InsurTech Innovation: the Current and the Future

Exponential technological advance has been changing our everyday life. Even before we get used to the changes that internet and smartphone have made to us, the new wave of changes are rapidly approaching to us with the name of industry 4.0. Many reports and books predict the new change will happen faster and more widely than the previous one.

Financial industry, especially insurance industry is known as very conservative industry. Insurance industry was not at the center of last industrial revolutions. However, it seems that the insurance industry will be at the center of this current change. It even has a name - InsureTech. It seems that the structure of insurance industry, which has not been changed for hundreds of years, may finally change. Possibly the change will not be minor evolution, it could be a structural shift or total disruption.

We cannot simply delve into insurance industry alone in order to understand what is called as InsurTech. We have to understand the InsurTech ecosystem. Insurance companies shirking from changing will not stop the advances in autonomous cars, share economy, cashless transactions, and customer expectation from financial institutions. Environments are evolving, and risks that insurers are handling are changing.

This report will not study deeply into technologies themselves. Instead, it introduces InsurTech startups and categorizes them. From the technology and current development, this report infers the implications on the future direction of insurance contact, insurance company operation, and insurance industry structure. In a somewhat extreme end, it predicts that the era of insurance without insurance company is approaching. It could be wrong, but there is one clear message that this report try to deliver. InsurTech is real and it is happening now.