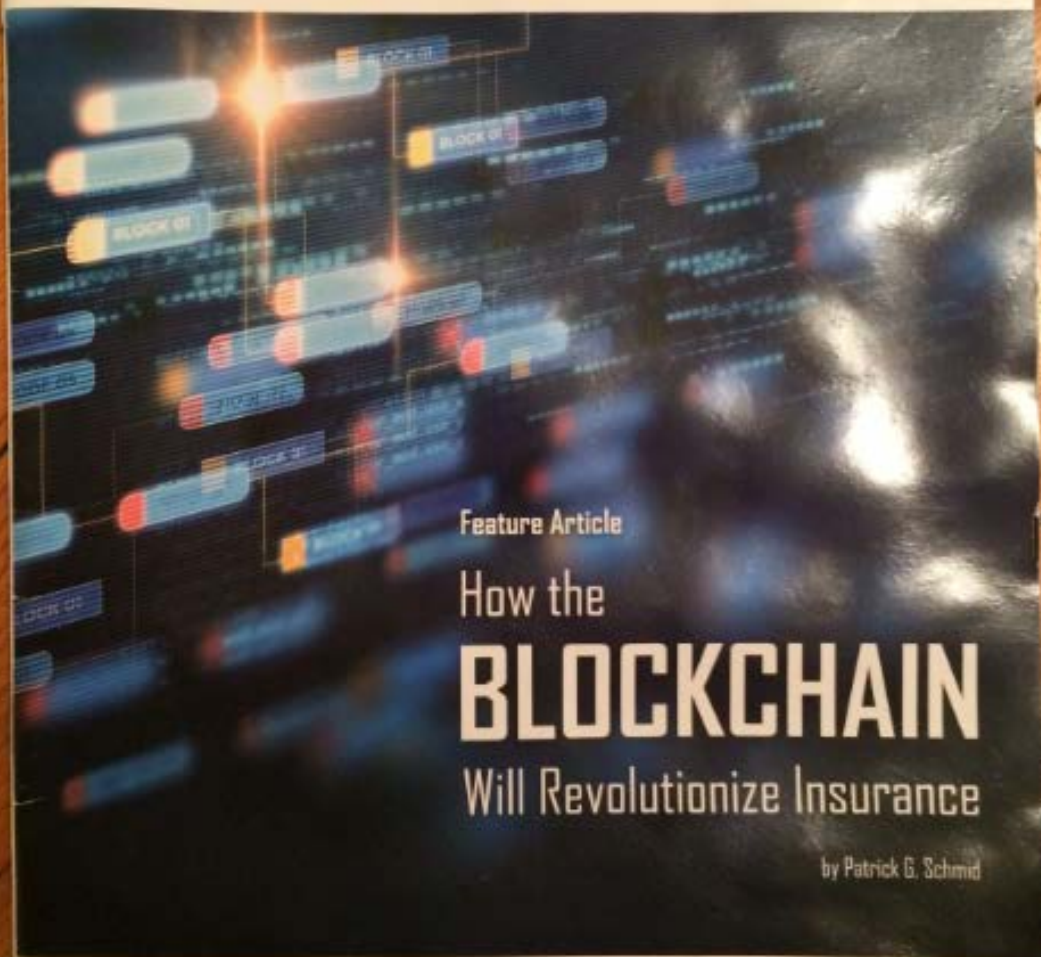


# INSIGHTS

A PROFESSIONAL JOURNAL BY THE INSTITUTES CPCU SOCIETY

Spring 2017



Feature Article

How the

## BLOCKCHAIN

Will Revolutionize Insurance

by Patrick G. Schmid



# INSURANCE RESPONSE TO THE SHARING ECONOMY

## Aspen Insurance

October 6, 2017

AIMU Insurance Day

“How The Insurance Industry Responded To The Perceived Threats And Opportunities Of The Sharing Economy – Especially Ride Sharing And AirBnB – A Short Case Study In Innovation”

Steven Weiss

Senior Vice President - Marine

Aspen American Insurance Company





## WHAT IS THE “SHARED ECONOMY”

- Think
  - Collaborative Finance – Lending Club
  - Peer to peer accommodation – Airbnb/Home Away
  - Peer to peer transportation – Uber/Lyft etc.
  - On demand household services- Sittercity
  - On demand professional services – Task Rabbit (just purchased by Ikea)
  - Peer to peer Insurance – Lemonade/FriendInsurance (build like a mutual)
  - On Demand Insurance – Slice/Peers
  - Food Delivery – Ubereats and Grubhub



## SOME STATISTICS

- 92% of Transportation Network Drivers did not tell their Personal Auto Carrier that they were driving for a ride sharing network
  - Personal Auto Policy does not cover drive for hire
  - 90% did not have a rideshare policy.
- Sharing economy 2013 – \$15 billion part of economy
  - By 2025 – \$335 billion part of economy
- Global Carsharing revenue in 2015 \$1.1 billion/expected to be \$6.5 billion in 2024
  - By 2040 – 60% of the 4.4 trillion miles (Currently 2%) driven in US will be carshare
- Threats – premiums not captured, potential payments made for business use, loss of market share



## WHAT HAVE INSURERS DONE?

- Historically (and still) insurers very conservative but saw an opportunity:
  - Ridesharing/sharing economy blurs commercial vs personal insurance
  - Cancellation and denied claims were the start – Secrecy was key
  - Initially Gap coverage
    - Home Advantage -(backed by Allstate) – endorsed to homeowners
    - Most insurers have a similar endorsement
  - Now on demand
    - Slice – (Backed by Munich Re) – covers the time you need and no more
    - Metromile – covers the miles you drive for ride sharing
- Product Development agility
- Able to bind cover without typical underwriting



## INNOVATION

- New forms and types of cover
- New ways to look at old risks
- How are we innovating?
- What does it take to be an innovator?
- What do you do to bring new ways of looking of things into reality?
  - Big Data
  - Automation
  - Smart phones
- What do your co-workers want, your kids, the next generation



## THE BIG QUESTION

- How does this play in the marine space?
- What are the ways we can/should/do innovate?
  - Underwriting
  - Risk Engineering
  - Service
  - Claims
- How do we not get left behind?



## SOURCES AND CONTACT INFORMATION

- Best's review, AM Best, April 2017
- Aspen Fraud presentation by G4
- Rideshare drivers still cornered into Insurance Secrecy, Forbes, December 18, 2014

Steven Weiss, CPCU, AMIM, NAMS-CMS  
Senior Vice President - Marine  
Aspen Insurance  
840 W. Sam Houston Parkway North, Suite 420  
Houston, Texas 77024  
[Steve.weiss@Aspen-Insurance.com](mailto:Steve.weiss@Aspen-Insurance.com)  
Tel: +1 713 730-7178  
Fax: +1 713 722-0529  
Mobile: +1 281 382-7056  
[aspen-insurance.com](http://aspen-insurance.com)





| THANK YOU