

PROPERTY & CASUALTY & INSURANCE MARKET NEWS

Dec. 2 – Dec. 13, 2019

P&C – Selected Stories

Crawford & Company appoints VP of US catastrophe operations

Independent claims management provider Crawford & Company has named Maureen Westling as vice-president of US catastrophe services operations – a newly created role. Westling will be in charge of strategic and tactical direction, as well as the operations and financial performance of US catastrophe services, a release said. She will focus on building relationships with both new and existing CAT clients, and will help deliver the company’s solutions to the market. Last month, Crawford & Company announced a new partnership with Frontline Insurance, to serve as the latter’s exclusive provider for catastrophe claims.

<https://www.insurancebusinessmag.com/us/news/catastrophe/crawford-and-company-appoints-vp-of-us-catastrophe-operations-193685.aspx>

A.M. Best Sees Personal Insurance Business Outlook Remaining Stable for 2020

A.M. Best has maintained a market segment outlook of stable on the U.S. personal lines industry for 2020, citing a significant decline in catastrophe activity, profitable underwriting performance in the private passenger auto segment and the sector’s overall strong risk-adjusted capitalization levels. A new Best’s Market Segment Report, titled, “Market Segment Outlook: U.S. Personal Lines,” states that following record-breaking catastrophe activity in 2017 and above-average storm losses in 2018, the personal lines industry had a breather in 2019 despite threats from numerous storms. Notably, the decline in catastrophe activity has benefited the homeowners segment. The increased focus on data analytics, pricing segmentation, exposure management and ongoing leveraging of technology and innovation will better position companies to face market pressures and changing customer demand.

<https://www.insurancejournal.com/news/national/2019/12/09/550749.htm>

AXA XL secures deal with Microsoft

Specialty risk insurer AXA XL is partnering with Slice Labs and Microsoft in a new initiative aimed at helping protect users of Microsoft’s digital tools. “Slice Labs and AXA XL share our vision to improve cyber health so that businesses can confidently achieve their goals without the fears of being paralysed by cyber criminals.”

<https://www.insurancebusinessmag.com/uk/news/cyber/axa-xl-secures-deal-with-microsoft-194660.aspx>

7 top data security threats for 2020 and what to do about them

In this year’s Cyber Security Predictions, the WatchGuard Threat Lab has imagined the top cyber attacks expected for 2020 and has also provided tips for simplifying your approach to stopping them. 1) Ransomware targets the cloud 2) GDPR comes to the United States 3) Voter registration systems targeted during the 2020 elections 4) During 2020, 25 percent of all breaches will happen outside the perimeter 5) The cyber security skills gap widens 6) Multi-factor authentication becomes standard for mid-size organizations 7) Attackers will find new vulnerabilities in the 5G/Wi-Fi handover

<https://www.dig-in.com/opinion/7-top-data-security-threats-for-2020-and-what-to-do-about-them?>

AqualisBraemar to bolster international adjusting business

AqualisBraemar will launch an international recruitment drive to expand its adjustment business, centring on the oil, gas, power and marine sectors. According to a statement by the London-headquartered adjusting and consultancy firm, it is looking to fill several positions in London and Singapore, as well as expand its current teams in the US, Mexico, and United Arab Emirates. The total number of hires will depend on the level of qualified personnel available. AqualisBraemar’s adjusting service specializes in the investigation and resolution of insurance claims and commercial disputes within the energy (offshore and onshore), power, and marine industries. Key services include loss adjusting, expert witness, dispute resolution, and risk assessment.

<https://www.insurancebusinessmag.com/us/news/breaking-news/aqualisbraemar-to-bolster-international-adjusting-business-193915.aspx>

P&C – Selected Stories

Lloyd's launches ground-breaking space insurance policy

Lloyd's of London is going into orbit with its latest insurance launch, announcing that it will be releasing a space insurance policy with the aim of entering a growing industry that could help send its profits to the moon. The policy will be available through Lloyd's Under the Lift Space initiative, with policies worth \$25 million (£19 million) offered by 18 insurance syndicates operating out of the London insurance market. Lloyd's predicts that the global space industry's value will grow threefold by 2040, from \$300 billion today to \$1 trillion, considering the number of private space companies that are entering the sector, such as SpaceX.

<https://www.insurancebusinessmag.com/us/news/breaking-news/lloyds-launches-groundbreaking-space-insurance-policy-193870.aspx>

Venice Floods, Australia Bushfires, India Cyclone Top November Catastrophes

Flooding and inland storms led to multi-billion-dollar economic loss in western and southern Europe during November, according to insurance broker Aon's latest edition of its monthly Global Catastrophe Recap report. Total aggregated economic losses, including the effects of tidal flooding in Venice, were tentatively estimated at EUR1.7 billion (USD1.9 billion), with insurers in Austria alone citing losses reaching well into the tens of millions EUR. Further flooding events in France, Italy and England during November resulted in combined economic losses expected to exceed USD1.0 billion. Meanwhile, the Insurance Council of Australia declared two catastrophes due to bushfires and hail. As of November 22, at least 1,525 claims had been filed due to the fires, with insured losses listed at AUD165 million (USD112 million). Nearly 16,000 claims were reported due to the hailstorm in Queensland, with losses estimates at AUD120 million (USD82 million). The overall economic cost was even higher. Cyclone Matmo – also locally named "Bulbul" – made landfall near the India and Bangladesh border on November 9. Total economic losses were preliminarily estimated at upwards of INR238 billion (USD3.3 billion).

<https://www.insurancejournal.com/news/international/2019/12/11/550898.htm?>

Philips Dictation Supports World's Largest Independent Provider of Claims Management

After a successful pilot, Crawford & Company decided to implement Philips SpeechLive, which includes smartphone dictation, for all claims adjusters in the field. The innovative and flexible subscription-based cloud dictation solution seamlessly integrates with the user-friendly Philips voice recorder app and works in any web browser. This enables adjusters to record, edit and immediately send dictated reports from their smartphone without carrying an additional handheld recorder, reducing turnaround times for transcription and document generation.

<https://www.businesswire.com/news/home/20191205005530/en/Philips-Dictation-Supports-World%E2%80%99s-Largest-Independent-Provider>

Hiscox may lose FTSE 100 status

The Bermuda-headquartered insurance group faces the prospect of getting the boot. Global index provider FTSE Russell has listed Hiscox under "indicative FTSE 100 deletions" – in this case, just deletion as no other firm has been identified as at risk of being downgraded to FTSE 250.

<https://www.insurancebusinessmag.com/us/news/breaking-news/hiscox-may-lose-ftse-100-status-193628.aspx>

Veriphy welcomes growth in legal sector revenue

Veriphy, a Davies company & the leading compliance solutions supplier, has welcomed research by TheCityUK which reveals a 6% YOY growth in revenue for the UK legal sector, with the figure standing at £35.5 billion per annum.

<https://davies-group.com/2019/12/09/veriphy-welcomes-growth-in-legal-sector-revenue/>

Zurich UK launches 'industry-first' data academy

Those joining the academy will come from across different areas of the UK business, spanning underwriting, claims, IT, and HR. The goal is to equip them with 'skills for the future' as part of Zurich's commitment to being data-confident.

<https://www.insurancebusinessmag.com/uk/news/cyber/zurich-uk-launches-industryfirst-data-academy-194103.aspx>

P&C – Selected Stories

Insurer Estimates \$2.5 Trillion Price Tag for 10-Year Fight Against Climate Change

Fighting climate change will cost companies worldwide nearly \$2.5 trillion over the next 10 years, according to an estimate by Allianz SE. Allianz argued that most companies are “insufficiently prepared” for the regulatory wave coming toward them, and urged them to assess their emissions and address indirect effects including supply-chain transmission and financial risks. “The ultimate risk is complete loss of value of certain assets or entire businesses.”

<https://www.insurancejournal.com/news/national/2019/12/04/550266.htm>

GB to open its new office in Geelong

Gallagher Bassett (GB) is set to open its doors in Geelong in the new year. The new GB office will consolidate the firm’s Geelong operations and will expand its regional presence in Victoria, assisting GB in delivering its solutions to regional employers and injured workers in the area.

<https://www.insurancebusinessmag.com/au/news/breaking-news/gb-to-open-its-new-office-in-geelong-194713.aspx>

Australia still ablaze as claims mount, air quality worsens

This year’s unusually severe bushfire season in Australia has burned through 2.7 million hectares of land – a significant increase from one million hectares just one month ago. There are currently more than 80 fires raging, with one megafire that formed a 60km front. The fires are concentrated mainly in the New South Wales (NSW) region; and the last few days brought a heatwave and more toxic air to the region. 2000 claims have been recorded with losses at A\$165 million (US\$112.5 million) as of the latest update from the Insurance Council of Australia (ICA).

<https://insuranceasianews.com/australia-still-ablaze-as-claims-mount-air-quality-worsens/>

Sedgwick ponders the future of workers’ comp in new book

“SCENARIOS FOR THE 2030s: Threats and Opportunities for Workers’ Compensation Systems” discusses the workers’ compensation-related challenges faced by US employers, as well as injured workers, lawmakers, and practitioners of occupational medicine. The book highlights the importance of workers’ comp and how such systems have remained despite social and economic changes. One of the key topics discussed is that workers’ compensation insurance costs could triple from 2016’s levels, while injured workers see no real change to their benefits.

<https://www.insurancebusinessmag.com/us/news/workers-comp/sedgwick-ponders-the-future-of-workers-comp-in-new-book-194718.aspx>

US insurance M&A deals hit \$4.17bn in Q3, says GlobalData

At \$4.17 billion, insurance industry mergers & acquisition deals in the US during the third quarter of 2019 spiked 51.2% against the previous quarter, according to GlobalData’s deal database. mergers and acquisitions This figure represents a 34.2% rise when compared with the last four-quarter average of \$3.11 billion.

<https://www.reinsurancene.ws/us-insurance-ma-deals-hit-4-17bn-in-q3-says-globaldata/>

New Zealand’s market hit by volcano, landslide and floods

Under the GeoNet-managed NZ Volcanic Alert Level system, ranging from zero to five, the volcano had recently been rated level 2, indicating “moderate to heightened volcanic unrest”. It is only the most recent weather-related catastrophe to affect the country – the island nation is likely to face a volley of claims in the coming months, as the aftermath and impact of various weather events surface. Over the weekend in New Zealand, the country’s South Island dealt with storms that triggered landslides and floods – leaving 1,000 tourists stranded in the town of Franz Josef. In November, New Zealand’s Christchurch and Timaru regions were pelted with severe hailstorms. ICNZ noted claims estimates won’t be available until around late December or early January 2020.

<https://insuranceasianews.com/new-zealands-market-hit-by-volcano-landslide-and-floods/>

Insurtech – Selected Stories

Chinese insurance giant Ping An morphs into a tech company

Just 31 years after it was founded, Ping An Insurance Co. has grown into the world's second-largest insurer by market value after Berkshire Hathaway.—more valuable than Allianz SE and AIA Group Ltd. combined. A financial supermarket that offers insurance, asset management, banking, and trust services, Ping An (which roughly translates to “safe and well”) added a focus on technology in the wake of the financial crisis. Now it has five groups of internet platforms, which it calls ecosystems, focused on finance, property, automotive, health care, and services for the “smart city.” More than 576 million users and 100 Chinese cities are connected to at least one of those ecosystems. “We’re pushing the group as well as the business units to, within 18 to 36 months, achieve full digitalization—with data driving management decisions at every step. We’ve been employing artificial intelligence in various scenarios for intelligent management, such as in auto claims settlement, pricing of property insurance, as well as the interviews of agents.”

<https://www.dig-in.com/articles/chinese-insurance-giant-ping-an-morphs-into-a-tech-company?>

PrecisionHawk raises \$32 million

USAA-backed PrecisionHawk , a provider of drone technology for the enterprise, has raised \$32 million from Millennium Technology Value Partners, Third Point Ventures, Eastward Capital Partners, and others. The financing will fuel continued innovation in PrecisionHawk’s software tool, PrecisionAnalytics that uses artificial intelligence/machine learning, to help enterprises better utilize data collected by drones to solve business challenges.

<https://coverager.com/precisionhawk-raises-32-million/>

NICB and FRISS Announce Strategic Partnership

FRISS, a company dedicated to combating insurance fraud using innovative IT software, and the National Insurance Crime Bureau (NICB), the nation's premier not-for-profit organization dedicated exclusively to fight insurance fraud and theft, announced the two organizations entered a strategic partnership. “Our mission at FRISS is to make insurance more honest and partnering with NICB brings us a giant step closer to helping carriers instantly identify claims that are likely to be fraudulent. They can now execute smarter investigations quicker, deny payments on fraudulent claims and provide their honest clients with a supreme customer experience.”

<https://www.prnewswire.com/news-releases/nicb-and-friss-announce-strategic-partnership-300971854.html>

Introducing Bravo GO

Generali Hong Kong has launched Bravo GO passenger protection to Hong Kong commuters. The personal accident insurance plan offers speedy claim reimbursement for medical treatment to the insured, including Chinese bonesetters and acupuncturists and covers passengers in private cars, any hail-and-ride such as taxi, GoGoVan, SuperCab, and Uber, as well as any public transport ranging from bus, minibus, railway, airplane, and ferry.

<https://coverager.com/introducing-bravo-go/>

CoreLogic Teams with Hover

CoreLogic has integrated Hover’s three-dimensional property measurement tool into its Underwriting Center platform for insurance clients. The use of Hover will allow carriers and inspection companies to better manage inspection expenses, while allowing policyholders to use Hover’s self-service app to take measurements of their properties. “The accurate sketch that Hover provides to homeowners serves as a single source of truth about a home’s vital data for all parties—from the homeowners themselves to the insurance carriers and inspection companies.”

<https://www.claimsjournal.com/news/national/2019/12/12/294508.htm>

Insurtech – Selected Stories

Trov and Lloyds Banking Group launch renters insurance product

Trov has launched its first white-label insurance product under its partnership with Lloyds Banking Group. The end-to-end digital renters insurance application utilises Trov's technology to enable renters to activate the base home coverage as a monthly subscription and easily turn protection on or off for individual items, from a connected device and without any agent involvement. Trov is powering an all-digital claims experience that puts the user at the centre, enabling them to easily submit, track, communicate and settle a claim.

<https://www.claimsmag.co.uk/2019/12/trov-and-lloyds-banking-group-launch-renters-insurance-product/15702>

AI investment biggest among larger insurers: LexisNexis

Adoption of AI is highest among top-tier carriers, according to a LexisNexis survey of 300 executives at the top 100 U.S. insurers. The "Hype or Reality: The State of Artificial Intelligence and Machine Learning in the Insurance Industry" white paper reports that more than 80% of respondents from the top 20 insurance companies meet the definition of "adopter" for AI and machine learning. The percentage dips to 62% for ranks 21 to 50 and 51% for the rest. There are four major challenges insurers face in adopting AI: Financial, staffing, data and regulation. The first two, however, are reported as much bigger pain points than the latter as carriers are generally still getting up to speed with AI.

<https://www.dig-in.com/news/ai-investment-biggest-among-larger-insurers-lexisnexis/>

Verisk and Equifax codevelop insurance scoring solution

Verisk and Equifax have entered into a strategic agreement to jointly develop the Inflection Insurance Score. Inflection is a new credit-based scoring solution that combines the "robust credit data of Equifax with the insurance expertise and analytics of Verisk" to help personal auto and property insurers improve growth and profitability.

<https://coverager.com/verisk-and-equifax-codevelop-insurance-scoring-solution/>

QBE issues report on expanding insurtech space

Investment in the insurtech space continues to grow. Investment in the space was just \$140 million in 2011; by 2018, it had grown to \$4.9 billion. As insurtech continues to expand, it is increasingly important for the industry to stay abreast of key trends. The Impact InsurTech report pinpoints three themes in insurtech: Insurance for all, society shaping insurance and micro-transformations influencing macro risks. Innovations like process automation, AI and blockchain are making insurance processes more efficient, increasing both the affordability and accessibility of insurance.

Insurtech is also changing the way that real-time and predictive data can be used to promote the development of insurance products that are more responsive to emerging risk.

<https://www.insurancebusinessmag.com/uk/news/technology/qbe-issues-report-on-expanding-insurtech-space-193960.aspx>

Duck Creek Technologies Receives \$120 Million Investment

Duck Creek Technologies announced that four leading investment firms have invested \$120 million in the company. The Duck Creek suite of SaaS solutions provides insurance carriers with open and highly-configurable applications across core areas of their businesses, such as policy administration, billing, claims, analytics, industry content, distribution management, and reinsurance management – all key to their digital transformations.

<https://coverager.com/duck-creek-technologies-receives-120-million-investment-from-dragoneer-investment-group-neuberger-berman-insight-partners-and-temasek/>

Wefox, the Berlin-based insurtech, raises \$110M Series B extension

Wefox Group, the Berlin-based insurtech startup behind the consumer-facing insurance app and carrier One and the insurance platform Wefox, is disclosing \$110 million in a second tranche of Series B funding. Sources tell TechCrunch that this gives the company a pre-money valuation of \$1.65 billion.

<https://techcrunch.com/2019/12/10/wefox-unicorn/>

Acquisitions – P&C and more

Sedgwick subsidiary buys engineering firm

Tampa, Florida-based EFI Global Inc., a subsidiary of Sedgwick Claims Management Services Inc. that provides engineering, forensic investigation and environmental consulting services has acquired Destek Engineering LLC. Atlanta-based Destek is a regional provider of forensic engineering and investigation services to the property/casualty insurance industry and telecommunications sector in the United States, according to the statement issued by EFI. Terms of the transaction are not being disclosed. The statement said Destek will bring to EFI highly specialized expertise in the evaluation of existing structures, including forensic engineering assessments of flood-affected properties. Destek's forensics engineers are joining EFI global as part of the transaction, according to the statement. <https://www.businessinsurance.com/article/20191205/NEWS06/912332046/Sedgwick-subsi-dary-buys-engineering-firm>

FedNat Completes Acquisition of 1347 Property Insurance Homeowners Operations

FedNat Holding Company (FNHC), an insurance holding company, has completed its acquisition of the homeowners insurance operations of 1347 Property Insurance Holdings, Inc. (PIH), consisting of Maison Insurance Co., Maison Managers, Inc., and ClaimCor LLC (collectively, Maison), in a cash and stock transaction valued at approximately \$51 million. The acquisition was announced back in February of this year. Maison is a property and casualty insurer focused primarily on coastal homeowners markets in Texas and Louisiana, with additional operations in Florida. For the trailing 12 months ended Sept. 30, 2019, Maison reported \$96.1 million of gross written premiums. On a proforma basis, the combined company reported \$684.2 million in gross written premiums across five southeastern states for the trailing twelve months ended Sept. 30, 2019. <https://www.insurancejournal.com/news/southeast/2019/12/04/550159.htm>

Mitchell | Genex acquires CompAlliance

Mitchell | Genex announced its acquisition of CompAlliance, a provider of managed care services, including its Preferred Provider Organization (PPO), Medical Bill Review, Case Management, Utilization Review and 24-hour Nurse Triage. Financial terms were not disclosed. Based in Kansas City, MO, CompAlliance has served the Workers' Compensation industry since its founding in 1992 and has approximately 125 employees and professionals serving their customers. <https://coverager.com/mitchell-l-genex-acquires-compalliance/>

Zurich acquires Adira Insurance, expanding presence in Indonesia

Zurich Insurance Group has completed the acquisition of 80% of PT Asuransi Adira Dinamika (Adira Insurance), thereby becoming the largest property and casualty (P&C) insurer in Indonesia. Zurich LogoAdira Insurance is among the top 10 P&C insurers in Indonesia. It generated gross written premiums of US \$170.4 million in 2018 and has leading positions in Indonesia's motor and takaful insurance markets. <https://www.reinsurancene.ws/zurich-acquires-adira-insurance-expanding-presence-in-indonesia/>