Builders’ Risk and Insurtech

By Sheila Morris | Manager, Inland Marine | AAIS

Insurtech continues to emerge and evolve, and it’s touching every aspect of the insurance ecosystem. As consumers use intuitive, user-friendly customer service technology in nearly every aspect of their daily lives, they expect the same level of innovation from their insurance carriers and providers. More than ever, insurance providers need insurtech solutions to help them do their jobs faster and with higher quality.

Gone are the days where manual data inputs, tedious hours on the phone with agents, and long wait times for paper claims and policy communications are acceptable. To keep up with the digital market pace, providers must innovate their own work. In the builders’ risk market, with its quickly changing priorities and areas of focus, the need to revolutionize processes is critical.

Disruption is happening in all areas of the ecosystem, from product offering and distribution to data analysis, automation, and sensor integration. The need for change is impacting not only customers, but the new generation of insurance providers – tomorrow’s industry leaders.

‘Portal Fatigue’

Insurers in builders’ risk have voiced their frustrations with the hassle of applications and navigating multiple portals to get their work done. With separate portals for every aspect of underwriting and managing an account, the number of usernames, passwords, and navigation tools insurers need is overwhelming, time consuming, and inefficient. It slows down every process, making rapid responses to customers difficult. Insurtech leaders are addressing these problems through secure portal navigators and password savers, helping insurers move between platforms with relative ease. Insurtechs are also exploring ways to manage builders’ risk data at the front-end and enabling agents, brokers, and insurers to access the data to push a quote to the front end rather than a series of back-and-forth transactions.

Construction Tech Integration

Those in the builders’ risk space must also integrate technologies in other industries, aligning priorities and capabilities to seamlessly upgrade their processes. Construction tech leaders, for instance, are revolutionizing their work with ‘smart’ construction projects, including construction permit data analysis and integration, construction safety sensors, the use of robots in building projects, and apps for construction project management. With the development of autonomous cars, there is also a rise of interest and study in autonomous buildings – structures that operate independently, without hands-on human interaction.

This will change how builders’ risk coverage is offered, exposing new perils and exposures, and changing the policies that modern construction managers need. Builders’ risk insurtech leaders are working closely with construction tech innovators to deliver technology that benefits both industries.

Going Digital...Now

Regardless of the technology introduced, it is important to re-examine the role of insurtech in builders’ risk. Insurtech is proving there is a better way to do things, and carriers and insurance providers must keep pace. During the AAIS Virtual Main Event, Vindati CEO Hugh Burgess talked about the importance of thinking ‘like a millennial’...accelerating digitization for change in the builders’ risk space in very broad ways. It’s not too late, but the industry must act swiftly to keep the pace and emerge as industry leaders as insurtech continues to evolve.

Watch the entire discussion with Hugh Burgess by visiting the VMF Library.