innovation will not happen without new ideas intertwining with incumbent knowledge.

As we head into a tighter economic environment, we are likely to see some tightening of innovation budgets. But smart carriers will continue to invest in the right partnerships that will help them to realise the benefit of embracing new ways of working and emerging technologies.

As carriers get further along on their digital transformation journey, a new set of challenges is emerging. Integrations are becoming even more critical in order to realise the full benefit of the solutions that are being implemented. The flow of information across the organisation is what will ultimately enable carriers to take full advantage of things like AI, and the connected home or car. Ultimately, this will drive the type of employee and customer experience that we are all striving for. Marketplaces, Ecosystems, APIs - we will continue to see a lot of discussion surrounding these ideas and how we can bring our solutions together.

Ema Roloff,
P&C Director, EIS Ltd & Industry Influencer

PwC

Q Hi Glynn! Given your holistic view on the industry, I'd love to know your views on the most interesting movers and shakers in insurance at the moment, and why?

A The insurers we see leading the way and the 'ones to watch' for the future are those which boldly embrace data, ML and AI, combined with cloud and digital, to re-think their business models, operations and capabilities. These organisations stand out from those acting incrementally and with caution, because they recognise the significant level of disruption and market change that could affect the industry over the next decade, as AI becomes mainstream, Future @ Lloyds reaches maturity, and industry changes like open and embedded finance become ever more pervasive.

We're seeing three common behaviours of those embracing reinvention early:

- New business models - the boldest approach, finding whole new ways to address the market and create value to disrupt current models; for example, algorithmic underwriting.

  This also includes insurers standing up greenfield new ventures to overcome the 'innovator's dilemma' of how to achieve transformational change within the existing organisation. Think Ki, Howdens Re-think, Aviva and Beazley.

- Value chain reinvention - those using data and AI to reinvent core insurance processes, for example e2e underwriting transformation, innovative approaches to claims automation and carrier / broker integration. Think Liberty, QBE, Brit and Howdens.

- Enterprise capability transformation - those committing to scale transformations of their underlying data, digital and core insurance capabilities to enable future change. Think Beazley, NFUM and Admiral.

This bold approach is critical; not just to deliver immediate value and competitive advantage now, but to build the 'organisational muscle' capable of delivering responsive, fast, effective technology-enabled change. This will be a key discriminator of success in the future.

Q What are the common challenges that your clients are facing right now, and what are your thoughts as to how they can overcome them?

A The pace of change in the market, the backdrop of global economic volatility and uncertainty, and the war for digital-savvy talent are all creating an additional layer of complexity affecting every one of our clients. However, this hasn't changed the fundamental challenges that our insurance clients are working to address in order to win in the market in the medium-to-long term:

Challenge: Balancing the harnessing of data and digital innovation opportunities with underlying platform and capability transformation. Most of our clients know they need to change and differentiate, but they are constrained by the pace of change allowed by their underlying technology and organisational complexity.

Approach: There are different ways to solve this challenge, from taking a value-driven approach to balanced technology change and innovation, modernising the underlying platform incrementally alongside creating new value, to creating a new greenfield operation from the ground up and gradually cannibalising the legacy business.

Challenge: Enabling the insurance workforce, including the new talent and skills that will be required, to successfully adapt and adopt new technologies and ways of working needed to deliver new outcomes. This is a key challenge particularly for highly disruptive 'reinvention' initiatives that fundamentally re-wire the way in which our clients operate.

Approach: To address this challenge, we must design with the user in mind and focus on providing the skills, literacy and behaviour change support needed to help organisations operate successfully in a new context.

Challenge: Dealing effectively with the increasingly complex set of demands placed on insurance businesses. From a more stringent regulatory landscape covering consumer duty, dual pricing, ESG and IFRS 17, to changing customer expectations in a post-COVID, 'cost of living crisis' social context. At the same time, seeking to deliver operational performance and evolving for the future is a big challenge for any organisation.

Approach: The foundation of responding to this challenge involves having a clear vision, purpose and strategy for your new role as an organisation in the evolving landscape, to give clarity and enable effective decision making. Combining this with a planning and delivery approach built on agility - building and realising value incrementally and at pace, ready to change course as the environment and opportunities evolve, will be a key feature of those insurers who emerge most successfully from this period of unprecedented transformation in the industry.

Glynn Austen-Brown,
Partner, PwC

INSUR. TECH. TALK EDITORIAL BOARD

WELCOME to the Insur.Tech.Talk Editorial Board.

In our first issue of 2023, Modern Insurance Magazine once again brings the thoughts, insights and musings of our insurtech experts together all in one place.

This time, we're looking at the attraction of embedded insurance, considering the best response to insurtech challenges, and questioning how insurers can leverage digitalisation to gain competitive advantage...

This issue voices the thoughts of:

Denise Garth,
Chief Strategy Officer, Majesco

Tim Hardcastle,
CEO and Co-Founder at INSTANDA

André Symes,
Co-CEO, Genasys

Embedded Insurance:

A New, Competitive Paradigm

Today's insurance process can be difficult and time-consuming. Many InsurTechs and existing insurers are refocusing to a 'buying' over 'selling' approach, through a multi-channel strategy that meets customers where and when they want to buy. Designing products that are compellingly simple and easy to embed will enable insurance to grow through friction-free multi-channel distribution.

Denise Garth,
Chief Strategy Officer, Majesco

With increasing competitive challenges to attract and retain customers, insurers need this broad distribution ecosystem that engages customers when and how they want, putting the customer first.

Creating an ecosystem of interconnected channels, using a range of digital capabilities and connecting with customers on their terms, requires collaboration; particularly for embedded insurance, of which there are three different types:

- **Soft Embedded**
  Coverage offered at the point of purchase that the customer must opt-in to buy.
- **Hard Embedded**
  Coverage included at the point of purchase that the customer must opt-out of if they do not want to buy.
- **Invisible Embedded**
  Coverage is automatically included with the purchase and cannot be removed/opted out.

Embedded coverage uses proven retail psychology. Precisely timed offers and valuable opt-ins at the point of purchase are essential tactics. They expand strategic shelf space for well-known brands and new startups alike. But why?

Buyer expectation and understanding does not necessarily align with traditional channels. Many are looking for different options. Some are unaware that they are at risk and need a signpost in the purchase path. They all deserve opportunities to reduce their risk. Trusted and loyal relationships with strong brand entities make embedded insurance a logical extension.

While traditional channels served the insurance industry well for years, customer expectations, markets and technology are rapidly shifting to options like embedded. This creates exciting opportunities to satisfy customers and grow books of business. More importantly, embedded can help address the insurance protection gap that creates a real challenge and issue for customers.

Big bets are being made in embedded insurance, both within and outside the industry. Those who wait will face decreasing partnership opportunities, limiting market reach and growth as a new generation of buyers increasingly turn to embedded options.

What actions should insurers consider?

- Establish new partnerships and channels.
- Stake out your position.
- Refocus to a 'buying' over 'selling' approach.
- Invest in Next-Gen platforms and capabilities that embrace openness and interconnectivity.

The attraction of the broader array of channel options, in particular embedded options, is aligned to what customers want and expect, particularly Gen Z and Millennials. They want to buy insurance when, where and how they need it, with convenience and speed.

Can you meet these new expectations?

If not, you may lose the vital connection to customers that will keep you relevant and competitive.

André Symes,
CO-CEO, Genasys Technologies

Insurtech Challenges: How do we respond?

It's a challenging time for insurtech. Capital markets have hardened over the last 18 months with large VCs pulling back on a long-shot investment, focusing instead on the path to profitability for portfolio companies. Yet we know that start-ups demand high capital; they need that high valuation and that shot in the dark to get them over the line. How many of tomorrow's highly successful tech companies will be lost due to more conservative capital markets?

In response, start-ups must change their strategy if they are to survive and thrive. It's about taking a laser-focused approach to profitability and looking at the different profiles of investors. Show them that you are serious and mature about your profitability by reflecting slower, realistic growth rates, and identify those who understand how to scale a business. Although this may mean dropping your multiples to less bullish valuations, your organisation will become more sustainable through frequent reflection around your expectations.

But while there's a risk that start-ups with revolutionary technology may not secure funding due to changing investor priorities, there are some insurtechs that need to let go. Why? Because timing is critical. Even when it's a great product - if the insurance industry isn't receptive to the offering and it's seriously impacting financial success, then it's time to graciously call it a day.

We are now entering the hangover period of cheap capital thrown at the insurtech space. Inflated salary expectations leading to a smaller pool of talent to fish from, not to mention thousands of tech lay-offs, are much discussed when insurtechs are simply unable to raise the capital they've been used to. Attracting and retaining insurtech talent requires thinking outside the box. How do you create a workplace that really allows your people to flourish? How can you leverage the crowd to access new talent? Are you focusing on university graduates and giving them a chance to showcase their capabilities on a global stage?

Insurtech is moving through the trough of disillusionment. There's a sense that nothing has really changed, with insurtech yet to really penetrate the insurance market at scale. We're still to see an incumbent insurer deploy insurtechs for that 'Uber' moment that everyone is looking for. But let's remember that we're on the right path towards the final cycle phase of the plateau of productivity. Until then, insurtechs must dig deep and focus on what we do well: avoiding tech for the sake of tech, and providing real value for both our customers and the consumer.

Tim Hardcastle,
CEO and Co-Founder at INSTANDA

Quickfire Questions
with Tim Hardcastle

Q How can insurers leverage digitalisation and insurtech services to gain competitive advantage in their own business?

A Technology is the driver of innovation, shaping the future of all industries. In the insurance industry, the role of data is central to innovation, and insurtech continues to have a transformative impact upon processes, as well as the customer journey and experience. Data is the very DNA of all insurtechs; enabling insurers to create new products for the younger market, as well as agile products that they can update in real-time.

Platforms are enabling insurers to adjust to the market in a way that doesn't require expensive back-office systems and complexity. Empowered by technology, insurers will be able to offer diversified products that meet the demands of the next generation of consumers. It will permit a subscription/micro insurance model that can deliver insurance at a non-annualised price. With platforms, insurers can embrace new technology, using tools and AI to help with pricing and claims.

With agile technology, insurers can improve products and services whilst targeting a new market of consumers in a different way, with different solutions. INSTANDA is working closely with MGAs and insurance companies to create new insurance products for customers.

Q What competitive advantage might insurtech achieve in the health insurance arena?

A Despite the digital transformations within the P&I insurance industry, the life and health sector remains significantly behind. While the average young adult is subscribing to streaming services and tracking their heart rate on their watches, the UK life and health market is still selling insurance to consumers as though they are in a Blockbuster store.

Metaphors aside, the life and health insurance market around the world is not well-served. In its current form, the industry is out of date and dangerously unfit for the future. If things continue in this way, and if the same issues persist, then life and health will be anything but healthy.

From heart rates, step counts and blood pressure, technology has altered the way businesses capture data. Insurers around the globe are beginning to take this data and use it to tailor individual products with variable pricing, updating prices on a weekly or monthly basis. This is a notion familiar within the car and home insurance industry, and there's no reason why the health and life sector can't follow suit. Insurers are also adapting to a younger market who are accustomed to buying their products on e-commerce websites such as Amazon, or social media marketplaces like Facebook or TikTok. Accessible products are easing the buying process and modernising services to customers.

Whilst these examples demonstrate exciting opportunities ahead, there are still significant hurdles to overcome. Firstly, most insurers are currently focusing on products which target a specific audience, hindering product diversification. Secondly, it's proving difficult for providers to establish an exciting and easy journey, given the current distribution model through companies and brokers. This presents an opportunity for insurers to address and leverage the broker and company market better, and target customers directly.