

PROPERTY & CASUALTY & INSURANCE MARKET NEWS

Nov. 15 – Dec. 2, 2019

P&C – Selected Stories

Farewell 2019 Atlantic Hurricane Season: 18 Storms, 6 Hurricanes

The 2019 Atlantic hurricane season, which ended on November 30, was marked by tropical activity that churned busily from mid-August through October, according to the National Oceanic and Atmospheric Administration (NOAA). The season produced 18 named storms, including six hurricanes of which three were “major” (Category 3, 4 or 5). NOAA’s outlook called for 10-17 named storms, 5-9 hurricanes and 2-4 major hurricanes, and accurately predicted the overall activity of the season. This year marked the fourth consecutive above-normal Atlantic hurricane season. The only other period on record that produced four consecutive above-normal seasons was 1998-2001.

<https://www.insurancejournal.com/news/national/2019/11/27/549680.htm>

Plum takes control of claims with single dedicated service

Home insurance managing general agent (MGA) Plum Underwriting has consolidated its outsourced claims operations into a single streamlined service. Plum has replaced its panel of five independent third-party administrator (TPA) claims suppliers with a single operation, working in partnership with Lucas Claims Solutions (LCS). Plum has developed a bespoke claims system that is fully integrated with its existing underwriting systems to enable real-time policy validation at claims notification and deliver detailed data and management information to all stakeholders. “This new claims model, utilizing very experienced claims handlers with a realistic volume of new claims to handle, will create a new way of thinking in the market and ultimately deliver the first class service that today’s policyholders demand.”

<https://www.claimsmag.co.uk/2019/11/plum-takes-control-of-claims-with-single-dedicated-service/15623>

Australia releases aid as bushfire claims hit US\$100m

Dangerous bushfires in northern New South Wales and Queensland have caused A\$145 million (US\$98.4 million) of losses for insurers. The Insurance Council of Australia (ICA) has said 1,340 insurance claims have so far been lodged for the catastrophic bushfires that spread across New South Wales mid-north coast, the Gold Coast in Queensland, and the Yeppoon region.

<https://insuranceasianews.com/australia-launches-aid-package-as-bushfire-claims-hit-us100m/>

CNA adopts Utilant’s Loss Control 360 platform

Claims SaaS platform Utilant has announced that CNA is the latest to adopt its Loss Control 360 platform, helping the insurance carrier streamline its entire loss control business process. Loss Control 360 equips platform users with intuitive recommendation features, risk scoring analytics, and automated workflows. The platform plays a critical role in enabling the effective exchange of information with policyholders that supports the ease of doing business approach.

<https://coverager.com/cna-adopts-utilants-loss-control-360-platform/>

KPMG: The 'one-size-fits-all' approach to insurance no longer working

According to KPMG’s new report, “Insurance frontiers: Here to horizon,” 86% of chief executives at insurance companies surveyed said that they are concerned over how millennials will change their business – particularly when millennials are not following historical norms in terms of predicted life paths or milestones. Strategic alliances present “a massive opportunity,” adding that insurers should not constrain themselves to just their current organizational structure and instead try to step back and envision what the insurer of the future would look like.

<https://www.insurancebusinessmag.com/au/news/technology/kpmg-the-onesizefitsall-approach-to-insurance-no-longer-working-193429.aspx>

P&C – Selected Stories

Allstate estimates \$237M of catastrophe losses for October

The Allstate Corporation has announced pre-tax catastrophe losses of \$237 million (\$187 million after-tax) for the month of October. The U.S. primary insurer states that catastrophe losses in the month of October comprised of 12 individual events. So, with the October number now out, Allstate's pre-tax catastrophe loss experience for the first 10 months of 2019 sits at \$2.5 billion. In comparison, at the end of October 2018, Allstate's catastrophe loss bill reached just under \$2.1 billion.

<https://www.reinsurancene.ws/allstate-estimates-237mn-of-catastrophe-losses-for-october/>

Insurance Premiums to Grow 3% Despite Economic Slowdown: Swiss Re

Global insurance premiums will grow 3 percent on average over the next two years even with an emerging global economic slowdown, Swiss Re said in its latest sigma report. The emerging market in Asia, and China in particular, will drive global insurance premium growth, according to the report.

<https://www.insurancejournal.com/news/international/2019/11/14/548445.htm>

Chubb ups stake in China's Huatai: report

Chubb has been approved to increase its stake in Huatai Insurance Group to 30.9%. Chubb China has operations in Beijing, Guangdong, Jiangsu and Shanghai with plans to commence operations in other regions in the near future. Chubb became the first domestic Chinese financial services holding company to convert to a Sino-foreign equity joint venture – which gives companies more rights over hiring and building offices in the country. The change in its legal structure meant that Chubb could take its stake in the joint venture above 50% in the near future.

<https://insuranceasianews.com/chubb-ups-stake-in-chinas-huatai-report/>

Insurer Market Conduct Troubles Often Traced to Claims Handling Errors

Mistakes by claims professionals were the most common reason for enforcement actions taken against U.S. property and casualty insurers in 2018, taking the No. 1 and No. 2 spot on a top 10 list issued by the Wolters Kluwer consulting firm. In fact, five of the 10 top reasons documented by Wolters Kluwer involved errors in claims handling. The Boston-based compliance consulting firm reviewed every market conduct examination and enforcement action taken by state regulators in 2018.

<https://www.insurancejournal.com/news/national/2019/11/19/548890.htm>

7,500 claims lodged as huge hailstorm slams Queensland

The storm is a further headache for insurers before they enter into the notoriously turbulent summer period. Hail the size of a cricket ball has been reported north of Brisbane as the storms moved across south-east Queensland. Insurance Council of Australia (ICA) has declared the event a catastrophe. Insurers have so far received more than 7,000 claims, including over 3,000 motor claims, with losses of about A\$60 million (US\$40.7 million). However, insurers expect many more claims will be lodged by householders and businesses over the next few days.

<https://insuranceasianews.com/huge-hailstormslams-queensland/>

California Commissioner Orders FAIR Plan to Increase Homeowners Coverage Options

California's property insurer of last resort will soon be offering more homeowners coverage options as directed by the state's insurance commissioner in response to the pressure put on the property insurance market by wildfire risks. California Commissioner has ordered the California Fair Plan Association to begin offering a comprehensive policy, known as HO-3 coverage, in addition to its current dwelling fire-only coverage by June 1, 2020. The comprehensive plan will include traditional homeowner features, such as coverage for water damage, personal liability and theft.

<https://www.insurancejournal.com/news/west/2019/11/14/548537.htm>

P&C – Selected Stories

Davies Group tells growth story in 2019 financials

The London-headquartered insurance services provider revealed positive full-year 2019 financials following a series of investment and acquisitions. Davies, whose three core platforms – claims solutions, insurance services, and consulting & technology – all grew in the year ended June 30, saw its global workforce jump 57% from 1,006 in 2018 to 1,579 people. Meanwhile revenue in the period rose 49% to £115.5 million; EBITDA (earnings before interest, tax, depreciation, and amortisation), 54% to £23.7 million. Davies reported adding in excess of 150 new account wins from existing and new clients alike. In terms of innovation and digital transformation, the group said its annual investment into this area has increased more than fourfold over the past four years.

<https://www.insurancebusinessmag.com/uk/news/breaking-news/davies-group-tells-growth-story-in-2019-financials-193059.aspx>

Florida Focused Insurers Close Claims Consistently despite Storms of 2016, 2017, and 2018

Despite the major storms of 2016, 2017, and 2018, a study by Demotech, Inc. indicates that Florida focused property insurers are closing reported claims at a pace consistent with prior years. "Although we recognize that consumers, regulators, reinsurers, and others have expressed a level of frustration with outstanding claim counts, a review of the publicly available financial information indicated that the closure rates for accident years 2016, 2017, and 2018 are consistent with prior years despite the additional claims activity caused by Hurricanes Matthew, Irma, and Michael." The study, using data from S&P Global, compiled information from the annual statements of 91 insurance companies writing 80% or more of their Homeowners direct premium written in Florida.

<https://www.prnewswire.com/news-releases/florida-focused-insurers-close-claims-consistently-despite-storms-of-2016-2017-and-2018-300962450.html>

icare appoints three claims management providers

QBE, Allianz, and GIO have been appointed as workers' compensation claims management providers under the Insurance and Care NSW (icare) authorised provider model. "icare has undertaken one of the largest transformations of workers compensation ever in NSW to provide fairer outcomes its customers."

<https://www.insurancebusinessmag.com/au/news/breaking-news/icare-appoints-three-claims-management-providers-193390.aspx>

France & Italy brace for hundreds of millions in flood losses: Aon

Flooding in parts of southeastern France and northwestern Italy along the Mediterranean coast is likely to drive economic losses in the hundreds of millions of euros range, if not higher, according to re/insurance broker Aon. Officials expect to see "considerable damage" in the aftermath of the flooding, which left some 4,000 homes without power and caused disruption in railway and road transport.

<https://www.reinsurancene.ws/france-italy-brace-for-hundreds-of-millions-in-flood-losses-aon/>

Insurance Claims from Tornado in Missouri's Jefferson City Exceed \$170M

State insurance officials say Jefferson City, Missouri, residents made more than \$170 million in insurance claims after a tornado hit the city on May 22. KMIZ reports Missouri Department of Insurance data shows insurers paid out more than \$122 million for those claims.

<https://www.insurancejournal.com/news/midwest/2019/11/25/549531.htm>

Insurtech – Selected Stories

Zesty.ai Releases Revolutionary Property Change Detection Product Powered By AI

Zesty.ai announced the release of Z-BOOK, a revolutionary property change detection solution targeting the global Property and Casualty Insurance Industry. Z-BOOK leverages artificial intelligence (AI) on multiple comprehensive data sources to detect when an improvement is made to a property, and to track maintenance history and quality changes over time, which may affect insurance coverage and customer safety. Relying on Z-BOOK allows property insurance companies to maintain a more accurate view of risk in their portfolio (also referred to as in-force book of business) over time and ensure safer residential and commercial properties for their customers. Z-BOOK is a unique solution in the market given the large number of property risk modifiers (60+) it tracks and its utilization of 20+ data sources including high-resolution aerial, satellite and terrestrial imagery, building permits, and real estate transaction databases, among others.

<https://www.prnewswire.com/news-releases/zestyai-releases-revolutionary-property-change-detection-product-powered-by-ai-300960627.html>

Charles Taylor launches pollution loss database for western Canada

Charles Taylor Technical Services (CTTS) has launched a service offering insurers, brokers, and oil & gas companies a pollution loss database of insurance losses related to oil field incidents in Western Canada over a 10 year period. The database aggregates data from 220 sudden and accidental oil field pollution-related insurance losses, which are managed by Charles Taylor Adjusting in four provinces in Western Canada

<https://www.reinsurancene.ws/charles-taylor-launches-pollution-loss-database-for-western-canada/>

Understory introduces Hail Safe

Understory, a weather-tech startup established in 2012, has launched a new product called Hail Safe geared towards auto dealers. Hail Safe is an “affordable” parametric coverage that’s underwritten by Mitsui Sumitomo Insurance and is currently available in select states, including CO, IL, IN, IA, KS, MN, MO, NE, OK, SD, TX, and WI. Understory works with brokers to sell the policy, while it supplies the technology – a rooftop sensor called Dot that is installed in dealerships to alert when hail reaches certain agreed-upon conditions. The sensor will activate an instant settlement and payout can be expected in 1 to 2 weeks from when hail is detected.

<https://coverager.com/understory-introduces-hail-safe/>

Chatbot market sees explosive growth, thanks to AI investments

By now, chatbots—or virtual agents—have become familiar to many people who call in to customer support centers or help desks, and they will continue to proliferate as the artificial intelligence-based technology advances. The global chatbot market was valued at \$1.17 billion in 2018 and is expected to reach \$10.08 billion by 2026, expanding at a compound annual growth rate (CAGR) of 31 percent, according to research firm Reports and Data. One of the main advantages of chatbots is they can manage customer queries around the clock without delay. With the evolution of AI technology and deep learning, chatbots are expected to become more sophisticated and offer better language processing capabilities and greater personalization.

<https://www.dig-in.com/news/chatbot-market-sees-explosive-growth-thanks-to-ai-investments>

Insurtech – Selected Stories

The Hartford expands IoT capabilities

The Hartford is expanding its Internet of Things (IoT) Innovation Lab and capabilities, bringing together the latest network-connected technology with the company's expertise, data and risk management to improve workplace safety and help prevent or reduce property damage for its customers. "The Hartford sees significant opportunity to apply insights from IoT data to enhance our entire value chain from product and distribution to underwriting, to risk management, to claims. These insights will change the way we think about mitigating and assessing risk, enabling new business models, products, and services."

<https://coverager.com/the-hartford-expands-iot-capabilities/>

Suncorp buys stake in Aussie car-sharing start-up

Insurer Suncorp has taken a stake in an Australian-founded car-sharing platform, the second high-profile company to do so in recent months, amid a \$10 million fundraising round. Car Next Door is a peer-to-peer platform that allows vehicle owners to rent out their car when it is not in use. It was founded in 2013 in Sydney, and now claims to have 160,000 members and 3,500 vehicles being shared. Around 20 per cent of its user base are businesses. The platform now covers Sydney, Melbourne, Canberra, Perth, Brisbane and the Gold Coast.

<https://www.mybusiness.com.au/management/6415-suncorp-buys-stake-in-aussie-car-sharing-start-up>

Verisk launches home inspection collaboration tool

Data analytics provider Verisk announced the launch of OneXperience that enables digital engagement between policyholders and their insurers during a home inspection. Traditional home inspections, conducted after coverage is bound, can be intrusive for customers, costly for insurers, and time-consuming for everyone involved. And a completed inspection may still miss valuable information. OneXperience helps insurers gain quick, cost-effective access to accurate, current risk data on properties and their contents—without compromising the customer experience—to price and underwrite homeowners policies correctly.

<https://coverager.com/verisk-launches-home-inspection-collaboration-tool/>

Allianz partners with Plastic Surgeon

Allianz Insurance has partnered with Plastic Surgeon, a specialist restoration company that focusses on engineered repairs to surface damage, rather than replacement. Brokers and customers will be able to track repairs online using a reporting platform. Ownership of claims will be given to Plastic Surgeon, who will contact the customer within four hours of instruction. This approach aims to create a hassle-free solution for the broker and end customer and could potentially speed up the claims lifecycle by up to 80%. Examples of common types of surface repairs include damaged wooden surfaces, cracked tiles, brick and stonework and repairs to UPVC windows. Plastic Surgeon is also working with Allianz's panel of loss adjusters on large claims which include the escape of water and fire damage. This approach focusses on 'repair first', with Plastic Surgeon providing instant advice on which materials can be repaired before any work takes place.

<https://coverager.com/allianz-partners-with-plastic-surgeon/>

Google Cloud, Deloitte to develop data solutions for insurers

The companies will collaborate to develop solutions for improving biomedical and clinical research, optimizing procurement spend, delivering intelligent insights for property insurers, and supporting migrations of SAP workloads to Google Cloud. Property insurers are dependent on high-quality data, yet collecting data about properties is a challenge. Deloitte and Google Cloud are creating a new AI-driven platform, to change the way that commercial property risk assessments are completed.

<https://coverager.com/google-cloud-deloitte-to-develop-data-solutions/>

Acquisitions – P&C and more

Aon to Acquire CoverWallet

Global insurance broker Aon has agreed to acquire CoverWallet, a leading digital insurance platform for small and medium-sized businesses. The acquisition provides Aon with additional access to what it sees as a fast-growing, \$200+ billion premium global digital insurance market for small and medium-sized businesses. It also provides Aon with the opportunity to leverage CoverWallet's platform to develop and scale other digital client experiences.

<https://www.insurancejournal.com/news/national/2019/11/20/549046.htm>

Zurich secures Adira P&C deal in Indonesia

Zurich has completed its acquisition of 80% of Adira Insurance from Bank Danamon and a minority investor; the bank will remain as a 20% shareholder. Zurich had originally agreed the deal for Rp6.15 trillion (US\$414 million) last September. Established in 1996, Jakarta-headquartered Adira, a top 10 Indonesia P&C insurer, generated gross written premiums of US\$158 million in 2017. Zurich Indonesia, which already offers life insurance through Zurich Topas Life, has said the deal makes it the largest P&C player in the country.

<https://insuranceasianews.com/zurich-becomes-indonesias-largest-pc-international-player/>

Hippo buys Sheltr in startup tie-up

Home insurance insurtech Hippo continued its ambitious growth agenda, announcing its buy of Sheltr. The acquired company connects users to maintenance professionals that perform a 30-point inspection to give property owners a window into potential problems. "We've been getting many solutions to our customers using technology to identify issues, like aerial imagery. We've seen great results with the Sheltr team from the tech they've built out and alignment with Hippo on the customer focus."

<https://www.dig-in.com/news/hippo-buys-sheltr-in-startup-tie-up>