Society of Actuaries in Ireland

Insure Tech Pricing

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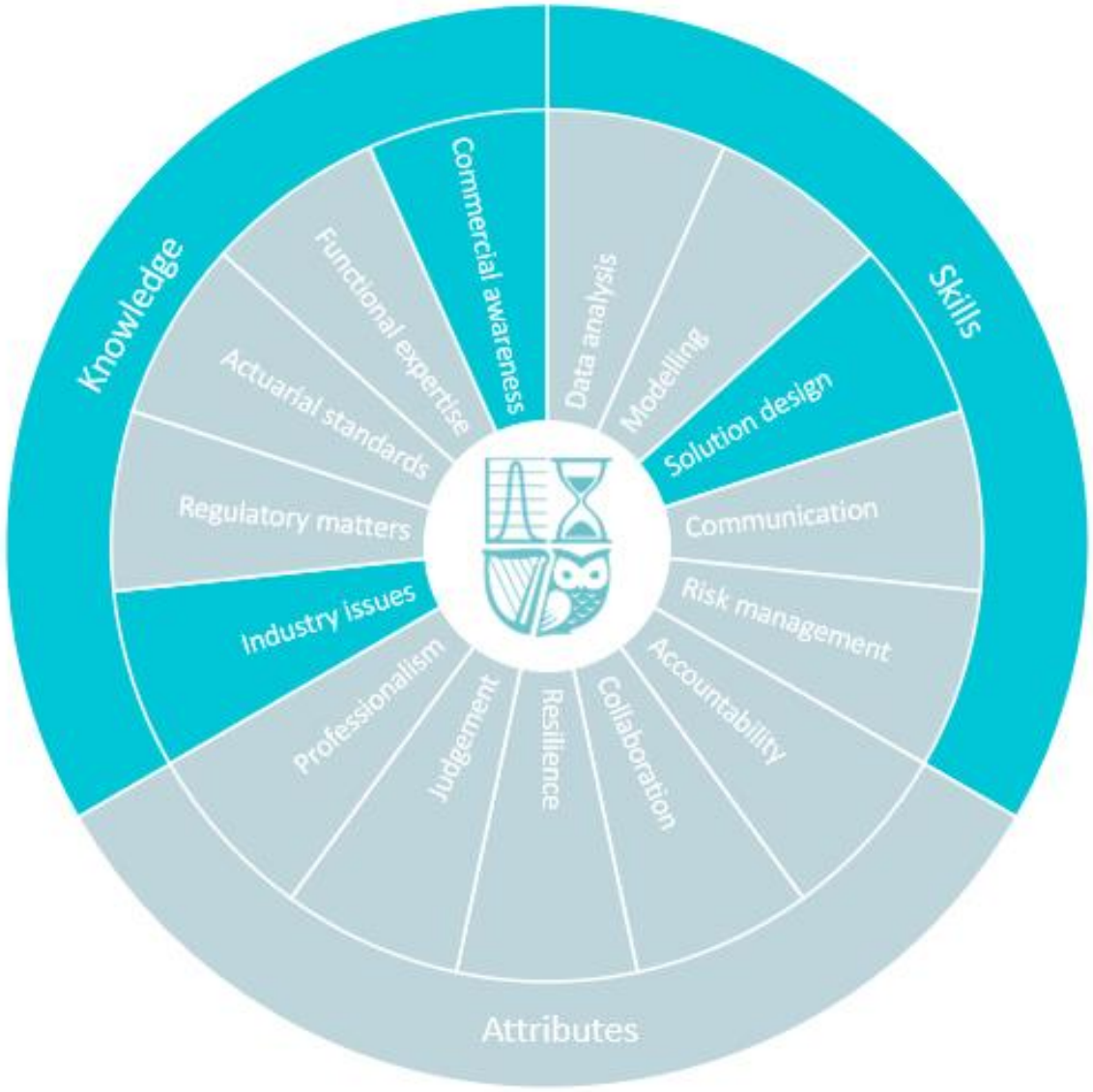
Competency Framework Wheel



Introduction

- About us and summary of our company

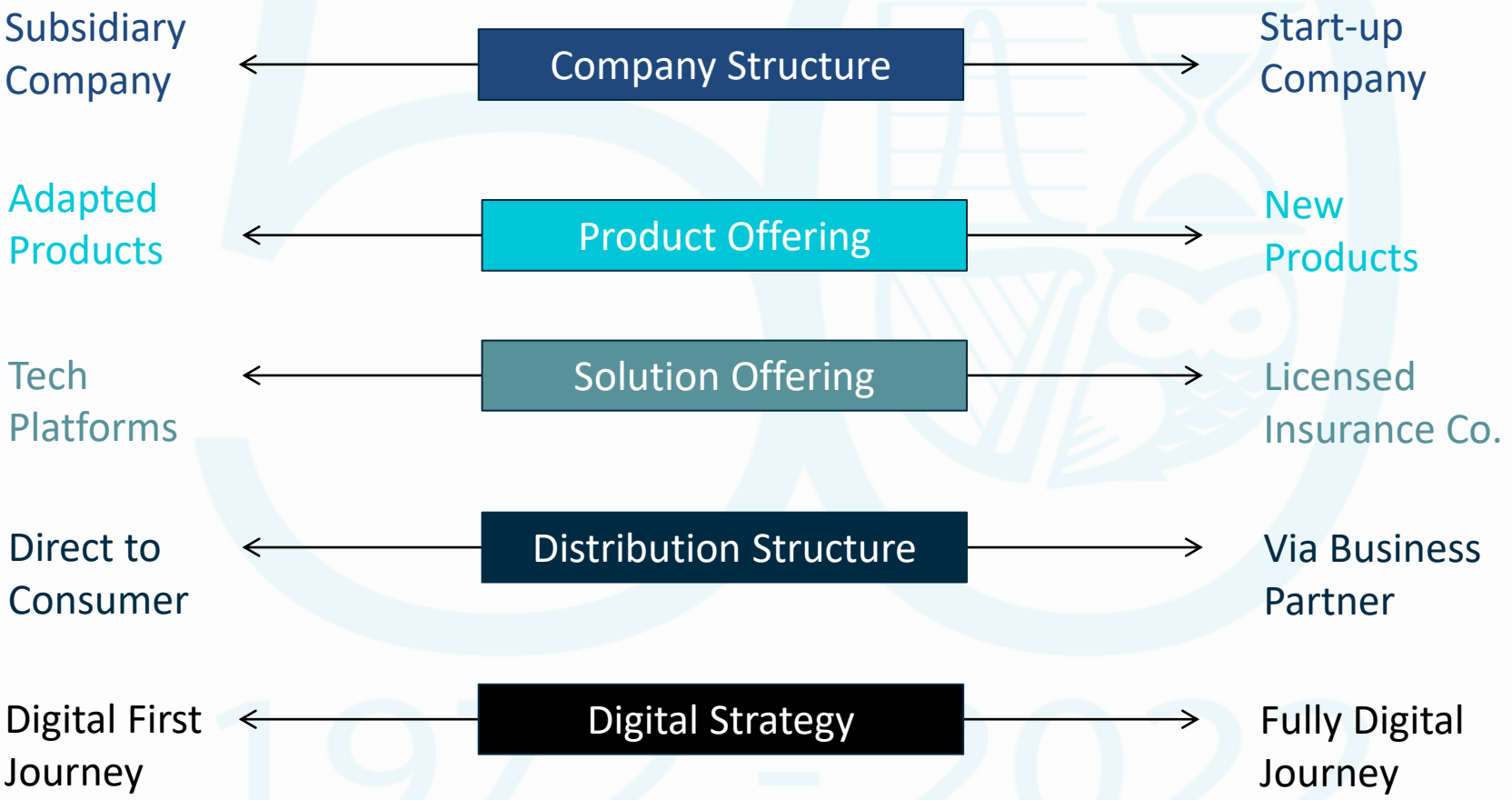
- Agenda for the session
  - What is Insure Tech and an outline of the Insure Tech landscape.
  - How Insure Tech brings both new opportunities and challenges for product development and pricing.
  - Focus on Embedded Insurance, Product and Pricing with an example on Weather Insurance.

What is Insure Tech?

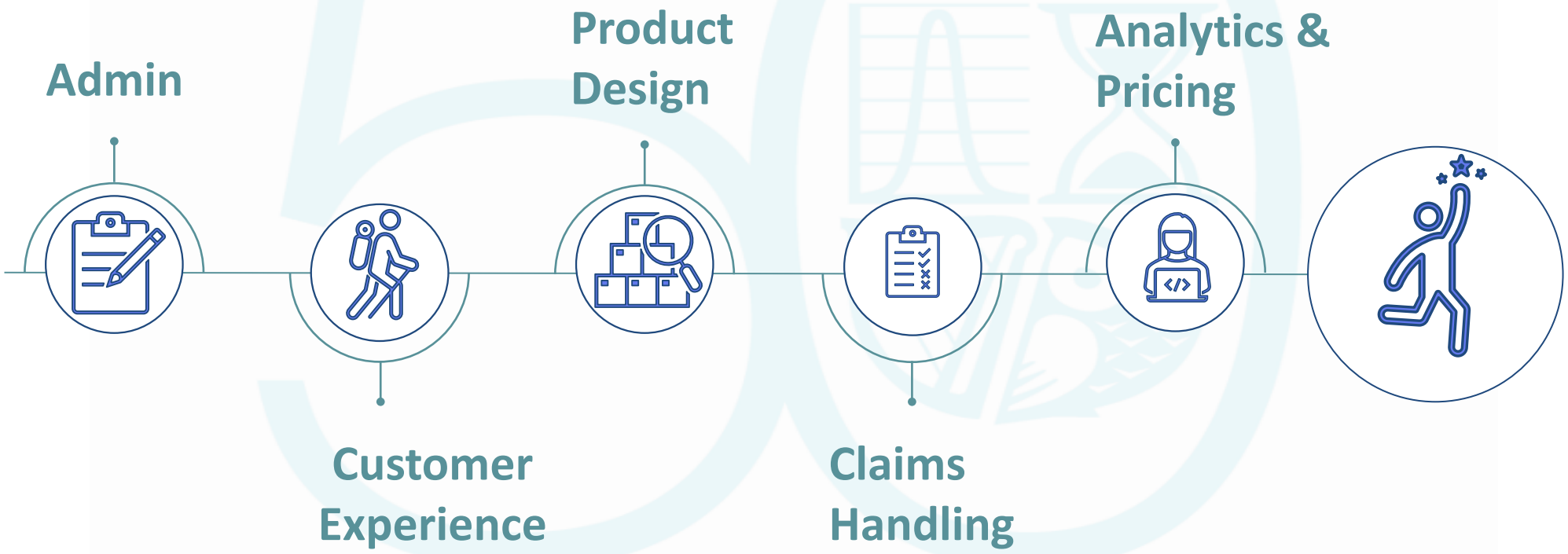
Insurtech refers to technological innovations that are created and implemented to improve the efficiency of the insurance industry.

Insurtech powers the creation, distribution, and administration of the insurance business.

Characteristics of different Insure Techs



Areas of Focus for Insure Techs



Opportunities/Challenges for Insure Techs

Opportunities

API Integration

Cloud Based Technology

Platform Integration

Scaling for Machine Learning

Challenges

Initial Data

Potential Fraud

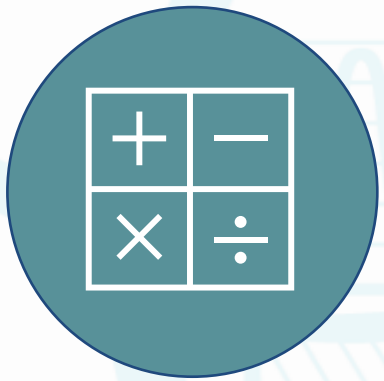
Customer Behaviour

New Products / New Elements

Focus on Embedded Insurance

New Products

Products that exist by leveraging tech



Parametric Insurance

Independent third-party sources to verify claim

B2B2C

Sell via a business partner site

Embedded Insurance Products

Weather Guarantee

Insurance for an unexpected weather event at a particular time and place

Real-time weather parameters are used to price and instantly assess claims.

Example: Heavy Rain at a Theme Park

Flight Delay

Insurance for an unexpected delay of your flight

Real-time flight data parameters are used to price and instantly assess claims.

Example: Ryanair Flight Delayed on departure or arrival

Screen Crack

Insurance for cracking the screen on your phone

AI driven app used to detect a crack on the phone screen

Example: Crack on your iPhone screen

Weather Focus – Pricing Process

Data

- Data Gathered from API connection via R
- Curate “Big Data“

Model Building

- Build a model using acceptable statistical approaches.
- Dynamic Pricing: Prices impacted by realtime information.
- Dynamic Product: Different Product variations can be deployed

Generate Prices

- Standard Claims Costs based on Expected Values
- Add loadings based on commercial requirements

Monitoring

- API Data used to analyse and assess model approrpriateness
- Anomoly Detection and AvE

Weather Guarantee Product(s) - Rain

Paris, France

Product: 50% of Ticket Cost

Ticket: €20

Compensation: €10

6mm Rain: €1.45

8mm Rain: €0.80

Barcelona, Spain

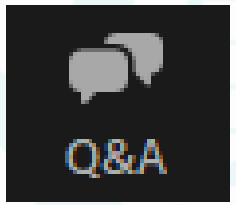
Product: 75% of Ticket Cost

Ticket: €13.50

Compensation: €10.12

6mm Rain: €0.90

8mm Rain: €0.65

Q&A

Please use the **Q&A function** to ask a question