

Maiden Re connects Silicon Valley to main street insurers

Interview with Colin Fitt, Senior Vice President of Corporate Development at Maiden Re.

As the massive waves of new technologies continue to break into the insurance industry, options for companies to innovate seem to be growing exponentially. Everything from Cloud computing to predictive data analytics to advances in digitalized operating environments hold the promise of streamlining workflows, reshaping customer engagement and transforming pricing and underwriting models. But what is a strategic enabling fit for one insurer may not be a match for another. Today, the technology decision-making process is evolving from a product purchase to the next incremental step in an ongoing cultural evolution.

For years, insurers' engagement with technology has been a cost-centric process that could force insurers into making outsized financial commitments. The goal was to identify and implement off-the-shelf products provided by large brand named vendors that covered the entire spectrum of possibilities. In many cases, the high cost of these products was seen to offset the risk and potential disruption to insurers' revenue and profit streams. But as some products failed to meet expectations, and more specialty products become available, how the insurance industry engages with new technology becomes a more complicated question.

Intrinsically high stakes, the previous approach runs counter to today's dynamic and burgeoning technology options that can include digital platforms, telematics, data enrichment, artificial intelligence, customer engagement, predictive analytics, the Internet of Things and so many more. Sorting through the onslaught of new technologies and gaining access to a strategic enabling technology can be challenging, especially for insurers with limited resources. However

as companies see competitors deploy new technology, concerns of remaining competitive may emerge.

The bridge

The dilemma that many insurers face is one reason that Maiden Re has partnered with Plug and Play, a global accelerator, which created an ecosystem that connects startups, industry participants, and capital. Its industry specific vertical InsurTech has given us and our clients access to the ongoing flow of the latest technology. Of all sizes and stages of development, these startups can help insurers develop new ways of engaging customers, creating products, measuring and mitigating risk, and leveraging new sources of data.

This ecosystem provides an interesting alternative to the historic technology model. Insurers now can learn first-hand about new technologies, and efficiently experiment with multi-faceted aspects of production, underwriting, claims and operations to determine what technology is most effective for their specific organization. Individual or multiple technologies can be applied within the context of their discrete markets, distribution channels, and customers groups. However, the answer is rarely the same for all insurers. In connecting our clients to startups in InsurTech, they now have better insight in to the emerging competitive landscape, can experiment with technology within their unique circumstances, and promote innovation within the current culture.

Like so much in the industry, the reality of reinsurers' value proposition is changing. At Maiden Re, one way this evolution has taken shape is through our efforts to leverage our balance sheet to create a conduit,

connecting new technology from Silicon Valley to our customers. When our clients come to us with a business challenge, Maiden Re can bring its visibility into hundreds of Insurtech startups to discuss the range of solution options. We then introduce our clients to those startups and work with them as they engage in deeper discussions. "Our ongoing strategy is to support emerging technology which provides operational, analytical and competitive advantages to our clients," says Colin Fitt, Senior Vice President Corporate Development, Maiden Re.

This was the driving force behind Maiden Re's investment in Betterview, a drone-based platform that collects, organizes and analyzes data on buildings and other properties. Betterview's flexible business model provides options for carriers to test and deploy the technology. Its network of 4,000 independent drone pilots allows for efficient outsourced experimentation, or Betterview can train a carrier's employees as drone pilots. Should a company choose to completely on board this function Betterview's SAAS model can provide all the workflow, data capture and necessary compliance functionality. "We believe that Betterview provides a compelling value proposition for our clients evolving needs," adds Fitt.

The vast expansion of computing power and new data sources is affecting virtually all industries on a global basis. As a data driven industry, we will have to contend with how we analyze and blend our traditional historic data with new current contextual data. The increasing velocity and volume of data is part of the new operating reality. All that remains is to determine which companies can most effectively leverage these technologies to improve customer experience, increase operating efficiencies, and create a culture of ongoing innovation to improve competitiveness. ●

