# Insurers must grab the InsurTech bull by the horns

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The UK's insurance industry is growing accustomed to change, which is important as our recent CEO Survey highlighted that only the entertainment and media sectors face potentially greater disruption. As other industries look to insurers to help manage increasingly complex and uncertain business and geopolitical risks, it is worth digging deeper to find other opportunities available to insurers amongst the changing environment.

Insurers need to embrace new ways of working, novel ways of interacting with customers, and alternatives to traditional products and services. A new PwC report *Opportunities await: How InsurTech is reshaping insurance* out today *[13th June 2016]* shows the importance of the rise of FinTech in the insurance industry.  This makes clear that InsurTech is not hype, it is real and happening.

The UK is recognised as a global leader in the insurance market – and is increasingly seen as a FinTech hub. Our regulators are showing awareness of the importance of their role in encouraging creativity, with 'innovation and technology' listed in the FCA's Business Plan for the year ahead. As our survey today shows, 90% of insurers fear they will lose part of their business to an 'InsurTech' start-up over the next five years. Insurers, regulators, investors and the start-up companies themselves all need to play their part to ensure the industry comes through this revolution stronger.

Start-ups are not hampered by the outdated IT systems found in many incumbent insurance companies and they bring new thinking, technology and energy to the table. The rise of InsurTech will be a game changer for those who choose to embrace it.  Those who do not take the opportunity to make the most of the UK's thriving FinTech culture risk missing an opportunity to deliver their customers a similar experience to one they already enjoy from retail and technology companies at the same time as reducing their cost base from efficiency gains.

Insurers have unrivalled access to consumer data and, if they chose to work with start-up companies already beginning to use cutting edge technology to thoroughly analyse and apply this data, both the company and the individual will reap the benefits.

Only by acting today and embracing both the challenges and opportunities presented by InsurTech will the industry be ready to tackle tomorrow's challenges. Those who are savvy enough to address the ongoing disruption sooner rather than later will emerge as market leaders.

The differences between start-ups and incumbents should be embraced as both are vital to the future of the industry. If the long-term mindset and experience of insurance companies can successfully be partnered with the creativity and agility of start-up companies, the industry as a whole will make progress in solving problems and bringing truly innovative products to market.

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**Steven Sandquist**                                         ···   4mo
Advisor, Insurtech, CEO Health, Wearable Technology, Ecosystem Strategist, IoT

Insurers have been protected up to now as VC thinks banking and insurance are similar, which they obviously have mega differences. This has kept the models small and toy-like when insurers are aware and assess. Now, strategics are present and the models are getting huge and risk-bearing. Game on.
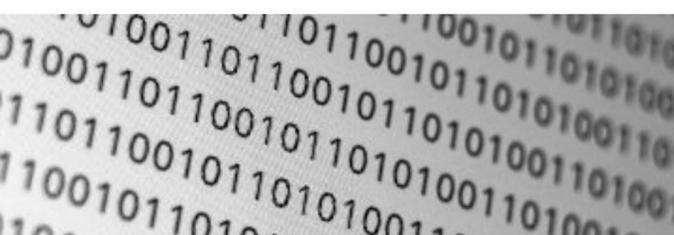
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Great post Jonathan Howe!

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