

MUTUAL INSURANCE

TRANSFORMING INSURANCE FOR THE DIGITAL AGE

Technology is revolutionizing the insurance industry—for consumers as well as agents.

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ECHNOLOGICAL ADVANCEMENTS ARE changing the way insurance companies create, price, and sell their products, and rather than looking at technology as a daunting storm cloud, the mutual

insurance industry sees it as the silver lining.

Drones hover above a disaster area, recording critical information before the dust has settled or the water has receded. Telematics software and monitoring systems for automobiles track everything from braking and accelerating patterns to how much and how far a car drives. All the while, artificial intelligence is compiling and assessing data from these and other new and emerging technologies at a speed and volume unimaginable only a decade ago.

This is not just the future of the mutual insurance industry; it's also the present.

Technology and the property/casualty insurance industry may seem like a counter-intuitive pairing, but insurance companies have been ahead of the data curve for more than a decade. Now they're embracing new technologies to better serve their agents and customers.

According to the Federal Aviation Administration, insurance is among the top industries when it comes to employing drones for commercial use. "Our companies have already



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Westfield



been able to send drones in during and immediately after a catastrophe to assess the amount of damage and begin the claims process much more quickly," says Chuck Chamness, president and CEO of the National Association of Mutual Insurance Companies, which represents more than 1,400 member companies. "That's a great use of new technology."

Still, the risks for both insurers and consumers appear greater today than perhaps at any other time in history. Take self-driving cars, which have already raised the question: If two driverless cars collide, who's at fault?

Industry leaders see more light than darkness down the road though. "Autonomous vehicle technology is advancing rapidly," says Ed Largent, president and CEO of Westfield, "and I think there's greater opportunity here than risk."

Advanced in-car automation, for example, will reduce the rate and severity of accidents and allow insurers to develop innovative new products and services that could potentially lower the cost of policies and coverage.

Much of the opportunity, Largent believes, lies in the "amazing magnitude of data and information and the industry's ability to absorb, understand, and leverage it for better products, services, and customer experiences."

To maximize benefits for their agents and customers, the Ohio-based company has been investing in software, partnering with startups, and developing in-house programs to enhance those experiences through technology.

"We're making the most significant investment in infrastructure in the history of our company," says Robyn Hahn, president of small business at Westfield. "It's about creating digital capabilities and technology solutions that simplify interactions for our customers and drive efficiency to bring the most value to our agents."

Earlier this year, Westfield launched 1848 Ventures, named for the year of the company's founding, to expand beyond conventional insurance by addressing the broader risks—and the opportunities and benefits—that customers increasingly face. Focused on the present, it and other initiatives are also insuring the future. ○

Risk won't stop you.

Building something of your own takes courage.

After all, it's not without risk.

But, like you, we view risk as opportunity.

So let us champion your entrepreneurial spirit and give you tools for a competitive edge.

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