Insurance Governance Leadership Network

July 2021

IGLN

VIEWPOINTS

Enabling innovative approaches in insurance

On June 24, 2021, Insurance Governance Leadership Network (IGLN) participants met virtually to discuss how technology is enabling new approaches in insurance, including emerging business models, new ways of developing and distributing insurance products, the potential for broader changes to the insurance value chain, and what an evolving vision of the future means for strategic investments today. This *ViewPoints* draws on pre-meeting conversations with participants and the discussion on June 24th, and focuses on the following areas[1]:

- **A different future for insurance is emerging**
- **Incumbents are grappling with the challenges of transformation**

A different future for insurance is emerging

Traditional insurance models have proven resilient to the technological disruption effecting other sectors. Given the accelerated digitization of the economy following the COVID-19 outbreak and the emergence of new challengers–insurtechs, corporates, and tech companies entering the market–some observers believe that insurance has finally reached an inflection point, with significant changes on the horizon. The industry could look very different by the end of this decade.

Evolving customer expectations and needs challenge traditional approaches

Existing customers are seeking more customized products and services, as changes in the economy are creating new customer segments and new forms of risk to insure:

- **Customers expect greater personalization and tailored products.** Large incumbent insurers, which have historically taken a more product-centric approach, are improving customization, but some suggest that more work could be required to better integrate customer feedback into existing processes. A director said, *"We need to listen to customers and then find ways to offer whatever is best, not put bells and whistles on what we*

"Traditional insurance has been designed around traditional ideas like owning a home or a car, assets that have typically defined traditional life, but that's not how a lot of people are living today."

– Executive

already have to try to convince them it is actually what they want." Customization has historically been a challenge in insurance as commercial insurance organizations have sold annual products based upon generalized trend data. As a result, the core product has covered a generalized representation of likely risk in lieu of the actual risk confronting a discreet client. Legacy systems further hamper the ability of many incumbent firms to leverage the data they have to deliver the timely, personalized solutions their clients seek. A participant said, *"In a world where you already know so much about your customers, they do not want to still go through this long process for getting what they need."*

- **Shifts in the workforce are changing some customers' needs.** An executive said, *"The problem is traditional insurance does not work for a lot of modern customers. Traditional insurance has been designed around traditional ideas like owning a home or a car, assets that have typically defined traditional life, but that's not how a lot of people are living today."* For example, the explosive growth of technology-driven applications such as Uber, Lyft, Airbnb, and many others such as food delivery applications that swelled in popularity during the pandemic, created a "gig economy" representing a rapidly growing portion of the global labor force. Some estimate that gig workers represented approximately 35% of the US workforce as of 2020 or roughly 57 million workers in a $1 trillion industry.[2] Others predict that gig workers could make up more than half of the US workforce by 2023.[3] The rise of this new way of working is creating a population with very different insurance needs.

"It is massively inefficient to get insurance today, and most customers have massive exposures they don't even know they need covered."

– EY Expert

These changes are challenging traditional models, one participant said, *"leading to disruption and new distribution models. With traditional risk insurance products, if you could write it, quantify it, price it, and remove the moral hazard, you would insure it."* This participant continued, *"But then came along the sharing economy with the Airbnb's of the world and, as an incumbent, you were left trying to approve everything for individual homes with commercial lines."*

The future of insurance is beginning to take shape

An EY expert observed, *"It is massively inefficient to get insurance today, and most customers have massive exposures they don't even know they need covered. Right now, most consumers overpay for insurance, and at the same time the carriers will still say they are not making enough money. That is a massive business problem to be solved–customers want someone looking out for them, offering them coverage at an attractive price. It's inevitable that*

"By 2030, there should be a single plan that covers all the protection you need … You will interact with a digital concierge, powered by AI."

– EY Expert

carriers will have to adapt models to be a part of that future, or they run the risk of disintermediation." As customer expectations and underlying economic trends continue to evolve, the impact on the future of the sector could be profound. Participants discussed a potential vision for the future of insurance, highlighting a few key areas.

Products and services will be unbundled and rebundled to better match customer needs

Traditional insurance models have typically offered bundled services to customers, meaning customers often acquire multiple types of insurance from a single carrier. Such models are increasingly becoming outdated as they fail to deliver customized solutions and still leave coverage gaps. As more customers demand simplified, personalized, and comprehensive insurance coverage and are willing to shop around a growing ecosystem to find it, this will challenge carriers to identify ways to meet those needs more effectively. As one participant explained, *"It's all about unbundling these large, traditional insurance models and contracts and rebundling the pieces that the customers actually need. That's where this is heading."*

To compete, incumbents will need to adopt a more customer-centric approach to product development; an approach already adopted by many insurtechs, which tend to start with a customer problem and identify ways to address it using digital tools. *"All insurance will be personalized. Today, insurance is bundled, but still separate. If you have a car, a house, own a small business, the best you can get right now is separate policies for everything. By 2030, there should be a single plan, with a single price that covers all the protection you need. You will interact with a digital concierge, powered by AI that knows when a protection gap emerges and advises me on how to best fill it,"* predicted an EY expert.

"There are big barriers to change. The management structures lead to optimization around existing products and delivery models."

– Participant

For incumbents, this is likely to require a significant overhaul of current practices. An EY expert said, *"Today, conventionally, you are going to put in a claims and billing system, using one software provider, then have a general ledger provider on the back, a sales management system on the front, etc. Those will be reduced to a set of microservices in a very large library. There will be many vendors for varying needs. As an insurer, you will need to be able to handle (interfacing with) that library and switch out functionality at speed."* Achieving this vision will take time. A participant noted, *"Even big insurtechs are still product centric. They are selling the same product, it's just a change to distribution. In some ways, we see more specialization. I don't see an omniline future anytime soon. The technology, the organizational structures, there are big barriers to change. The management structures lead to optimization around existing products and delivery models."*

Customers will migrate to platform-based models

Platform-based models have come to define some of the great success stories of the modern digital economy. Such platforms establish regular and consistent customer interactions and offer a centralized location for rolling out new products and services from a host of providers. Ubiquitous access to mobile technology has made the model more attractive than ever before. As traditional insurance models are gradually unbundled and consumers demand personalized services, customers are likely to seek a single portal or platform to service their insurance needs, some participants said. One stated, *"Customers have a broader set of protection needs and there is going to be an ecosystem for that through a single portal or platform, paying a single premium."*

Participants noted that such models will be driven by partnerships, acquisitions, and a growing ecosystem of offerings available to customers that can be accessed through a centralized portal or platform. According to an EY report, "Insurers will create their own networks of partners to offer complimentary services. They will also engage in those orchestrated by others."[4] According to an EY expert, *"It will be very difficult for any single entity to effectively write all the coverage we need in society, but a set of ecosystems and partnerships will form and holistically all the protection you need gets covered through business relationships that will be very fluid. The strong will survive."* For now, insurers do not yet appear to be pursuing such models as aggressively as other industries have. According to one analysis, "The insurance industry has been hesitant in platform adoption, just as it has with adoption of prior new technologies. While other leading industries have been significantly increasing the proportion of their investment capital allocated to platform business models (for example, petroleum with 50 percent, travel 27 percent, and banking 18 percent), insurers increased platform investment by a mere 7 percent."[5]

The prospect of a platform-driven insurance sector raises difficult questions for incumbents. If consumers are going to interface with a single platform for their insurance needs, some wonder who will ultimately control the platform. One participant asked, *"In this future, do we have many specialized insurance companies, a couple of very large ones, or do we just have no insurance companies anymore?"* Most still see a place for insurance carriers due to their scale, capital, and expertise. A participant said, *"I believe insurers are essential for a variety of reasons. We talk to a lot of startups and challengers, and after a few years in business, their idealism gets dashed a bit and the* *complexity of running insurance becomes a reality."* The same participant said, *"I think an insurance company could be the hub of this and I could go to one carrier and get everything I need even though some of it will not be products or services they actually offer themselves, but through partners … Alternatively, an insurer could end up being just a node on that hub, just one of those partners, and it could be controlled by a big tech firm or someone else."* To be at the center of this new model, however, *"insurers need to transform dramatically,"* an EY expert stated.

"The name of the game is data. Whoever has the data and controls the data has the opportunity to do whatever they want."

– Director

Insurance will be increasingly data driven

As insurers respond to changing customer expectations and needs, they are increasingly turning to their vast troves of data to develop new products and services, while beginning to experiment with new sources of data. A director said, *"The name of the game is data. Whoever has the data and controls the data has the opportunity to do whatever they want."* One example of where this is playing out is auto insurance. According to CB Insights, "Auto insurance companies are increasingly using telematics–real-time driving data collected from smartphones, IoT devices, or embedded auto sensors–to offer usage-based insurance (UBI) policies … all top 10 US auto insurance companies now have a telematics UBI product. Highly funded startups like Root and Metromile are gaining traction in this area as well."[6] Insurers' increased usage of telematics comes in director response from customer demand: one report estimates that customer interest in UBI jumped 250% last year. The internet of things (IoT) could expand UBI and risk mitigation strategies well beyond auto insurance. According to data in a report from the Geneva Association, nearly two thirds of insurers' corporate customers have IoT applications in place, and can potentially integrate the data into insurance services. A recent study by Aviva revealed that the number of internet-enabled devices in the average UK home averages over 10 devices.[7]

"Privacy will be over."

– Participant

A participant predicted that access to even more data will be inevitable as customers become more willing to exchange their data in return for better service or a better price: *"Wearables, sensors, data, everything will have a trigger for a change in pricing."* Such a future has implications for customer privacy, the participant added, *"Privacy will be over. In Asia you've lost your privacy already, in some places like Germany you still have strong privacy, but by 2030 that will be squashed. This goes beyond insurance, too, it will be how you get your next job, buy your next house, etc. … This AI machine learning engine is watching all of us and telling us what we need and where to get it. Customers will say, 'You know so much about me, don't make me go through the rigamarole to get the coverage I need.'"* This will change the nature of underwriting, but also the products and services that insurers and their partners can provide, as insurers will be better able to predict and anticipate an insured event and can become active partners in helping their clients monitor, avoid, and mitigate risks.

Blockchain will play a role

An EY expert said, *"Some might think this is crazy, but I think most insurance will be running on blockchain … Blockchain will enable microservices in a much more smooth and seamless way, and the smart contracts on an immutable ledger will be essential for rapidly changing business relationships. It's like in the early days of the internet, we talked a lot about what it could mean for the business, but none of us saw just how ubiquitous it would become for all of our personal and professional lives."* Blockchain is a type of distributed ledger technology (DLT) that could enable faster claims processing, improved fraud detection and risk prevention, and enhanced efficiency and trust using smart contracts. IBM, for instance, has already introduced a blockchain network intended to automate the underwriting and claims settlement process, and incumbents are experimenting with the technology. B3i, an insurance industry consortium consisting of more than 20 insurers or reinsurers, is intended to explore the potential of DLT in the sector and has successfully concluded complex contracts on its platform.[8]

A broader ecosystem will emerge

"I think most insurance will be running on blockchain."

– EY Expert

As the defining features of the insurance industry continue to evolve, the competitive landscape will also transform. Large carriers will interact with a new range of service providers. Some newer entrants have already gained market share, big technology firms and other corporates continue to experiment with insurance offerings, and the broader financial services ecosystem is changing as platform models and partnerships become increasingly commonplace.

Insurtechs will inspire innovation, but few will truly challenge large incumbents

Insurtechs and technology companies have entered the market, offering new products and services that are attractive to retail and corporate customers. An executive said, *"For insurtechs, it's really important to provide a really simple, singular experience. They do the work and have the digital capabilities to make it simple for the consumer to easily pick an option and go."* These digital challengers leverage emerging technologies and sleek applications to attract customers and provide the services they need. Some are starting to acquire scale and access to capital to fund future growth. Lemonade for example, uses AI and other tools to quickly underwrite and pay out claims through its popular smartphone application. The company was valued at over $1.6 billion when it went public in July of 2020.[9]

While insurtechs are gaining scale, participants think it unlikely any individual insurtech will disrupt the market, but acknowledge the potential for challenges from outside traditional players. A director said, *"If you look at the of disruption across many industries, it is almost never done by the incumbents. True disruption is almost always done by someone on the outside. Apple with phones, Amazon with books, now potentially Tesla with auto … If there is going to be real disruption, who will do it and how will it happen? Right now, I don't see a Tesla out there in insurance. There are some insurtechs making some noise, but they largely are not using all that different of a business model."* Top insurtechs do have attractive technology and talented employees. Instead of competitive threats, many incumbents increasingly view insurtechs as potential partners and acquisition targets. An EY expert said, *"You're starting to see a wave of acquisitions of these companies. There might be one or two out there today that become huge, but I think the incumbents actually become a lot better because they are forced to change by these brash startups."* An executive said, *"There will be a race for the next three-to-four years to buy the best you can get, because it gets you their offerings, but it also gets them out of the market."* A participant predicted insurtechs would play the role of catalyst: *"During the dotcom era, everyone talked about disruption. Of the many thousands of companies that emerged, only a few became huge companies. But what they did was inspire incumbents to do things differently. Insurtechs are doing the same."*

> *"If there is going to be real disruption, who will do it and how will it happen? Right now, I don't see a Tesla out there in insurance."*
>
> – Director

Big tech and corporates are increasingly exploring insurance offerings

Participants view big tech companies and large corporates developing their own insurance offerings as a more serious competitive threat. For example, a recent study found that "policyholders' willingness to purchase insurance from big tech firms has increased from 17% in 2016 to 36% in January 2020 to 44% in April 2020."[10] Technology companies do not have to offer financial services of their own; many are embedding offerings directly in their platforms. In recent years, big tech firms like Google, Amazon, Facebook, and Apple have begun to target the insurance market, deploying their unique strengths of data, technology, and customer reach to make headway into the health, life, and P&C insurance spaces.[11]

> *"P&C carriers were worrying a lot about the insurtechs and startups … but now they worry more about corporates and original equipment manufacturers (OEMs). They are right to worry."*
>
> – Participant

Other corporates are also launching insurance offerings. A participant said, *"Insurance carriers were worrying a lot about the insurtechs and startups disrupting business, but now they should worry more about corporations and original equipment manufacturers (OEMs). They are right to worry. Auto* *manufacturers, transit systems, cruise lines, theme parks, etc. are all experimenting and considering including insurance as part of their offering at the point of need."* Last November, General Motors launched OnStar Insurance, an insurance service expected to be available nationwide by 2022 that "will offer bundled auto, home and renters insurance."[12] A participant observed, *"Corporates developing their own insurance is a trend we see rising in a very significant way."*

Incumbents are grappling with the challenges of transformation

> *"I believe the last 18 months have been a catalyst and an opportunity for a radical step change and the industry just has to get on board or risk being left behind."*
>
> – Director

If anything like the transformation foreseen by some participants is likely, then the investments firms make today could be decisive in defining their competitive positioning in the future. Firms may have to rethink longstanding approaches and strategies if they are going to be successful. A participant said, *"The incumbents will need to transform dramatically to meet this vision of the future. They will need to rethink their technology, their culture, their leadership, and their strategy. This future will persist whether they get on board or not."*

Transformation and innovation have historically presented real challenges to large incumbent firms, but that may be starting to change. A report by rating agency AM Best observed, "Developing an innovative culture among insurers has been an ongoing challenge, but COVID-19 upended the industry's methodically slower pace, causing insurers to act swiftly to adapt to the rapidly changing environment."[13] Yet, the same report suggests insurers continue to have difficulty translating innovation efforts into results. A director said, *"I believe the last 18 months have been a catalyst and an opportunity for a radical step change and the industry just has to get on board or risk being left behind."* Participants highlighted some of the areas where efforts are being focused as incumbents work to transform for the future.

Prioritizing investments and allocating resources will be critical

The need for technology transformation places a greater importance on digital strategies than ever before, leaving boards of incumbent firms with the challenge of figuring out how to prioritize capital investments and resource allocation. Developing a strategy for technology transformation requires a careful consideration of a host of issues including balancing the required investment to maintain legacy systems with the need to embrace emerging technologies; when to build, buy, or partner; and how to promote and embed a culture that permits innovation and transformation across large, complex organizations.

Insurers need to invest in technology that will set them up for the future

"Do you have an API platform ready and easy for others to adopt? Distribution is going to transform."

– Executive

Participants agreed that incumbents must ensure they are making investments that go beyond iterative improvements and are truly transformational. One said, *"Running the organization is just keeping the lights on. Changing the organization is making products and services that are incrementally better, but not offering anything truly new. Transformation is about creating a new model for customers. There is not enough investment in real transformation right now."*

The challenge of knowing where to prioritize investments to drive *"real transformation"* remains difficult for boards to assess. One executive recommended an *"A, B, C, D"* framework to guide technology investment priorities:

- **Artificial intelligence.** *"When things become personalized and contextual, getting products and services offered at the right place in time becomes critical. How do you do that? It's through AI. You need to have a whole AI team to build modeling and machine learning to give you the exact model for your customers' needs."*
- **Blockchain.** *"You do not need to be spending a whole lot on blockchain, but you do need to start investment there. It will not be in the immediate future where you see the difference, but insurers should know how it works now to prepare for the future. With blockchain you need scale before it will take off, so you will not see much happening for a while, but once you gain enough scale for enough parties to get the benefit, it will take off. So, if you wait until you see it coming and then decide to work on it, it will be too late to invest."*
- **Cloud.** *"Cloud on its own will not change the game, but it will give you scale, flexibility, and a lot of other capabilities once you migrate. Far too often, too many corporates think it is just about saving money; that is missing the point. It is not a cost-saving business case. Yes, you get buckets of savings, but there are tradeoffs. You then can invest in the tools that are available in the cloud to make your solutions a lot smarter and faster. That's the real benefit. But if you don't have a mature mechanism in place, an understanding of data regulations by jurisdiction, etc., it can slow you down."*

- **Distribution.** *"Do you have an API platform ready and easy for others to adopt? Distribution is going to transform. You have heard of embedded insurance and platform models. To leverage insurance-as-a-service, the key is PaaS–platform-as-a-service. Open platform can mean different things, but you at least need to have an API platform so that your existing system is able to talk to external partners and distributors easily. That will be critical in order to embed into e-commerce channels, travel, hospitality, etc."*

"Financial institutions sell trust. Without security, controls, we can't talk about doing anything else."

– Director

Transformation requires building from a solid foundation

As firms invest in emerging technologies, they need to ensure the appropriate controls required to operate in a heavily regulated industry are in place and their systems remain resilient. A director said, *"Before we talk of big-time change and transformation, at the board level, we need to get the foundational aspects of technology in place. Financial institutions sell trust. Without security, controls, we can't talk about doing anything else. It's like a pyramid and you need that at the best."* Many insurers do not yet feel confident that they have the foundation on which to build truly modern platforms for the future. A director observed, *"Most insurance companies I know of are still struggling at the foundational level. So, you still have to focus on the basics, the key security, controls, customer data, etc. and at the same time, not lose sight of where we need to go. It's important not to lose sight of the basics in order to transform."*

"When you see insurtech partnerships with large incumbents, it is typically for back-office efficiency and effectiveness; it is an expense game."

– Executive

Getting this right involves agility in adjusting investments. An executive commented, *"You need to look at how the shape of investment is evolving and how you change that shape over time, so you are putting more into the transformation space to prepare for the future of the industry."* It is now possible to *"create a middle layer, isolating the back end, allowing some of the legacy systems to be more flexible and add data analysis etc. while you are upgrading the back end. This is an emerging trend in financial services."*

Partnerships and acquisitions will increase

The growing insurance ecosystem presents large insurers with alternative approaches to drive transformation beyond building solutions in-house. As noted previously, insurtechs and other tech providers have become valuable partners for incumbents. According to *Insurance Journal*, "The messaging about supplanting industry giants is gone. In its place is a more collaborative environment led by insurance industry leaders partnering with tech solution providers … The integration of experienced insurance professionals and tech is needed to manage across the insurance value chain."[14] To date, incumbents have been very selective around where they choose to partner with digital challengers. An executive observed, *"When you see insurtech partnerships with large incumbents, it is typically for back-office efficiency and effectiveness; it is an expense game. And then you also see investment in new distribution outlets. But you do not tend to see partnerships around true product creation or new models. That is still something typically seen as being done internally in the sector."*

"How do you bring in this outside firm and not kill it when you integrate?"

– Director

Many incumbents are also pursuing equity investments or acquisitions of insurtechs as well. While M&A brings attractive technology, talent, and agile processes, participants noted that these transactions often fail to yield expected results. A director said, *"There will be a lot of acquisitions, but the issue is, as incumbents, you are always worried about cannibalizing existing business and existing business models. How do you bring in this outside firm and not kill it when you integrate? Trying to bring in small things and grow them and keep them away from all the usual stuff that happens at big companies that kill things, it will be very difficult."* Despite the challenges, incumbents can still benefit. A participant said, *"A lot of creativity gets squashed when acquired, but there is still an incremental benefit for the acquirer. You may not get the same benefits as they would if they were allowed to flourish on their own, but I think incumbents still improve overall as a result."*

Insurers need the right culture and talent to innovate

"To be open to operating in a business ecosystem with multiple partnerships will require a real cultural shift for most insurers."

– Participant

An executive said, *"Everyone can agree that this is the way forward for consumers, but we are really entrenched as an industry in terms of being focused on product, not customers."* Tech firms, on the other hand, are known for their ability to anticipate emerging customer needs and then leverage technology to meet those needs in new ways. In the process, they gather additional data which fuels further innovation. Most large insurers have innovation labs or other centers for experimentation, but truly building an innovation culture across these organizations is much more challenging. They will need new kinds of talent, and new ways to encourage experimentation. Participants identified key challenges in this area for incumbents going forward:

- **Promoting an innovative culture.** A director said, *"It's not just insurtechs that get killed in big companies, but also ideas."* When asked what the primary barriers are for insurers to achieving the vision of the future, one participant said, *"One of them is culture–to be open to operating in a business ecosystem with multiple partnerships will require a real cultural shift for most insurers."* Shifting the strategic path of large, highly regulated, legacy institutions can be difficult. A director explained, *"This* *idea has been around for many, many years: an all-risk policy that just broadly protects the customer. We talked about it 20 years ago. It was a great idea then and it still is now, but it got killed internally."* For large institutions, the path to true transformation is often difficult to chart and navigate. One director said, *"It's very difficult to disrupt as an incumbent because you have an entrenched business model, and it is very hard to pivot away from that."*

> *"The most unique talent will be the hybrid of knowing enough on the technology side and also the business side. You will need solutions analysts in the middle."*
>
> – Participant

- **Attracting and retaining necessary talent.** Having the right talent will be critical. An executive said, *"Do we have the right people to deliver for the future? Not to say you need to do everything in-house, in fact, you will not need to as the ecosystem evolves, but you at least need to know some of the skills that are differentiating factors, and some of it is just having the expertise to understand the ecosystem and cultivate the right suppliers, vendors, and partnerships as the sector changes."* Certain roles are likely to continue to be in high demand: *"Data scientists and data analysts will be absolutely key. Cyber specialists also. But the most unique talent will be the hybrid of knowing enough on the technology side and also the business side. You will need solutions analysts in the middle,"* a participant said. Another participant recommended clear ownership of the innovation agenda with a dedicated team: *"You need someone who really owns it; you need to build that infrastructure. If everyone owns it, no one does. You need someone focused on it, not to be the only one responsible for it, but just like a CRO or chief diversity officer, you need someone to own it and track it."*

*****

The next ten years will likely produce a very different insurance industry from the one we know today. To prepare for that future, large insurers will need to grapple with legacy systems, demanding customers whose expectations are increasingly set by tech companies, and a variety of digitally-savvy competitors. Responding will require material investments in technologies and new capabilities. A participant cautioned, *"It will be a survive or die situation for incumbent carriers to be part of this new ecosystem. As territorial as incumbents want to be, as stuck in their ways as they might be, the current approach is massively inconvenient for the consumer today."*

Appendix

The following individuals participated in these discussions:

Participants

- Joan Amble, Non-Executive Director, Zurich Insurance Group
- Herman Bulls, Non-Executive Director, USAA
- Jan Carendi, Non-Executive Director, Lombard International Assurance
- Alison Carnwath, Audit Committee Chair, Zurich Insurance Group
- Ericson Chan, Group Chief Information and Digital Officer, Zurich Insurance Group
- Julie Dickson, Non-Executive Director, Manulife
- Carolyn Dittmeier, Chair of Statutory Auditors, Generali
- Jay Grayson, Chief Executive Officer and Co-Founder, Surround Insurance
- Sheila Hooda, Risk Committee Chair, Mutual of Omaha; Nominating and Governance Committee Chair, ProSight Global
- Joan Lamm-Tennant, Non-Executive Director, Equitable Holdings and Hamilton Insurance
- Monica Mächler, Non-Executive Director, Zurich Insurance Group
- Sara Martinez Tucker, Business Transformation and Technology Committee Chair, Nationwide
- Derek Netherton, Non-Executive Director, Canada Life
- Kate Sampson, Managing Director, Anthemis
- Gerald Smith, Investment Committee Chair, New York Life
- Eric Spiegel, Audit Committee Chair, Liberty Mutual
- Bob Stein, Audit Committee Chair, Assurant; Audit Committee Chair, Talcott Resolution
- Peter Taylor, Audit Committee Chair, Pacific Life

EY

- David Connolly, Global Insurance Technology Leader
- Isabelle Santenac, Global Insurance Leader

Tapestry Networks

- Dennis Andrade, Partner
- Brennan Kerrigan, Senior Associate
- Tucker Nielsen, Principal

About *ViewPoints*

ViewPoints reflects the network's use of a modified version of the Chatham House Rule whereby names of network participants and their corporate or institutional affiliations are a matter of public record, but comments are not attributed to individuals, corporations, or institutions. Network participants' comments appear in italics.

About the Insurance Governance Leadership Network (IGLN)

The IGLN addresses key issues facing complex global insurers. Its primary focus is the nonexecutive director, but it also engages members of senior management, policymakers, supervisors, and other key stakeholders committed to outstanding governance and supervision in support of building strong, enduring, and trustworthy insurance institutions. The IGLN is organized and led by Tapestry Networks, with the support of EY. *ViewPoints* is produced by Tapestry Networks and aims to capture the essence of the IGLN discussion and associated research. Those who receive *ViewPoints* are encouraged to share it with others in their own networks. The more board members, members of senior management, advisers, and stakeholders who become engaged in this leading-edge dialogue, the more value will be created for all.

About Tapestry Networks

Tapestry Networks is a privately held professional services firm. Its mission is to advance society's ability to govern and lead across the borders of sector, geography, and constituency. To do this, Tapestry forms multistakeholder collaborations that embrace the public and private sector, as well as civil society. The participants in these initiatives are leaders drawn from key stakeholder organizations who realize the status quo is neither desirable nor sustainable and are seeking a goal that transcends their own interests and benefits everyone. Tapestry has used this approach to address critical and complex challenges in corporate governance, financial services, and healthcare.

About EY

EY is a global leader in assurance, tax, transaction, and advisory services to the insurance industry. The insights and quality services it delivers help build trust and confidence in the capital markets and in economies the world over. EY develops outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, EY plays a critical role in building a better working world for its people, for its clients, and for its communities. EY supports the IGLN as part of its continuing commitment to board effectiveness and good governance in the financial services sector.

Endnotes

[1] *ViewPoints* reflects the network's use of a modified version of the Chatham House Rule whereby comments are not attributed to individuals, corporations, or institutions. Network participants' comments appear in italics.

[2] Rebecca Henderson, "How COVID-19 Has Transformed the Gig Economy," *Forbes,* December 10, 2020.

[3] Rebecca Henderson, "How COVID-19 Has Transformed the Gig Economy," *Forbes,* December 10, 2020.

[4] https://www.ey.com/en_us/innovation-in-insurance/six-megatrends-defining-the-next-wave-of-insurance

[5] Noel Garry, "Benefits of Digital Business Platforms for the Insurance Agency," *IBM,* 2019.

[6] "P&C Insurance Trends to Watch in 2020," *CB Insights,* page 7, May 14, 2020.

[7] Matteo Carbone, "Some insurers have already used IoT to reduce their expected losses. What are you waiting for?" June 3, 2021.

[8] https://www.insurancejournal.com/news/international/2020/02/14/558428.htm

[9] Telis Demos, "Lemonade Is Priced for Sweet Outlook," *Wall Street Journal*, July 2, 2020.

[10] "COVID-19 Accelerates Insurance Digitalization to Meet Customer Demand: World InsurTech Report 2020," Business Wire, September 15, 2020.

[11] "How Google, Amazon, Facebook, and Apple are Targeting the $6T Insurance Market," *CB Insights,* September 29, 2020.

[12] Kirsten Korosec, "GM to Leverage Driver Data as it Jumps Back into the Insurance Market," *Tech Crunch,* November 18, 2020.

[13] Susanne Sclafane, "Carriers Struggle To Transform Innovation Efforts Into Results," *Insurance Journal,* May 11, 2021.

[14] Dan Epstein, "The Future of Insurance Industry Will Not Be Decided by Insurtechs Alone," *Insurance Journal,* August 6, 2020.