

## Ecosystems Beyond Insurance: An Interview with Roger Peverelli from Digital Insurance Agenda

The evolution of technology has created an uncertain future for insurers and contributed to the ever-changing needs of insurance customers. It has also created ecosystems beyond insurance which allow insurers to tap into these customer needs to develop services which address their requirements.

With over 20 years experience in strategy and digital innovation as well as advisory positions at insurance start-ups and fintech companies, Roger Peverelli is well placed to [discuss these ecosystems and the impacts they are likely to have on the future of insurance](#).

Alongside Reggy de Feniks, Roger has built [Digital Insurance Agenda \(DIA\)](#), to accelerate innovation by connecting insurers with insurtech leaders through their leading conferences which take place across the world.

We recently spoke to Roger to get his take on the future of insurance and why he thinks ecosystems beyond insurance are the overarching trend for years to come.

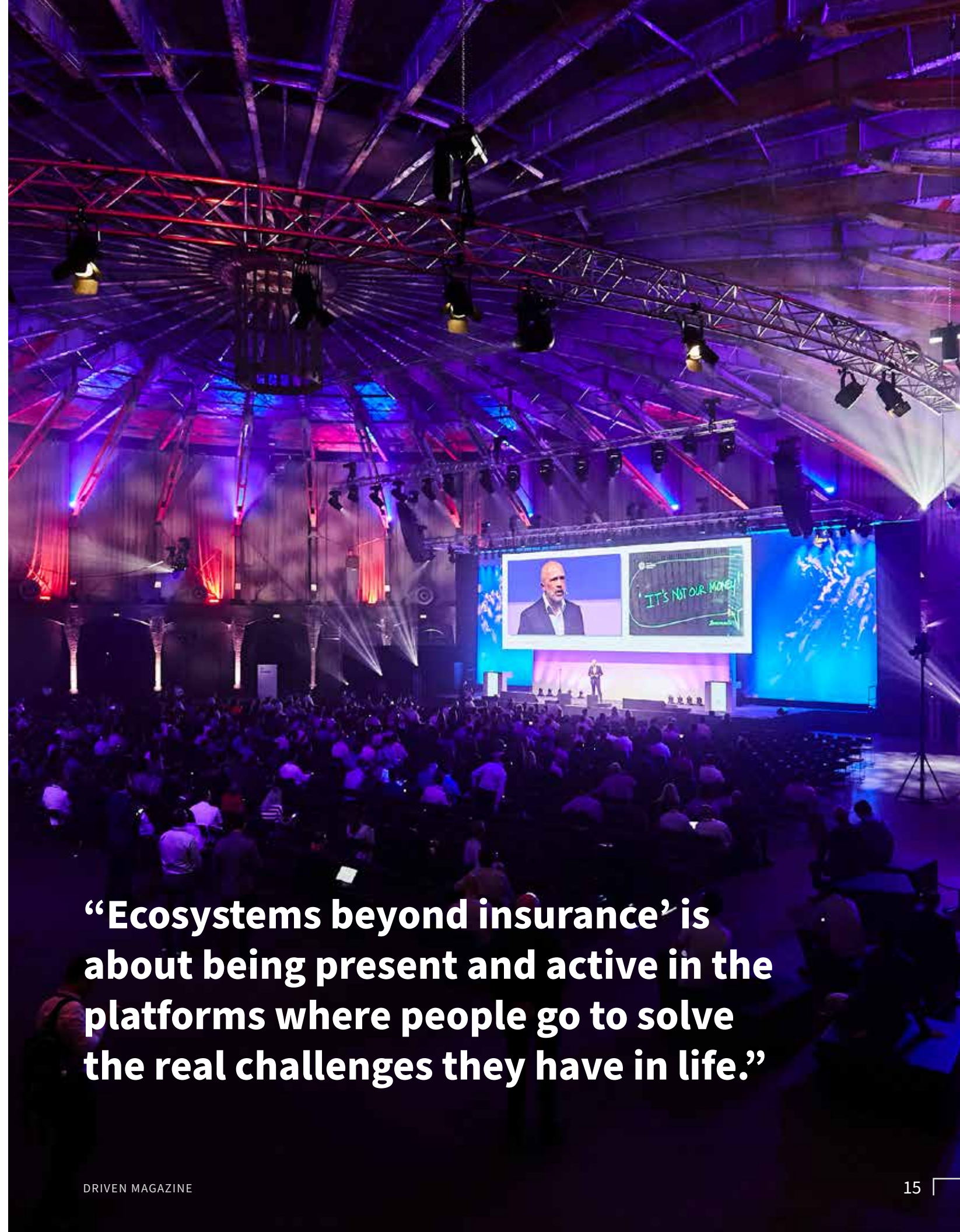


Roger Peverelli

**Why do you believe that ‘ecosystems beyond insurance’ is the overarching trend for years to come?**

**Roger Peverelli:** “When people wake up in the morning, their first thought is not usually their car insurance. They think about how to get to work, how to drop off their kids at school... the real customer need is mobility. More and more insurers are realising that the most effective way to reach customers is to be part of relevant platforms and ecosystems.

‘Ecosystems beyond insurance’ is about being present and active in the platforms where people go to solve the real challenges they have in life. Not only platforms around home, mobility, work and health but also, around important life events such as study, marriage, divorce and retirement - moments that include making important financial and risk decisions.”



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### Why is thinking about mobility in the wider sense so important for motor insurers?

**RP:** “The Future of Motor Insurance is set by the Future of Mobility. Solving the real needs behind the insurance need usually requires more than insurance. Ecosystem thinking is about ‘services beyond covers’. New value-added services increase the relevancy of a brand to customers - opening up new revenue streams and business models.”

### What do you see as most important for insurers to focus on: customer engagement, understanding driver behaviour or preparing for new technologies?

**RP:** “There is no choice - they need to prepare for an era with autonomous vehicles however it will probably take a few years before the majority of cars on the road are self-driving. Insurers will need

to continue improving and innovating their offering to their customers – with many new and relevant services. There is ample research which shows that safety features and services are increasingly important to drivers and car owners.”

### How do we ensure that insurers take other industries, e.g. telematics providers, into account and work with them to provide the best solutions for customers?

**RP:** “Although more and more insurers are convinced that ‘ecosystems beyond insurance’ is the overarching trend for years to come, many of them are still figuring out the right strategy to tap into this trend. They also need to become aware that if you want to be a relevant partner in an ecosystem, you need to work with other organisations that are already playing a role there, such as the many new and innovative tech companies including telematics providers, who can play a pivotal role in creating new value-added services.”



### What's the state of play of insurers embracing insurtechs in their ecosystems?

**RP:** “When we meet with insurance executives to discuss ‘the state of innovation’, quite a few say they worry. They are all on the same page with regards to how important insurtechs are for accelerating digital transformation and innovation but they are humble when we discuss the scale on which these new solutions are being used inside their organisation but also with regards to visibility in the market. In spite of all the investment, pilots and proof of concepts with insurtechs; they say the impact on the top line and bottom line is still limited, this is an issue that we really need to tackle.”

### Who are some of the other contributors to this new ecosystem?

**RP:** “All players across mobility - from those part of the traditional insurance value chain e.g. body shops and claims data providers who are creating new services, to the more obvious organisations which includes car manufacturers, car tech providers and mobility solutions providers e.g. ride sharing services and public transportation.”

### In your original article, you talk about the third wave of insurtech - can you map insurtech's history and where you think it could be going?

**RP:** “Since the first edition of DIA, three years ago, we've seen how the essence of ‘insurtech’ has evolved. The 300 insurtechs we've had on stage so far, and the 2,500 we have in our database, give us a pretty good picture of what has changed but also how things will develop in the coming years.”





Looking back and ahead, we distinguish four waves of insurtech with each wave driving the future of insurance in a new direction:

- **The First Wave:** The ‘Challengers’ - In 2016, ‘insurtech’ mostly meant new entrants who were out there to attack the established order
- **The Second Wave:** The ‘Enablers’ - The challengers created a sense of urgency which fueled this second wave. Among the 2,500 young tech companies in our database, ~80% are enablers - they focus on assisting established carriers to improve or renew specific parts of the value chain or help them to create new ones
- **The Third Wave:** The ‘Ecosystem Partners’ - These do not necessarily need to have their roots in insurance. When sector boundaries blur, it becomes totally irrelevant if a tech company is a ‘genuine insurtech’ as every company that improves the value proposition is interesting to partner with

We believe there is already a Fourth Wave on its way. New technologies are critical to reposition the industry as more customer-centric but they also offer carriers the opportunity to increase their social and economic impact and reboot themselves as a force for good. We see more and more insurtechs applying new technologies for significant social and economic impact such as improving safe driving.”

**The opportunity offered by insurtechs and being adopted by insurers, pre-supposes that customers want a relationship with their insurer. Do you sense a change in these relationships due to digital technology?**

**RP:** “Ample research shows many consumers are not at all interested in a relationship with their insurer. The benefits of such relationships are not clear and the truth is many financial institutions have not even started thinking about it themselves or what kind of relationship they strive for.

In our latest book, ‘Reinventing Customer Engagement’ we’ve revealed five key ingredients for the relationship between companies and customers:

1. **Value for both** - The relationship should be mutually beneficial. It is only effective if it anticipates the true needs of customers whilst simultaneously creating value for the business
2. **Information exchange** - Value can only be created if both parties are willing to share information and knowledge. The more knowledge shared, the more value a company is able to create for its customers and the more meaningful the relationship can become
3. **Influence and alignment** - The insurer really has to listen to its customers and it is even more important to act on what it hears and learns

4. **Continuous dialogue** - An open two-way conversation is indispensable. This should not only be focused on specific customer feedback but also, on getting to know more about customers
5. **Trust and respect** - Willingness to have a continuous dialogue and exchange information and knowledge will only arise where there is mutual trust and respect

Nurturing these five ingredients is a continuous process. It is about closing the gap between insurer and customer, moving from transaction to interaction, from one-way communication to dialogue and turning this information into actions. We also see new digital technologies allowing insurers to significantly improve on all five ingredients, if applied correctly.”

**Who might own the customer relationship in an era of connected vehicles and changing mobility?**

**RP:** “The question should be ‘what role should insurers play in an ecosystem?’ When we ask the opinions of insurance executives on this, they vary from ‘being in control’ to ‘just being one of the nodes’. It’s hard to come up with an answer that applies to all insurers but some, such as Allianz with Abracar and Baloise with Mobly, are definitely taking fate into their own hands.”

Find out more about DIA and Roger’s work on the [DIA website](#) or follow them on Twitter - @TheDIACommunity