

Part 3: The Key to Successful Insurtech Partnerships

VIDEO TRANSCRIPTION

I think one of the most important things for Insurance companies working with insurtechs is to really think through the business model, what problem are we trying to solve by adoption of partnership or the new technology, the second thing is entering that relationship with eyes wide open transparency. How would my business need to change to truly take advantage of that partnership?

The third thing is, can the insurtech company be supported to effectively scale, you know some of them tend to be a little bit smaller in nature so they do need that support and scaling factor.

The key to an effective partnership is agreeing on the outcome you are looking to achieve by adopting a relationship within insurtech, what is the business problem we are looking to solve by taking this new technology into my operation or changing my processes.

When we compare it to banking, the banking concept is very different, they are a bit more mature in their digital capabilities and their main business problem is about managing accounts and transaction processing. Within insurance there is a broader value chain of activities from distribution, through pricing, through servicing and then how do I define risk so there is a broader application where insurtech can have a bigger impact within insurance.

I think one of the things that I saw was the closeness that insurance carriers want to work with insurtech. In the past it was a bit arms-length, looked at as a bit of a science experiment of sorts, maybe a proof of concept here and there but now it has become a central part of strategy. Can I invest for capability, can I create something new and different, can I get after the market place in a very innovative way that is only available by taking this technology in.

My name is Michael Costonis, the Global Insurance Lead for Accenture.