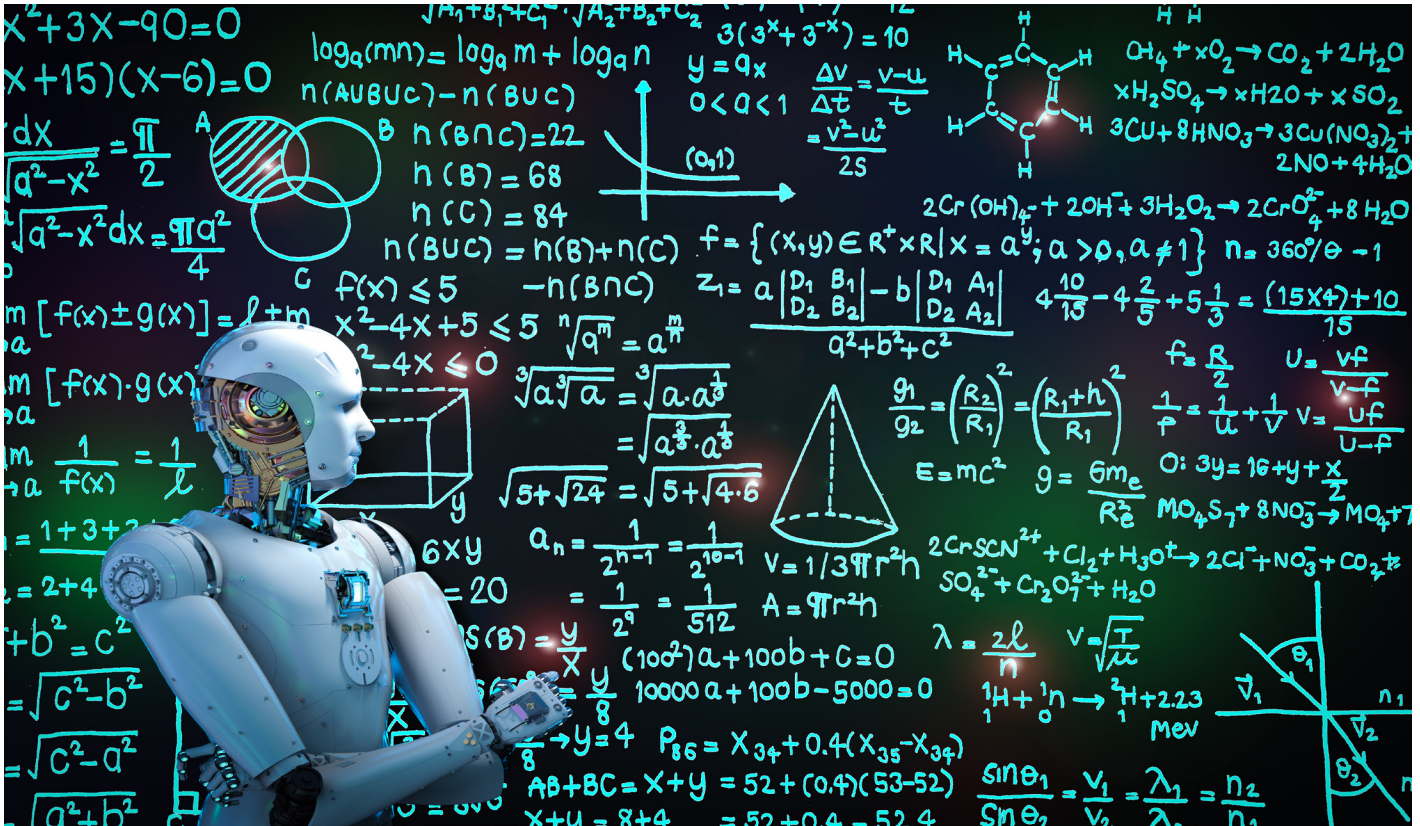


THE RISE OF THE ROBOTS: WILL THINGS CHANGE?



YOU BET THEY WILL!

Much has been written about automation and without doubt things are changing.

What impact will it have on our daily life and how will it effect our interaction with insurers?

Insurance, like many aspects of our lives, is a series of processes. Automation already plays a part in insurance and has been for a number of years.

“Many insurers already use voice synthesis software when notifying claims which is particularly helpful for detecting fraud.”

In reality of course, this is not a physical robot but a computer that is able to recognise voice patterns.

Traditional use of computers has expanded into many areas including assessment of risk and related setting of premiums in vehicle insurance.

We all buy annual vehicle insurance policies which cover our cars 24 hours a day 365 days a year. In reality of course perhaps 80% of the time, the vehicle sits on our drive or at the roadside. If insurers can identify those driving patterns, it stands to reason that their rating of the risks involved will be reflected in the premium.

This has already been applied to young drivers in the form of telematic technology, and could easily be rolled out to others using modern technology platforms.

“Pay-as-you-drive’ cover can be a reality for all drivers.”

In the same way that off-peak rail tickets work, you could have cheaper insurance for driving outside peak claim times (e.g. not in the rush-hour).

As self-driving cars become a reality and the human factor is removed from driving, accident numbers could fall, so premiums could reduce. Self-Driving cars are still very new in terms of technology and are far from perfect but neither is ordinary driving.

Countless distractions such as personal mood, weather, time of day and tiredness affect us all when we drive and can compromise our reaction and response times. Thankfully technology is unaffected by sleepless nights.——

Other technological advances include ‘Auto-Quotation-Systems’ which are a reality for personal lines insurance and small commercial risks. However, as with self drive cars and telematic technology, these are not perfect.

“The Financial Conduct Authority (FCA) has highlighted concerns over the lack of human intervention, in that pure price often hides critical factors such as quality of cover. Failing to take consideration of the customers’ needs can land the insurer in hot water!”

Most commercial/corporate contracts of insurance are too complex to fully automate, but the ability to streamline certain areas is common place. What is likely is that certain initial contacts will be machine (computer) led so the screening aspect will be done before you speak to a human. Screening, profiling and risk management processes have long since replaced pure rating factors which leads to improved metrics and aides insurers ability to differentiate, so that your risk receives the appropriate pricing.

Despite the changing technology, many boutique insurance brokers and insurers (like boutique shops and other professionals) are still necessary. We all like a personal and individual service, don't we?

Do we embrace this new technology?

Absolutely; but remember for every 'gain' there is a 'loss' and there is no substitute for a human face and a bit of friendly advice. Price alone does not tell you whether your needs are met by the policy.

Would you like expert advice and support with your insurance requirements? Consort Insurance provide professional and transparent commercial insurance cover for multiple sectors and high net worth individuals.