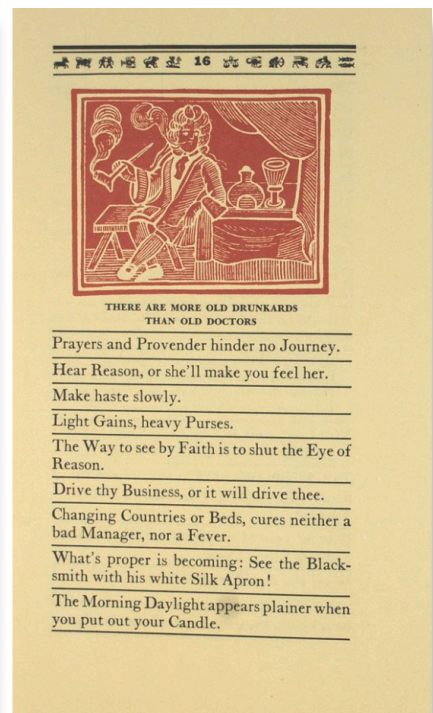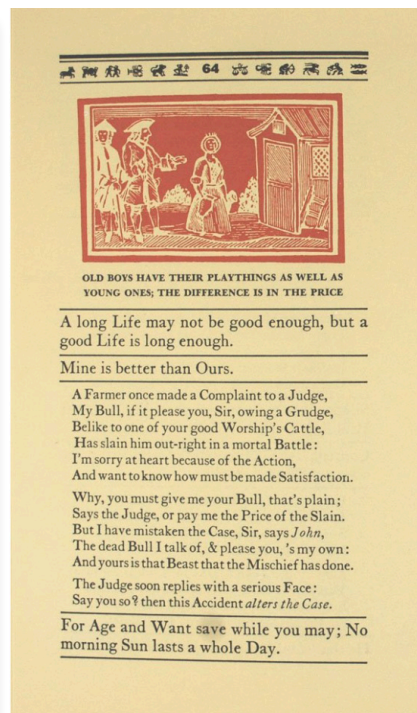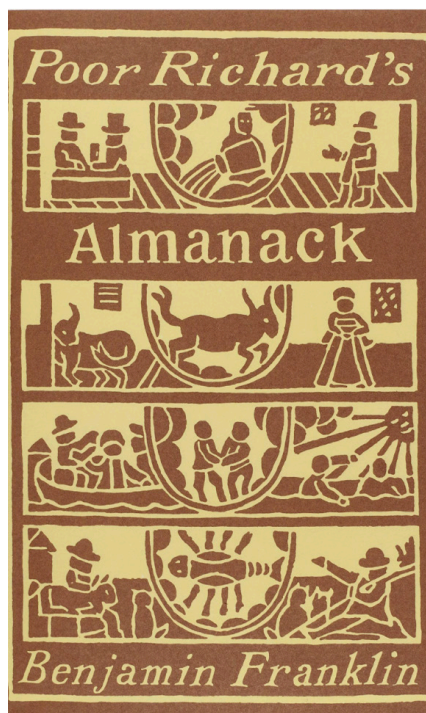# coverageR

Above & Beyond Insurance

DEVELOPING DIGITAL ECOSYSTEMS

Forward

Remember when companies took their first steps moving beyond paid advertising to organic content?

In the 1700s, content marketing was born when Benjamin Franklin published the first annual Poor Richard's Almanack to promote his printing business, and in the 1990s, content marketing gained momentum when the first search engines sorted query results based on keywords found within content and backend optimization like metadata. Web designers quickly realized they could decode these algorithms, structure their websites accordingly and increase visitor traffic.
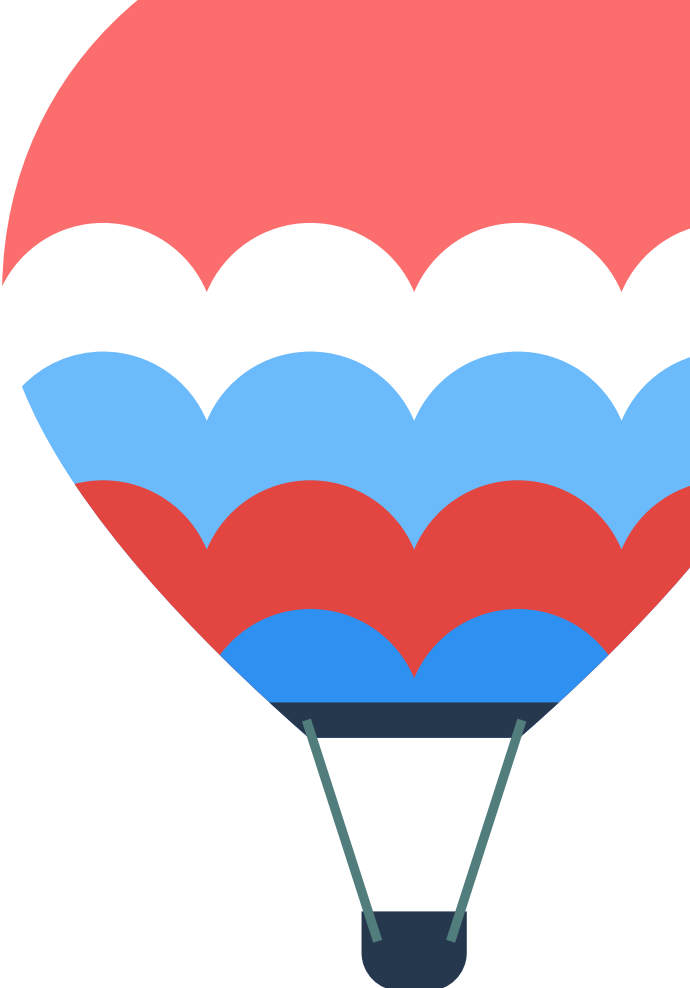

Of course, content marketing doesn't make sense for all businesses. Some just don't have the skills, and many have no idea where to begin. That being said, three-decades later and no one questions the value of content marketing and a decade forward, no one will question the value of going beyond insurance.

This report - an expansion of an earlier report titled Beyond Insurance published in October 2019 - is divided into two parts. The first highlights how companies from 4 different industries have evolved or are acknowledging the need to evolve beyond how they used to do business, while the second part of this report 1. highlights the insurers that have blurred the boundaries between protection and prevention and customers and users, 2. presents a detailed map of what ecosystems insurers are tapping into, and 3. shares a framework to help you move beyond insurance.

Contents

If Not You, Who?

Beyond, but why?

The premise for moving beyond insurance is to either move beyond protection to prevention and in turn play a greater role than the one originally assumed by insurers, or to move beyond customers to users to expand marketing power. These are the two most trending concepts shaping the insurance industry, today.

1. Protection. Prevention. Prediction.

Over the past few years, insurers have deployed a 'predict and prevent' strategy in lieu of 'repair and replace' to help prevent claims. A few examples below.

Select auto insurers offer usage-based insurance products to encourage safe driving by providing drivers with real-time analysis of their driving habits.

Select residential property insurers offer policyholders sensors and devices to monitor water leaks and changes in temperature, humidity, vibration and water pressure that, if left undetected, can lead to property damage.

Select life and health insurers launch wellness initiatives to equip users with a numeric score of their health that reflects their lifestyle choices (e.g. diet, exercise) and encourages and incentivizes staying on the path to wellbeing.

Select commercial property insurers encourage policyholders to install sensors that continuously monitor equipment and conditions at their locations and trigger alerts via email, cell phone, or text when an issue needs attention or could result in a breakdown or property damage.

Select workers' compensation insurers provide policyholders with access to software solutions that can recognize ergonomics issues in the workplace. The service is typically augmented with a tailored risk assessment to prevent worker injuries.

If it's not you – moving to prevention – then who?

Let's answer with examples.

Amazon

This year, Amazon announced a partnership with Netradyne, the San Diego-based fleet technology company that's known for its fleet safety platform Driveri that captures and analyzes 100 percent of driving time, identifying areas for improvement as well as driver recognition opportunities. Amazon's intention is to "set up drivers for success" by providing them the tools to be safe on the road and to handle incidents if and when they happen, in other words, Amazon is finding ways to keep drivers and the communities in which they deliver safe. Sounds like something an insurance company would do.

AWS

In December 2020, Amazon Web Services (AWS) announced several machine learning services to help industrial and manufacturing customers improve operational efficiency, quality control, security, and workplace safety. And once again, this sounds like something an insurance company would do. The new services are:

- **Amazon Monitron** - a machine monitoring system to predict when industrial equipment will require maintenance
- **Amazon Lookout for Equipment** - a way to send sensor data to AWS to build models that detect abnormal equipment behavior
- **AWS Panorama Appliance** - the ability to add computer vision to machine monitoring
- **AWS Panorama SDK** - used to build cameras with computer vision models to spot issues with machines
- **Amazon Lookout for Vision** - detection solution that processes camera images

Specifically, Amazon Monitron stands out for its affordable price, as a pack of 5 Amazon Monitron Sensors cost $575 making it a cost-effective and accessible way for industrial companies to proactively mitigate claims as these sensors send alerts when detecting signs of machines breaking down. In other words, Amazon is playing in the same playground as insurers such as Chubb and Hartford Steam Boiler.

Allstate

In 2018, Allstate launched Avail, a car sharing marketplace similar to Turo. "We then said, 'Well, like, why wouldn't Allstate do it? Like, why not some venture group out of Palo Alto?'" said Tom Wilson, the Chairman, President, and CEO of Allstate, when asked about the project.

→ In short, this natural evolution by prominent insurers to broaden their position beyond insurance coverage can help prevent more familiar household brands from getting closer to the policyholder.