



**BrokerTech**  
Ventures

## **FUTURE OF INSURTECH BRIEF**

Our BrokerTech Ventures (BTV) team had the opportunity to ask four industry experts some thoughts on insurtech and how it's not only expanding the role of the broker, but how it's changing the insurance industry for the long game. Their responses offer insightful information as we look to the future of insurance coupled with the advances in technology with the sole focus on the client.



Thank you for taking the step to download our "Future of Insurtech Brief," brought to you by BrokerTech Ventures (BTV). We're excited to have you here and hope you are enlightened with the thought leadership contained, as we all look to drive our insurance and technology industries forward.

Prior to the actual brief, I'd like to give you a little background on who we are. In the simplest of terms, BTV is the first broker-led convening initiative focused on delivering innovation to the insurance broker and holistic industry. Our goal is to provide a venue for the best minds in insurance and technology to collaborate and bring to market leading-edge ideas and solutions.

On top of this, we also invest in the research and testing for chosen startups, provide access to veteran industry mentors, and help scale the technology with access to capital and to customers through broker and insurance company distribution channels. We built BTV not for ourselves, but for the industry, to propel meaningful change with the long game in mind.

We created this brief in collaboration with Kevin Stipe, president of Reagan Consulting; Susan W. Rushford, senior vice president of marketing and communications for The Council of Insurance Agents and Brokers (CIAB); Sandy Laycox, editor in chief of *Leader's Edge* magazine, The CIAB's award-winning magazine and content platform; and Jay Weintraub, founder and CEO of InsureTech Connect (ITC).

Cheers!

A handwritten signature in black ink that reads "Daniel T. Keough". The signature is fluid and cursive, with the first letters of each word being capitalized and prominent.



Daniel T. Keough  
BrokerTech Ventures Co-Founder/Co-CEO  
Holmes Murphy Chairman and CEO

# HOW DO YOU BELIEVE INSURTECH FITS INTO THE BROKER SIDE OF THE INSURANCE EQUATION?

**Kevin Stipe, president of Reagan Consulting** — We see two key areas where insurtech will significantly impact the broker side of insurance.

**1. Data** — The increase in computing power, coupled with the universal connectivity offered by the internet, has led to a tsunami of data. The ability to source it, store it, and analyze it offers the ability to make more informed decisions and develop more effective solutions than ever before. Collaborative data networks will become available and will eventually commoditize most data. When this happens, we will see information power shift away from the large-centralized players (i.e. global brokers, carriers, and reinsurance carriers) in the direction of a broader number of participating brokers, risk bearers, and customers. As data becomes commoditized, brokers will differentiate themselves based on how they deploy that data. The winners will be those who can provide creative, customized analysis, insightfully applied to enable customers to effectively manage risk.

**2. Productivity** — Brokers who effectively use technology will win market share based on a better client experience that is simpler, more efficient, and less painful, along with a better employee experience in which employees at all levels are empowered to focus their time and energy on richer, more thoughtful client-facing tasks. Can technology improve the employee experience so much that it becomes a key differentiator in recruiting and retaining top talent? We see certain industry players making big bets here.

**Sandy Laycox, editor in chief of Leader's Edge** — Brokers can utilize technology to improve their own internal systems, eliminating redundancies that waste time and leave room for error. They can also create efficiencies for clients. Clients' expectations today are accelerated (digital-centric) — not only do they want immediate access to information, data, and pricing, they also want to have access to this information when they want it vs. having to always lean on that personal interaction. As risk consultants, brokers can use technology to discern greater insights about their clients and their clients' risk, thus providing exponential value in their role. Insurtech platforms that serve the brokerage community can bolster the broker-client relationship by giving the broker access to more intelligence, robust data, and faster and more efficient service that allows the broker to better serve its clients.

## WHAT DO YOU BELIEVE IS THE GREATEST VALUE THAT CAN BE DELIVERED TO CLIENTS THROUGH INSURTECH?

**Stipe** — Smaller clients with simple insurance needs will benefit from the ability to quickly and efficiently obtain cost-effective coverage on a mass-customized basis. Disintermediation will favor these firms and continue to expand its reach, continuing to penetrate the market of small and specialized clients and gradually expanding toward the mid-size segment. Larger, complex clients will benefit from insurtech's enhanced data availability and access. They will now increasingly be able to control their own destiny and bear the fruit of their own risk management efforts. They will no longer be forced to subsidize poorly managed risks that have traditionally been actuarially pooled with them.

**Jay Weintraub, founder and CEO of InsureTech Connect** — It may sound cliché, but the promise of insurtech is making sure clients can have their risk covered quickly, efficiently, and with the right partner. Insurtech has and will continue to help clients feel brokers are their allies by giving brokers additional tools to be the experts on their clients' needs and have greater solutions available to them.

## WHEN IT COMES TO INSURTECH INVESTMENTS, WHAT ARE YOU SEEING?

**Susan W. Rushford, senior vice president of marketing and communications for The Council of Insurance Agents and Brokers** — We are seeing digital platforms for brokers to use to service clients, get quotes, policy, binding, etc. We're also seeing digital distributors for personal lines, niche products like pet, small and midsize business predictive analytics/artificial intelligence in underwriting, digitization of claims processing, and the rise of cyber managing general agents (MGAs).

**Weintraub** — With respect to insurtech investments, it is hard not to point out the immense amount of money that has gone into startups, including a record number of rounds greater than \$100 million. It is easy to call it a bubble. But, as Adrian Jones of Hudson Structured Capital Management points out, to focus on the bubble is to ignore the boom. In other words, the increase in funding and increase in adoption is a signal of a very real trend that will continue even if private capital has gotten too far out in front.

## IN THE NEXT 10 YEARS, WHERE DO YOU BELIEVE INSURTECH IS HEADED?

**Stipe** — For the past several years, “insurtech” was a headline-grabbing term that was assumed to be synonymous with “disruption.” However, in most segments of commercial insurance distribution, which tend to be highly complex and relational, insurtech has mostly been a value-adding enabler rather than a disruptor. We expect this to continue, with the benefits of technology accelerating as the insurance industry (and the U.S. economy) goes through a generational transition and gets younger.

**Rushford** — We believe insurtech will help brokerages fully move away from paper-based processes to full digitization. Increasing complicated risk will likely propel more innovation in the product space using tech-based tools for monitoring risk.

**Weintraub** — Seth Rachlin of Capgemini said recently, “Insurtech is insurance.” In 10 years’ time, the world will simply be insurance. Instead of insurtech being a movement or a call to action, it will be a given.

## IF YOU COULD SHARE WITH THE INDUSTRY ONE PROLIFIC THOUGHT, WHAT MIGHT THAT BE?

**Stipe** — We can debate the degree to which insurtech is truly a disruptive force. Thus far, insurtech’s ability to disrupt the insurance industry has been consistently over-predicted. Nevertheless, change is coming to the insurance industry and insurtech will likely be the greatest accelerator of change in a generation. Change inevitably results in “winners and losers,” but in our experience, the most common “winners” in a changing landscape are an industry’s already high performers. These firms possess a handful of basic success elements — a client-first mentality, management that is closely attuned to industry trends, and a re-investment mentality in the business that demonstrates a long-term commitment to success. We believe the firms that possess these characteristics will be the primary beneficiaries of whatever “disruption” insurtech brings.

## ABOUT THE CONTRIBUTORS:



**Kevin Stipe** is president of Reagan Consulting, an Atlanta-based consulting firm focused on insurance distribution. Reagan is where America's leading agents, brokers, and financial institutions turn to for strategic advice. Stipe offers clients expertise in financial consulting in mergers & acquisitions, agency valuation, value enhancement strategies, ownership perpetuation planning, strategic planning, and executive compensation benchmarking and design. He holds an Economics degree from Auburn University.



**Susan W. Rushford** is senior vice president of marketing and communications for The Council. She's been in the advertising and marketing industry on both the agency and client side for more than 25 years. Rushford holds a dual bachelor's degree in broadcast journalism and political science from the S.I. Newhouse School of Public Communications and The Maxwell School of Citizenship and Public Affairs at Syracuse University.



**Jay Weintraub** is the founder and CEO of InsureTech Connect (ITC), the world's largest event series and community of insurance industry executives, entrepreneurs, and investors. He is also the CEO of Connectiv, which owns and operates events in real estate tech, logistics tech, and future of work. Weintraub has been an advisor and investor to more than 50 companies, and he is a graduate of the University of Pennsylvania.



**Sandy Laycox** is editor in chief of *Leader's Edge*, The Council's award-winning magazine and content platform. Before joining The Council, Sandy served as senior writer/editor for *America's Essential Hospitals*, where she co-launched a digital magazine and wrote a history of the association. Laycox earned a bachelor of arts degree in history and philosophy from the University of North Carolina at Chapel Hill and a master of fine arts degree in creative nonfiction writing from the University of New Orleans.

