

COVERHOUND®



Actuaries & Digital Insurance Innovation

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Speakers Today



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Scope

Actuaries evolving role in a changing insurance distribution landscape and emerging technology



Insurance
Distribution



Insurance Product
Innovation



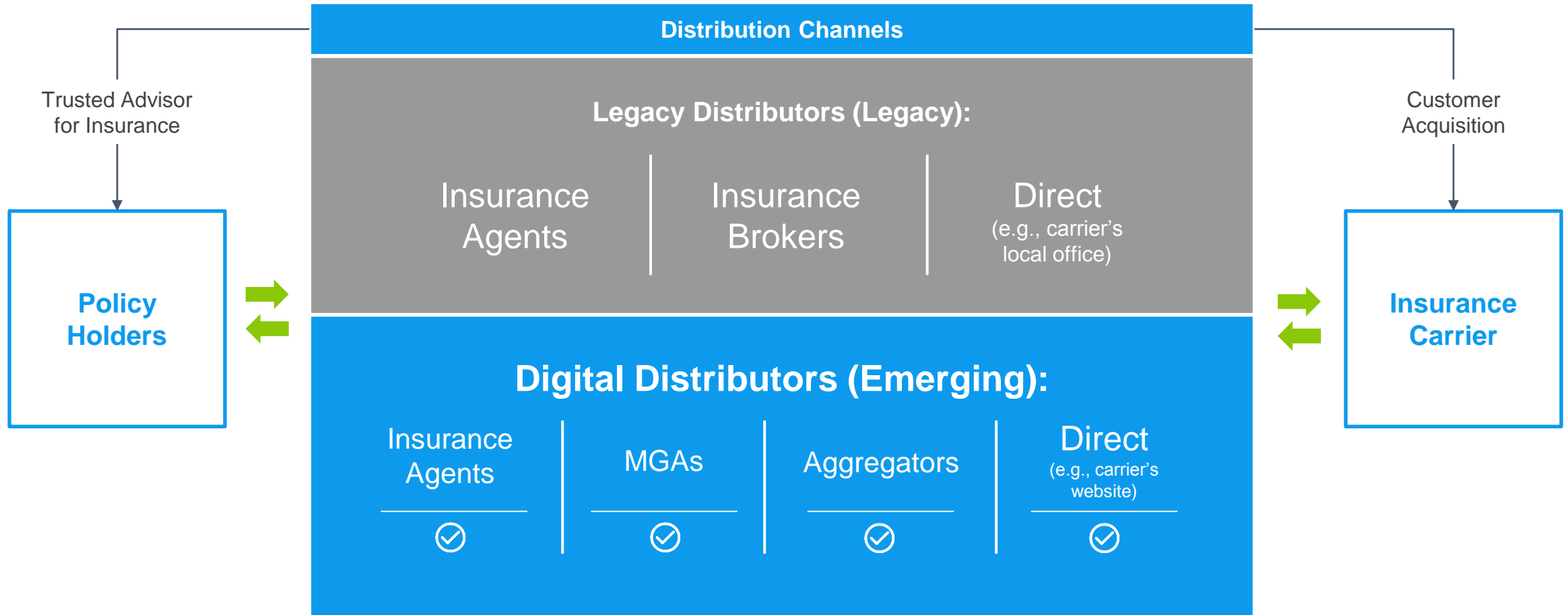
Actuaries
Evolving Roles



Emerging
Technology

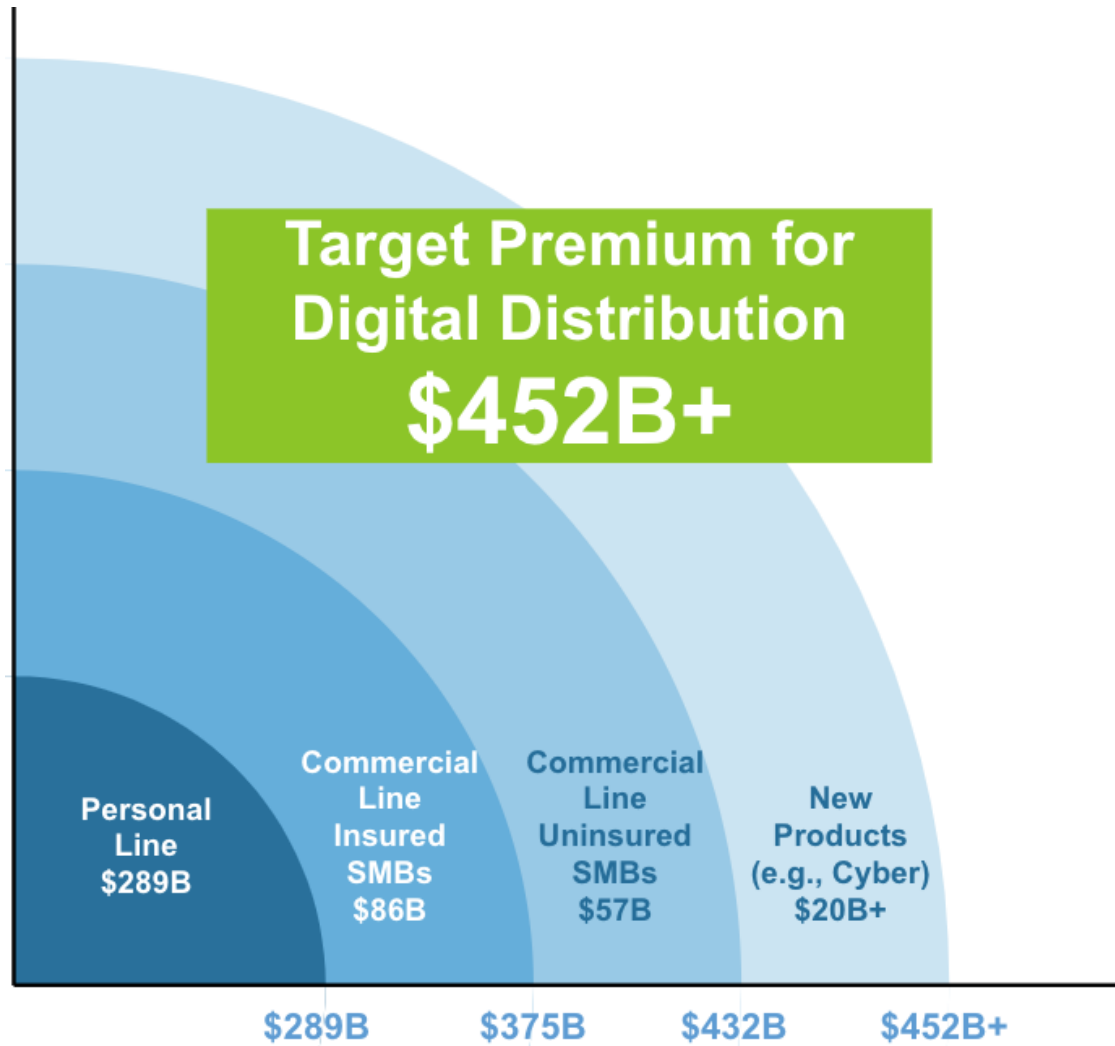
P&C Insurance Distribution Channels

Target P&C Premiums: \$452B



Total US P&C Premium: \$613B

(\$311B Personal + \$302B Commercial)



Impact of Technology

- Improved digital engagement by end customers
- Improved efficiency for traditional distribution
- Insurance product innovation

Current Market Dynamics

Insurance Product Innovation

Trusted Brands



Unmet Insurance Demand

Customer Retention & Secondary Revenue



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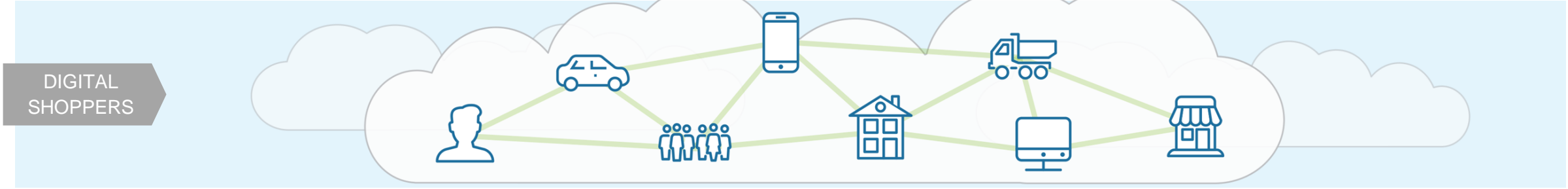
Restricted Insurance Supply

Customer Acquisition Increasingly Difficult



PERSONAL + COMMERCIAL + CYBER

INSURANCE



Insurance Distribution Platform



Partnership Success Factors



Highly Efficient and Customizable Online Marketplaces



Simplified & Customer-Centric Products



Speed to Launch & Optimized Growth



NPS Driven, 100% End-to-End Fulfillment



Leveraging New Gateway Products



Digital & Mobile first

“Any darn fool can make something complex; it takes a genius to make something simple” – P. Seeger

Why Insurance Product Innovation?

- Auto, Home, SMB Insurance is “bought” not “sold”
- Regulatory requirements or asset protection incentivize purchase
- Why is it so difficult to access these products?
- Success in digital age will depend on the player that will remove barriers to access insurance products
- Key to integrate at key “insurance moments”
- Enabling digital partnerships (with brands, other carriers, etc)

Digital Distribution Innovation starts with **Insurance Product Innovation**

- Ask questions that customers can answer with confidence
- Leverage third party data for speed & rate accuracy
- Reduce/eliminate rate change from quote to bind
- Simplify coverage packages and endorsements
- Customize coverage packages for the market

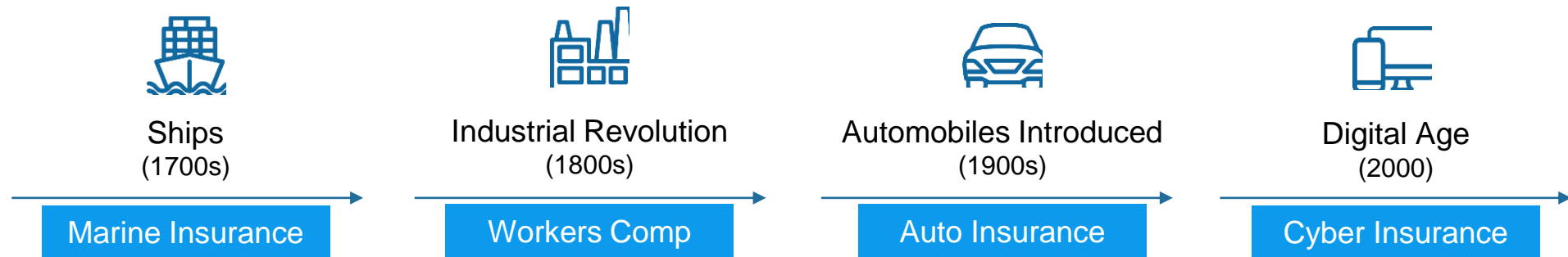
Technology Implications for Innovation

- Mobile 1st approach for product development
- Flexible API integrations
- Fast response times
- Seamless online to offline transactions
- Digital fulfillment
- Carrier / product / coverage recommendations

Cyber Insurance Value Proposition

Information & Technology impacts everyone

New risks have led to Insurance Product Innovation throughout history



Cyber Insurance demand set to grow exponentially

- New interconnected threats since digital ecosystem is only as strong as the weakest link
- Quicker adoption will drive growth over the next 5 years (premiums grow from \$2bn to over \$20bn)
- Global peril not localized to geography or sub-segment of the population
- First insurance product that crosses borders with ease

Gap in marketplace for non-enterprise cyber products

Cyber Insurance is Critical for SMBs

- ▶ Complements cybersecurity
- ▶ SMBs are especially exposed to cyber breaches
- ▶ Fastest growing segment of the P&C insurance market

The screenshot displays the CyberPolicy website interface. At the top, the CyberPolicy logo is on the left, and contact information 'Have questions? Call us at (844) 278-3674' is on the right. The main content area is divided into three columns representing different insurance providers: CHUBB, HISCOX, and Munich RE. Each column lists 9 coverages and a price per year. Below the plans, there is a 'Security Package' section with a price of \$651/year. At the bottom, there is a profile for Kellie W., Insurance Advisor, with contact information and business hours.

CyberPolicy

YOUR PROGRESS
Plan 3 of 3
Prevent 5 of 5
Insure 0 of 1

67% Needs Work

Home Plan

Web Scan Results: google.com

SecurityScorecard 68 Security Score
UpGuard 846 CSTAR Score

Up Next

INSURE
Compare Cyber Insurance Quotes In Minutes

CHUBB

9 Coverages

- ✓ Cyber Incident Response Fund
- ✓ Business Interruption
- ✓ Contingent Business Interruption
- ✓ Digital Data Recovery
- ✓ Network Extortion
- ✓ Cyber, Privacy and Network Security Liability
- ✓ Payment Card Loss
- ✓ Regulatory Proceedings
- ✓ Electronic, Social, and Printed Media Liability

Security Package

\$651/year
\$1,000,000 Coverage Limit
\$1,000 Deductible

Learn More

HISCOX

9 Coverages

- ✓ Data Breach Response
- ✓ Cyber Business Interruption
- ✓ Hacker Damage
- ✓ Cyber Extortion
- ✓ Payment Card Loss
- ✓ Regulatory Liability
- ✓ Contractual Liability
- ✓ Privacy and Security Liability
- ✓ Media Liability

\$821/year
\$1,000,000 Coverage Limit
\$1,000 Deductible

Learn More

Munich RE

7 Coverages

- ✓ Data Breach Response Expenses
- ✓ Identity Recovery
- ✓ Computer Attack
- ✓ Cyber Extortion
- ✓ Data Breach Liability
- ✓ Network Security Liability
- ✓ Electronic Media Liability

\$1140/year
\$1,000,000 Coverage Limit
\$1,000 Deductible

Learn More

Kellie W.
Insurance Advisor

Call us at (855) 247-9072

Our Business Hours
9:00AM - 9:00PM EST, Monday - Friday
10:30AM - 6:30PM EST, Saturday

Building an Innovative Team

Innovative Processes Create ‘Genius’

- MVP = “Minimum Viable Product” approach
- Front line feedback
- Establish KPIs for success
- Iterate for continuous refinement
- Establish clear constraints & moderate pressure to drive innovative thinking

Accelerating Innovation in Insurance

- Diverse teams & backgrounds are a must
- Get out of your comfort zone every day
- Look at all of your consumer touchpoints frequently
- Embrace diverse views, opinions and ideas
- Avoid people with “the way we have always done it” thinking
- Reward BIG IDEAS that prove to be successful

Scope - Revisited

Actuaries evolving role in a changing insurance distribution landscape and emerging technology



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A wide-angle photograph of the San Francisco skyline, featuring numerous skyscrapers and the Transamerica Pyramid on the right. The city is viewed from across the water, with a blue sky and light clouds. A semi-transparent dark grey horizontal band is overlaid across the middle of the image, containing the text "Thank You!".

Thank You!