

The background of the slide is a dark blue gradient. It features faint, semi-transparent financial charts and data. In the upper left, there's a line graph with a dashed trend line and some numerical values like '250', '(+7.2)', and '12,256'. Below this, there's a bar chart. In the lower half, there are more line graphs. The overall theme is financial markets.

PROPERTY & CASUALTY & INSURANCE MARKET NEWS

Feb. 1 – Feb. 14, 2020

P&C – Selected Stories

The insurance impacts of the 2019 Novel Coronavirus

The outbreak of the 2019 Novel Coronavirus in Wuhan City, Hubei Province of China, has prompted questions of how insurance policies might respond to claims stemming from business losses. From international travel and manufacturing to local mom and pop shops, these interruptions can devastate businesses leaving many with great financial losses. Crawford's Forensic Accounting Services has developed a white paper to assist companies as they navigate these complex claims.

<https://www.crawco.com/resources/the-insurance-impacts-of-the-2019-novel-coronavirus>

Insured losses from storm Ciara could near \$2 billion, RMS estimates

Total insured property losses from storm Ciara, which was named Sabine in Germany, could be between 1.1 billion and 1.8 billion euros (\$1.2 billion-\$1.95 billion), catastrophe risk modeling firm RMS estimated on Friday. Ciara lashed Britain with heavy rain and winds of more than 90 miles an hour (145 km/hour) forcing the cancellations of flights, train services and sports matches. RMS said losses in Germany will account for around 50% of the total. Ciara also affected France, Belgium, Switzerland, Austria, and the Czech Republic between Feb. 8 and Feb. 11.

<https://www.reuters.com/article/us-britain-weather-ciara/insured-losses-from-storm-ciara-could-near-2-billion-rms-estimates-idUSKBN2081UK>

Chinese Insurance Firms Use Blockchain to Process Coronavirus Claims

Insurance firms in China use blockchain to manage coronavirus-related claims amid the outbreak. Chinese online mutual aid platform Xiang Hu Bao added the coronavirus to the illnesses eligible for the maximum one-time payout of around \$14,300 (100,000 yuan). Xiang Hu Bao is not an insurance policy, but a blockchain-based collective claim-sharing platform that counts 104 million users. Per the report, blockchain technology is employed by the system to prevent fraud and allow for faster claim processing. "Xiang Hu Bao has been able to process claims and make payouts to participants quicker, due to the decentralised, trust-free nature of blockchain technology. Claim applicants can submit their supporting documents as evidence while investigation firms can get immediate access to them on the blockchain. All parties involved can see the entire process."

<https://cointelegraph.com/news/chinese-insurance-firms-use-blockchain-to-process-coronavirus-claims>

Allstate Beats Q4 Earnings Estimates

Allstate came out with quarterly earnings of \$3.13 per share, beating the Zacks Consensus Estimate of \$3.12 per share. This compares to earnings of \$1.24 per share a year ago. A quarter ago, it was expected that this insurer would post earnings of \$2.52 per share when it actually produced earnings of \$2.84, delivering a surprise of 12.70%. Allstate, posted revenues of \$10.77 billion for the quarter ended December 2019, this compares to year-ago revenues of \$10.38 billion. The company has topped consensus revenue estimates three times over the last four quarters.

<https://finance.yahoo.com/news/allstate-beats-q4-earnings-estimates-230511889.html?>

Chubb makes Incident Alert tool available to excess casualty clients

Chubb has announced that its Incident Alert tool is now available for excess casualty clients. The tool has previously been used by Chubb environmental and cyber clients. It assists clients during a catastrophic event by helping to identify qualified response contractors, manage clean-up efforts and mitigate potential liabilities.

<https://www.insurancebusinessmag.com/us/news/catastrophe/chubb-makes-incident-alert-tool-available-to-excess-casualty-clients-213693.aspx>

The resilience triangle: Mitigating global disaster losses

Climate change has risen to the top of the global agenda. There are three different components in the resilience triangle: financial resilience and physical resilience in the bottom two thirds, and institutional resilience sitting on top.

<https://www.insurancebusinessmag.com/us/news/catastrophe/the-resilience-triangle-mitigating-global-disaster-losses-213493.aspx>

P&C – Selected Stories

Ransomware Payments Doubled In Fourth Quarter 2019

The average ransomware payment increased by a whopping 104 percent in the fourth quarter of 2019, spiking to \$84,116 from \$41,198 in Q3, according to a report from Coveware, a security vendor. Ransomware, also known as cyber extortion, involves the use of malicious software designed to block access to a computer system until a sum of money is paid. The 4Q increase reflects the diversity of the cyber criminals attacking companies. Some ransomware variants are focusing on large companies where they can attempt to extort the organizations for seven-figure payouts. Small businesses, on the other hand, are bombarded with ransomware variants with demands as low as \$1,500.

<http://www.iii.org/insuranceindustryblog/ransomware-payments-doubled-in-fourth-quarter-2019/>

Body Shop Owners Rank Carriers on Claims

Auto body shop owners may know better than anybody how well insurance companies take care of their customers. Crash Network's Insurer Report Card suggests that if you're looking for exceptional results, don't look to the nation's largest carriers. None of the nation's top 10 private passenger carriers earned more than a C+ national grade on the Report Card, although some did better in individual states. Among the top ten insurers, Travelers, USAA Group, Nationwide and State Farm received C+ grades. Farmers, Progressive Group, American Family, Geico, Liberty Mutual and Allstate received a C-. On the bottom of the scale, Loya, The General and Direct General received D grades.

<https://www.claimsjournal.com/news/national/2020/02/05/295354.htm>

Buckle now available to Lyft drivers

Buckle Insurance is now available to eligible Lyft drivers in Georgia with other partners expected in the coming months. The company provides rideshare and Transportation Network Company (TNC) drivers with personal and commercial coverage in a single policy. The launch of Buckle Insurance comes after the company successfully completed its pilot with hundreds of drivers across Georgia in 2019. Buckle's web-based, driver-centric user experience enables rideshare drivers to receive quotes in less than five minutes.

<https://coverager.com/buckle-now-available-to-lyft-drivers/>

Allianz celebrates fraud saving success for 2019

Allianz Insurance is celebrating another record year for fraud success in 2019, with a total saving of £65.2 million. This saving represents a £450,000 increase over the previous year and is 8% above Allianz's target. As in 2018, motor continued to be the most common type of fraudulent claim received by Allianz, accounting for 44% of the total. The casualty area closely followed, with 39% of fraudulent claims. This has been a strong space for Allianz and continues to be a focus for the Insurance Fraud Bureau this year, according to the insurer.

<https://www.claimsmag.co.uk/2020/02/allianz-celebrates-fraud-saving-success-for-2019/16152>

'Rivers in the Sky' Causing Billions in Flood Damage in U.S.

Climate change is spurring a new, deep dive into a complex, little-studied weather system blamed for creating billions of dollars in flood damage across the western U.S. A study released in December by Scripps and the Army Corps of Engineers found that atmospheric rivers caused 84% of the flood damage suffered in 11 western states over 40 years through 2017. The average annual cost: \$1.1 billion, according to the report.

<https://www.insurancejournal.com/news/national/2020/02/12/558222.htm>

Insured bushfire losses rise to AU \$1.9bn in latest estimates

Insured losses resulting from the recent outbreak of devastating bushfires in Australia are now likely to be as high as AU \$1.9 billion (US \$1.3 billion), according to the latest estimates from the Insurance Council of Australia (ICA). The updated figure – which represents a 15% increase on the ICA's previous estimate – comes alongside news that all of the bushfires in New South Wales are now considered to be contained.

<https://www.reinsurancene.ws/insured-bushfire-losses-rise-to-au-1-9bn-in-latest-estimates/>

P&C – Selected Stories

Crawford Demonstrates Commitment to Inclusivity with Inception of Office of Diversity

“Workplace diversity has never been more relevant and important than it is today. Diversity is a powerful multiplier of growth and has a positive impact on organizational performance.” Crawford & Company the world’s largest publicly listed independent provider of claims management and outsourcing solutions to insurance brokers, carriers and corporates, announced the establishment of an Office of Diversity to design and implement programs that promote an inclusive culture and focus on achieving the company’s diversity goals.

<https://www.einpresswire.com/article/508869191/crawford-company-demonstrates-commitment-to-inclusivity-with-inception-of-office-of-diversity>

WBD chooses Virtualfiles to support claims handling

Law firm WBD has partnered with claims and risk management solutions provider Virtualfiles to support its claims handling offering. WBD chose Virtualfiles for its claims management IT platform because of its track record, having built and provided insurance claims management systems, both globally and in the London market, for a decade.

<https://www.claimsmag.co.uk/2020/02/wbd-chooses-virtualfiles-to-support-claims-handling/16134>

AIG and P/C Underwriting Post Profit for Q4

American International Group reported fourth quarter 2019 net income of \$922 million compared to a net loss of \$622 million in the prior-year quarter. The results reflected improvement in its closely-watched General Insurance (property/casualty) division where the insurer posted an underwriting income of \$12 million for the quarter, compared with a loss of \$1.07 billion for the same period in 2018.

<https://www.insurancejournal.com/news/national/2020/02/13/558342.htm>

Traditional Ways of Paying for Fires and Floods Aren’t Cutting It

Fires and floods are sending some of the nation’s largest utilities to the bond market to cover huge, unexpected bills. California’s PG&E Corp., which was forced into bankruptcy a year ago after its equipment sparked the deadliest wildfire in state history, is seeking permission from the state to issue as much as \$7 billion in bonds to cover claims. Meanwhile, North Carolina-based Duke Energy Corp. is putting together a bond deal to pay for almost \$1 billion in repairs and other expenses from hurricanes and snowstorms that swept across Florida and the Carolinas. “In the past, storms haven’t been at this magnitude, or this cost.”

<https://www.claimsjournal.com/news/national/2020/02/11/295460.htm>

Zurich beats targets in 2019 results

Zurich Insurance Group is the latest insurer to reveal its 2019 results, and the highlights include a 16% lift in operating profit for the year (to \$5.3 billion from \$4.6 billion in 2018) and net income after tax up 12% to \$4.1 billion – its highest number since 2010. Zurich’s property and casualty gross written premiums and policy fees came to \$34.2 billion, up from \$33.5 billion in 2018, and the business operating profit for P&C increased to \$2.9 billion from \$2.1 billion the previous year due to an improved underwriting performance and higher investment results.

<https://www.insurancebusinessmag.com/us/news/breaking-news/zurich-beats-targets-in-2019-results-213569.aspx>

Flooding and Cyclone Damien add to Australian insurers’ woes

While Cyclone Damien made landfall in western Australia on February 8, on the opposite coast in New South Wales (NSW), an enormous bushfire that had been burning for 74 days has finally been extinguished. Australia will hopefully see a reprieve as recent weather has brought torrential rainfall — heavy rainfall began to affect NSW early last week and will continue through the next week. The downpour is expected to douse out and contain some of the still-burning fires. With the heavy rain however, the nation is at heightened risk for flooding and water damage.

<https://insuranceasianews.com/cyclone-damien-rains-and-floods-hit-australia/>

Insurtech – Selected Stories

Metromile, an Early Usage-Based Auto Insurer, Offering its Technology as a Claims Tool

Now that most major carriers are selling usage-based car insurance, one of the pioneers in that sector is selling its technology to other carriers as a claims management tool. Metromile announced that Tokio Marine Holdings had deployed a first notice of loss product through its \$13 billion personal auto book of business in Japan. The Metromile Report product allows consumers to file claims using their smart phones and provides data to claims adjusters that helps detect fraud and apportion fault. “We realized that the underwriting claims technology we were building for our flagship insurance product was going to be valuable to other insurers too. We can help them reduce loss-adjustment expenses by up to 30 percent.”

<https://www.claimsmag.co.uk/2020/01/copart-uk-launches-damage-notification-app-for-insurers/16076>

Data Driven Business Models to Affect Entire Insurance Value Chain: Swiss Re Report

Insurers increasingly will operate in an environment where they have continuous access to different data sources including from connected objects (such as connected cars, homes or wearables) and platform providers. They also will gain behavioral insights from consumer and environmental data. “This will see the evolution of new-data driven business models taking insurers beyond their existing value chain. The direct relationship with customers will evolve as new touchpoints and channels become normalized, and back-office processes like marketing/sales, underwriting and claims administration are increasingly automated.” At this point, insurers in emerging markets lead the way in optimizing the potential offered by digitalization because the starting point is digital rather than analogue in many of these markets. Successful insurers in the long term will be those that leverage insights from their investments and partnerships in data and analytics, while developing risk protection products aligned with evolving regulations.

<https://www.insurancejournal.com/news/international/2020/02/03/557112.htm?>

Kennedys develops insurer dashboard for MoJ Claims Portal

Kennedys has launched Portal Manager, an easy-to-use dashboard that generates real-time information on the number of claims an insurer has in the Ministry of Justice Claims Portal at any one time. By extracting live information from the Claims Portal, the new tool from Kennedys provides complete visibility on how many claims an insurer has and in-depth and real-time insights on how long each stage is taking, which claims are or are close to falling out, and leakage points. Kennedys said it is the first law firm to integrate with the Claims Portal in this way. Portal Manager also provides live information on claimant firms’ activities, allowing insurers to identify trends, and can also assess the performance of claims handlers.

<https://www.claimsmag.co.uk/2020/02/kennedys-develops-insurer-dashboard-for-moj-claims-portal/16108>

U.S. Permits Startup Nuro to Deploy Up to 5,000 Driverless Delivery Vehicles

In a first-of-its-kind approval by U.S. regulators, a federal agency gave permission for autonomous vehicle startup Nuro Inc. over the next two years to deploy up to 5,000 low-speed electric delivery vehicles without human controls like mirrors and steering wheels. The rollout of the R2 vehicle will take place in Houston, with plans for it to deliver items like pizza and groceries. It is about half the width of a regular car, has no steering wheel or seating positions and boasts gull-wing cargo doors reminiscent of the time-traveling car in the “Back to the Future” films.

<https://www.insurancejournal.com/news/national/2020/02/07/557723.htm>

Understory launches hail insurance for auto dealers in five new states

Auto – Hail Safe simplifies typical insurance complexities for auto dealers. First, a dealer chooses from different tiers of coverage depending on the desired payout and storm severity. Next, Understory will install and maintain a Dot sensor on each policy holder’s dealership to provide precise weather measurements. When hail reaches the conditions agreed upon in the policy, the sensor will activate claims to the insured, without the need for any paperwork or lengthy claims process.

<https://coverager.com/understory-launches-hail-insurance-for-auto-dealers-in-five-new-states/>

Insurtech – Selected Stories

AXA UK deploys machine learning for motor claims

AXA UK claim handlers are piloting a machine-learning tool that will support them in making quicker and more accurate decisions on motor claims. Repair or Replace Intelligence captures relevant data from a phone conversation and, using machine learning, assesses how much it would cost to fix the car and how much it would cost to write it off. This comparative approach differs from the previous one. In that decision matrix, only half of the total losses were identified immediately, at first notice of loss. The other half were identified once the vehicle was already at a garage. This led to delays for customers, which had to be tackled to improve service. It also generated unnecessary storage and credit hire costs. AXA decided to smooth out the motor claims process by providing better support to claims handlers. The focus was on capturing more relevant data but without making calls longer or adding any complexity.

<https://www.claimsmag.co.uk/2020/02/axa-uk-deploys-machine-learning-for-motor-claims/16141>

Sedgwick partners with Concirrus bringing Quest Automotive to UK market

The partnership will allow a first-to-market proposition for predictive analytics in fleet claims, giving fleet managers, risk managers and insurers a clear understanding of driver behaviour and risk. Quest Automotive will help to analyse driver behaviour, alerting clients to risk factors such as speeding, fast cornering, tailgating, and other dangerous driving behaviours. Fleet managers will be provided with instant information on driver performance, identifying trends in driver behaviours and helping them work to prevent motor incidents before they occur. Sedgwick will offer automated First Notification of Loss (FNOL) on fleet vehicles. This will be done through existing telematics or cameras in vehicles, which will reduce the time an accident is reported and cutting down claim costs.

<https://www.verdict.co.uk/life-insurance-international/news/sedgwick-concirrus-quest-automotive-uk/>

Lemonade is getting into pet insurance

Lemonade has announced its plans to expand into pet insurance. This marks the startup's foray into a new insurance vertical. To be clear, Lemonade is simply announcing its plans. Right now, the company is going through the regulatory process, which will make its intentions a matter of public record. The actual pet insurance product won't be available until the regulatory process is completed, which could take "months." Meanwhile, 70% of Lemonade customers who have purchased a homeowners or renters policy are also pet owners. Around 90% of Lemonade customers are purchasing an insurance policy for the first time.

<https://techcrunch.com/2020/02/04/lemonade-is-getting-into-pet-insurance/>

DAC Beachcroft launches digital animation solution to demystify the claims process

Law firm DAC Beachcroft has launched two new products, developed in its claims research and development hub, to guide and support clients and their customers through the insurance claims journey. Following feedback from insurers and their customers, the law firm has created a customer care package comprising a series of short animations that explain the key stages that a litigated insurance claim may pass through from start to finish, what insurers' customers can expect at each stage, and what action they might be required to take.

<https://www.claimsmag.co.uk/2020/02/dac-beachcroft-launches-digital-animation-solution-to-demystify-the-claims-process/16163>

The new claims organization

Insurance carriers have long had to make a trade-off in managing their claims organization. A carrier could traditionally focus on delivering a great customer experience or concentrate on achieving operational efficiency, yet one would always come at the expense of the other. But changing customer expectations, shifting market realities and new technologies are driving new standards and an evolution in claims organizations and enabling insurers to avoid that trade-off. Today's insurers are increasingly in a position to embrace "purpose-driven claims": an approach to claims that delivers both an exceptional customer experience and the operational efficiency needed to manage costs/losses.

<https://home.kpmg/xx/en/home/insights/2020/01/the-new-claims-organization-customer-experience-and-operational-efficiency-together.html>

Acquisitions – P&C and more

The Hartford's 2019 Acquisition of Navigators Pays Off

The Hartford closed out 2019 with gains in net income and net investment income, buttressed in part by its \$2.1 billion acquisition of specialty insurer Navigators Group last May. Net income hit \$543 million, or \$1.49 per diluted share, during Q4 2019, up 186 percent over the 2018 fourth quarter. Similarly, 2019 full-year net income hit the \$2 billion mark, or \$5.66 per diluted share, a 15 percent rise over 2018. The Hartford said its fourth-quarter P/C net income grew so much versus a 2018 fourth quarter underwriting loss, thanks largely to its Navigators Group acquisition, which gave it a boost in underwriting and net investment income.

<https://www.insurancejournal.com/news/national/2020/02/05/557443.htm>

Aon buys Canadian cybersecurity firm

Aon has acquired Canada-based cybersecurity firm Cytelligence Inc., adding incident response and digital forensics services to its cyber portfolio. Founded in June 2016, Cytelligence has offices in Toronto, Ottawa, New York, San Francisco and Miami, and has expertise in cyber incident response, ransomware mitigation and cyber security training for employees.

<https://www.businessinsurance.com/article/20200204/NEWS06/912332891/Aon-buys-Canadian-cybersecurity-firm-Cytelligence>

Global Insurance Industry M&A Total Reached \$12.92B in December

Total insurance industry merger and acquisition (M&A) deals in December 2019 worth \$12.92 billion were announced globally, according to GlobalData's deals database. The value marked an increase of 470.5% over the previous month and a rise of 336.3% when compared with the last 12-month average, which stood at \$2.96 billion. Comparing deals value in different regions of the globe, North America held the top position, with total announced deals in the period worth \$8.27 billion. At the country level, the U.S. topped the list in terms of deal value at \$8.27 billion.

<https://www.insurancejournal.com/news/international/2020/02/05/557459.htm>