B. Griggs at McKinsey & Company note that these new opportunities in a rapidly evolving transportation industry, “are transforming the insurance business—from picking a policy to processing submissions—simpler, faster, and more cost-efficient.”

Emerging technology and real-time analytics are powering rapid innovation and changing the landscape of the global insurance market.

**SO MUCH FOR THE STATUS QUO**

In the insurance business, nearly one in 10 carriers now agree that technology is advancing at an exponential rate and that they must innovate at an increasingly rapid pace to maintain a competitive edge, according to global professional services company Accenture. As a result, providers are turning to data-driven insights, analytics, and other high-tech tools to drive growth and better decision-making. Not only can these tools greatly reduce risk, they can also improve shopper satisfaction and send profits soaring while shaving up to 30% off incoming claims costs. The experts at McKinsey & Company note that these solutions will also have a seismic impact on all aspects of the insurance industry going forward, from distribution to underwriting, pricing, and more.

“The industry is heading toward dramatic change,” explains Gary Halgren, president of pioneering mobility data and analytics provider Arity. “As the transportation system changes, telematics is leading the transition to smarter and safer choices for getting from point A to point B. Arity creates insights from our billions of miles of driving data and correlated claims data. We work with businesses across transportation, from insurers and OEMs to ride share, car share, and the gig economy, to help answer big, thorny questions like: Why are there more crashes happening at this intersection?” and “How do I recruit drivers that are best for my program?” and “How can I more accurately predict a driver’s risk?”

Unsurprisingly, providers in every field—including property and casualty, health, life, and auto insurance—are investing in cutting-edge upgrades. With emerging technologies and digital-native customers reshaping every aspect of the insurance industry, it’s no wonder that more than 600 “insurtech” companies have raised more than $8.5 billion since 2014, with associated windsurfing having doubled from 2017 to 2018, according to a FinTech Global report.

“Top carriers are already embracing technology innovation in how they engage with their customers,” says Halgren, “but it’s more than just being connected with customers; it’s having the ability to accurately identify, quantify, and ultimately decrease risky driving. That’s how Arity is giving insurers a leg up.”

Transportation is its current state is greatly inefficient. Today, more than 240 million vehicles are used just 4% of the time in the U.S., with 20% to 40% of cities’ real estate devoted to parking, and 8 billion hours of citizens’ lives spent waiting in traffic. While the future of transportation is widely unknown, creating unique connection points and access to data allows businesses to adapt how they successfully service their customers today and in the future. Thanks to insights from providers like Arity, carriers may soon provide customers ultra-customized trip insurance plans on an as-needed, real-time basis. And should an accident occur, connected vehicles will be able to assess damage automatically, and policyholders will be able to submit claims and start inspection processes just by sending pictures from their smartphones.

Similar solutions are poised to revolutionize the process of obtaining and using insurance policies in other fields, as well. For example, when customers are researching health or life insurance providers, artificially intelligent systems will soon recognize personal histories, behaviors, and potential risk profiles, and quickly customize and price offers in minutes. Likewise, underwriting for property and casualty insurance products will become increasingly digitally automated, drawing upon multiple data sources to provide optimal solutions in seconds. Self-aware computers so intelligent that they could pass for humans will help users submit and process claims in coming years, and connected devices with built-in sensors will assess the extent of damage or associated losses. In short, a host of high-tech enhancements are working to make every aspect of the insurance business—from picking a policy to processing submissions—simpler, faster, and more cost-efficient.

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**APPROACHING INSURANCE WITH INTELLIGENCE**

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**ENGINEERING THE FUTURE**