Disruptive technology and insurance industry: existing business model has no future says co–author of iDisrupted

Submitted by: iDisrupted

Wednesday, 4 February 2015

Technology is set to disrupt the insurance business so much that it will be virtually unrecognisable within a few years, says Julien de Salaberry, co-author of a new book about disruptive technology.

Mr de Salaberry, who is the founder and chief innovations officer for Singapore based The Propell Group– a venture platform firm specialising in healthtech – says that technology will significantly disrupt the insurance industry to the point where the existing incumbent's current business model has no future.

He says: "About two-thirds of new cars have multiple sensors that are creating a mass of data offering the potential for car makers to find out more about how drivers use their vehicles. This could also provide insurers with personal information about the drivers they insure. It is very likely that our premiums will be tailored to directly reflect our driving style, where we drive and park, etcetera. We are already seeing these policies in the UK and Italy amongst other countries.

"Similarly, wearables and sensors in our mobile devices are rapidly creating the same situation for human bodies, which will not only allow us to have more informed discussions with our doctors but also to potentially provide insurers with valuable data on our lifestyle. This will enable them to tailor our health insurance premiums accordingly."

"However," he said, "insurers shouldn't rejoice too soon! Technology advances over the next 10 years will significantly disrupt the insurance industry to the point where the existing incumbent's current business model has no future."

A health insurer's main activities are product development, sales and marketing, underwriting and risk management, policy administration, claims management and other corporate functions. New technology, such as Artificial Intelligence (AI), advanced analytics, data science and genomics, can undertake any of these key activities in a faster, better and smarter way.

For example, clever mathematicians aided by powerful computers currently provide actuarial services, which create an insurance product for the average person. Self-learning (AI) advanced algorithms will replace the human element of these services and will be able to create a tailor-made insurance product based on the breadth and depth of big and little healthcare data.

"We are already seeing early stages of the disruption underway with new players like Oscar and Zenefits in the US and ConnexionsAsia in Asia," says Mr de Salaberry. "It is not unrealistic to imagine a future where health insurance will be provided by new entrants able to access, manage, analyse and interpret the exponentially growing healthcare data to provide each one of us with a customised health insurance policy."

The book iDisrupted (http://www.idisrupted.com) which produce real results. says that, generally, computers are very good at doing the things we find hard, but struggle to manage the things we find easy.

The activities that currently dominate the insurance industry are classic examples of the kind of activities that computers will carry out completely within a few years.

iDisrupted (http://www.idisrupted.com) is available in all good book shops, Amazon and the Apple App Store. For more visit www.idisrupted.com

For comment or interview please contact:
John Straw
john.straw@idisrupted.com

Michael Baxter
michaelbaxter@investmentandbusinessnews.co.uk
07715 120585

For more information please contact:
Chanelle McGarry
01822 258035
chanelle@greysquarepr.com