#### The future of risk and insurance management technology Connection, convergence and collaboration

John Irving & Angus Rhodes

AIRMIC Conference 2017



#### Who are we?





JOHN IRVING Regional Director, EMEA

ANGUS RHODES Product Management Who are you?

# "

## All truth passes through three stages.

*First, it is ridiculed. Second, it is violently opposed. Third, it is accepted as being self-evident.* 

Arthur Schopenhauer, German philosopher (1788 – 1860)

## *Every revolutionary idea seems to evoke three stages of reaction:*

(1) It's completely impossible.
(2) It's possible, but it's not worth doing.
(3) I said it was a good idea all along.

Arthur C. Clark, Science Fiction Writer and Futurist (1917 – 2008)

#### Where have we come from?

An evolution of office technology



#### Where are we now?

- The rise of Risk Management Information Systems (RMIS)
- Standalone, siloed systems have developed to address individual department or function need.
  - Insurance
  - Claims
  - ERM
  - EH&S
- Business Intelligence reporting tools provide historical insight

#### A QUICK POLL

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#### **SLIDO QUESTION 1**

## Who is using some form of risk technology?

- 1. Spreadsheets, e-mail & other office tools?
- 2. Standalone risk technology systems?
- 3. Integrated risk technology systems?

# THE FUTURE

#### The Future of Risk Technology

Five key pillars



#### MOBILE



#### MOBILE IN THE WORKPLACE

- 6.4 billion people (80% of world's population) predicted to be smartphone users by 2021
- Mobile has already overtaken desktop as main way to access the internet
- 60% of employees use apps for work-related activity
- Companies gain an extra 240 hours of work per year per employee due to mobile working
- 71% spend over two hours a week accessing company information on mobile





#### MOBILE REPORTING VIA A NATIVE IPAD APP

#### SYSTEM INTEGRATION



#### INTEGRATED RISK MANAGEMENT SYSTEMS



#### WHAT IS POSSIBLE



#### SOCIAL & COMMUNITY COLLABORATION



#### SOCIAL & COMMUNITY COLLABORATION

Merging of social media & business



- Sets new standards of how we interact and established a baseline of IT expectation
- More than messaging apps:

For example, Hyatt uses Facebook Messenger for 24-hour customer service, where guests can make reservations, ask questions, and get recommendations for their trips.

#### SOCIAL & COMMUNITY COLLABORATION

Different way of getting your message across



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Live Video



**Virtual Reality** 

#### **Ephemeral Content**



#### LOCATION & CONNECTIVITY



#### MAKING USE OF LOCATION DATA





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#### **INTERNET OF THINGS**

The Internet of things (IoT) is the inter-networking of physical devices, vehicles (also referred to as "connected devices" and "smart devices"), buildings, and other items embedded with electronics, software, sensors, actuators, and network connectivity which enable these objects to collect and exchange data.

#### IOT & RISK MANAGEMENT



#### AUGMENTED & VIRTUAL REALITY



#### **BIG DATA AND ANALYTICS**



#### **SLIDO QUESTION 2**

### What type of analytic tools do you use?

- 1. Spreadsheet?
- 2. Business Intelligence tools?
- 3. Predictive modelling?

#### **BIG DATA & ANALYTICS**

Why it matters?



1.6 x Sales Growth
2x EBITDA growth
2.5x higher share prices\*



2.2x more likely to agree: "Usage of analytics is a competitive advantage in the market"\*



84% more likely to embed analytics in business process to optimize them\*

#### **BIG DATA & ANALYTICS FOR INSURERS**

Insurers are big users

## >85% Insurers

Big Analytics a competitive advantage

Access & analysis of various data sources essential for Predictive Analytics

Digitisation creates new risk parameters for new forms of risk assessment

Big Data analytics in actuarial and underwriting departments







#### **BIG DATA & ANALYTICS**

Are you ready?



#### **Executives** Barriers to Analytics

#### Lack of understanding and trust

Overreliance on what they know

Lack of strategic vision of analytics' uses

#### Lost in translation

## **Early Claim Indicators**

Creeping cats
Fast Path Claims

0 0 0 Trends Word trends Top x, y, z

#### VISUALISING THE DECISION









Hyatt

#### **BIG DATA & ANALYTICS**

Path to success

"More data doesn't always mean better business results. Many predictive analytics applications turn out not to need all of the data."

Michael Berry TripAdvisor



#### The Disruptors

Technology and other business model challenges



#### The Consequences



## ARTIFICIAL INTELLIGENCE

## A LOOK EVEN FURTHER AHEAD

#### **SLIDO QUESTION 3**

#### Is Risk Management an Art or a Science?

- 1. Art?
- 2. Science?

#### AI - Artificial Intelligence

Friend or Foe



When Will AI Exceed Human Performance? Evidence from AI Experts, Cornell University Library, 30 May 2017

#### AI – what about for Insurance & Risk Management

Few use it or appreciate the risks of adoption or non-adoption



Are Risk Managers Ready for Artificial Intelligence?, Haydn Shaughnessy, 28 Feb 2017

#### A CLOSING THOUGHT



#### ANY QUESTIONS?

