

Emerging risks and threats – internal shifts within organisations

Innovation as an opportunity

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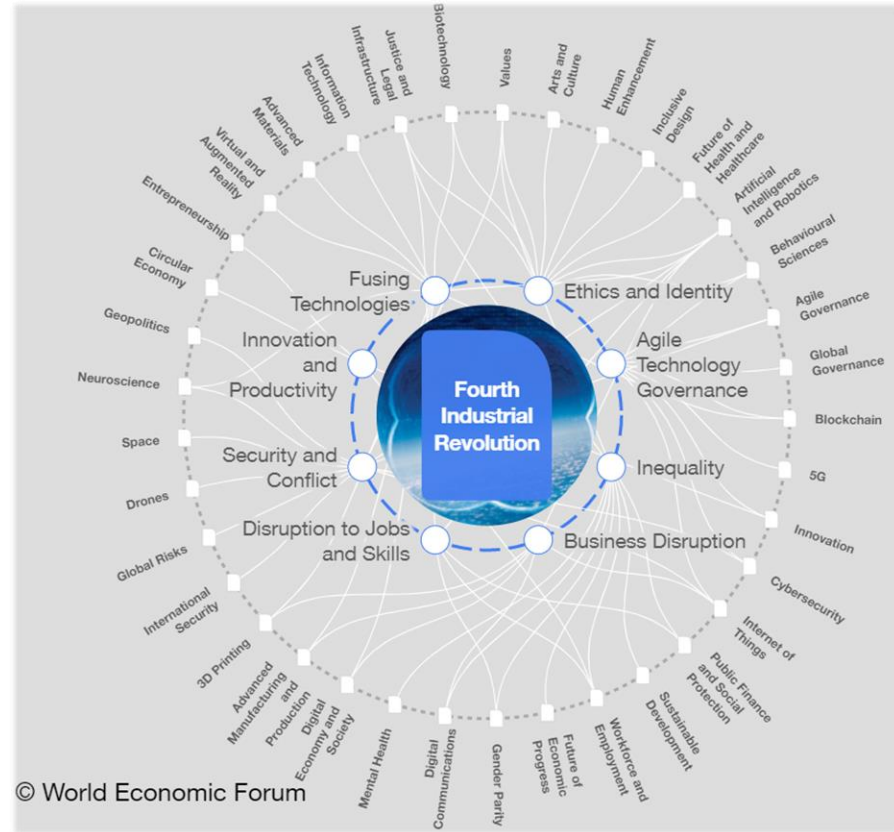


ICMIF Biennial Conference 2019 – Auckland, 13 November 2019

Agenda

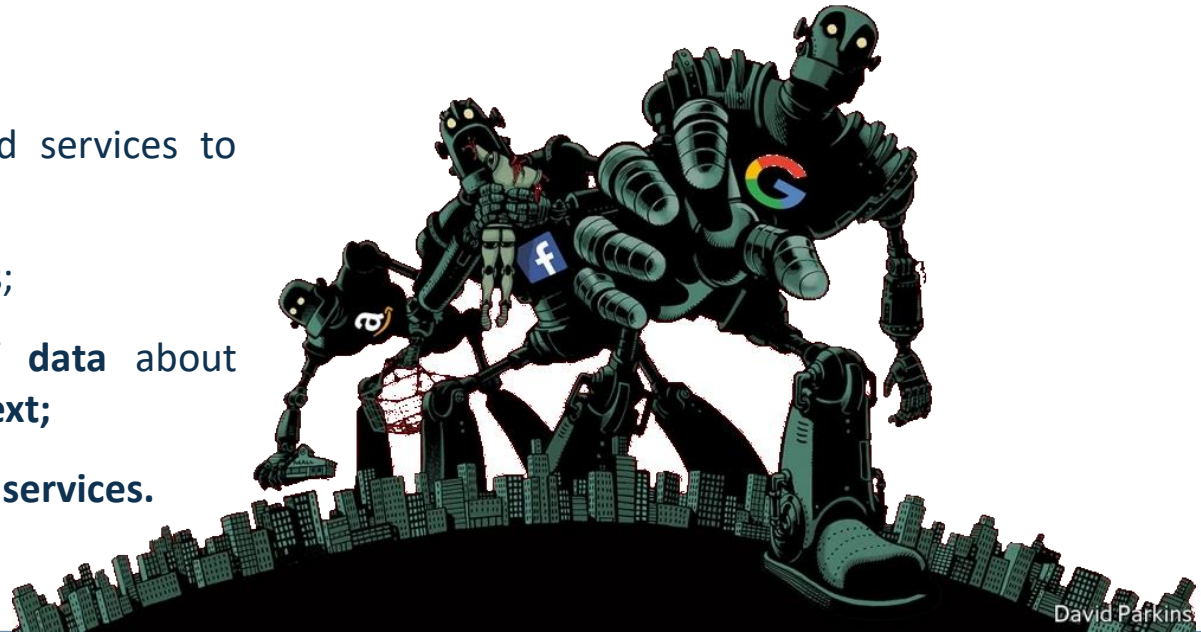
1. The 4th Industrial Revolution.
2. Big Techs.
3. What is Innovation?
4. How long to fill a football stadium with water?
5. New challenges, new solutions: Unipol Group's experience.
6. Take outs.

- We stand on the brink of a **technological revolution** that will fundamentally alter the way we live, work, and relate to one another.
- This revolution is not only **technological** but also **social, political** and **environmental**.
- **Acceleration of innovation** and the **velocity of disruption** are hard to comprehend or anticipate.



BigTech companies are leaders in taking advantage from the new data economy and they are leveraging their characteristics to start exploring **new opportunities** in **financial** and **insurance** services through **partnership** and **investments**.

- Large **customer base**;
- **Global scale** operations;
- **Agility** in adapting systems and services to **user needs**;
- Extraordinary **financial** resources;
- Access to a large amount of **data** about **customers** and the **general context**;
- **Customized** and highly **engaging services**.

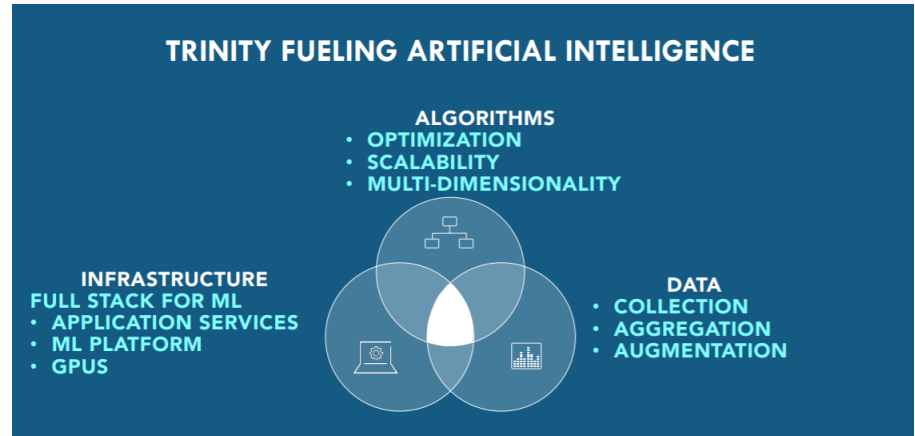


David Parkins



- Have you ever heard of the “Cargo Cult Science”? Imitating actions does not necessarily produce the same results!

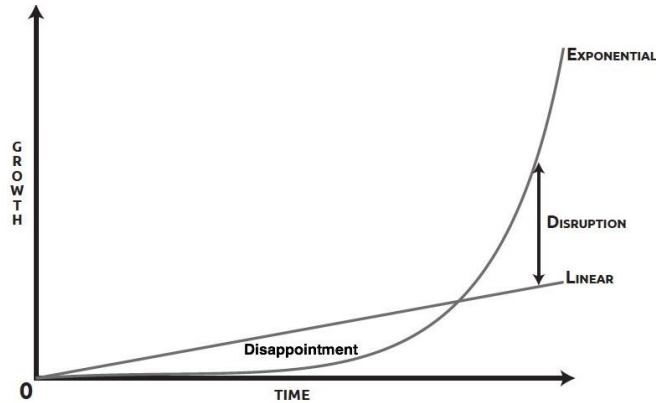
- It is not merely about creating prototype projects; in order to be effective, production shall be supported by a strong infrastructure... algorithms, *per se*, are not even crucial.



Source: A. Anandkumar, “The AI Trinity: Data + Algorithms + Infrastructure”, Simon Institute, Berkeley (2018)

How long to fill a football stadium with water?

- Any exponential progression ultimately overtakes every linear progression.
- Exponential progressions are the default when business shifts to a digital substrate.
- A characteristic of exponential growth patterns is that **for a long time, the growth is nearly unnoticeable**. Imagine dropping a 1 ml drop of water into a football stadium and then doubling the number of drops once every minute. How long do you think it will take to fill the stadium?



Source: Pinterest



Source: CNN, June 2019 (Western Michigan University Football Stadium)

Leithà was founded in 2016 as a “solutions factory” supporting Unipol Group.

- Develop **data-intensive** solutions and applications;
- Protect, exploit and enrich Unipol Group's **data assets**;

Skill-set:

- Data Science;
- Computer Science.

Data



Skills



Leitha 

Organisational change: agile team with a project portfolio ranging across several businesses.

Shift from “detect and repair” to “predict and prevent”

- Unipol Group's **Linear BestDriver** app is a project aiming at **increasing awareness of distracted driving** and **reducing the number of motor accidents** (thus making streets safer).
- Project entirely based on **smartphone telematics** (GPS, gyroscope...).
- **Real time scoring of the user’s driving style** and gamification mechanism that rewards careful driving based on different factors (e.g. speed, distraction).



“Personalization” and “customer connectivity” are the future of insurance

- Unipol has developed **predictive models** that **warn clients of atmospheric hazards** (e.g. hail storms, heavy rain).
- **Tailored alerts** to customers **in affected areas** extracted from black-box data before the severe weather hits **to prevent damages and claims**.
- Implementing personalized alerts and follow-up actions in order to **reduce claims** and **increase customer connectivity**.
- Improvement of **fraud detection** by merging weather observations with claims filed by clients.



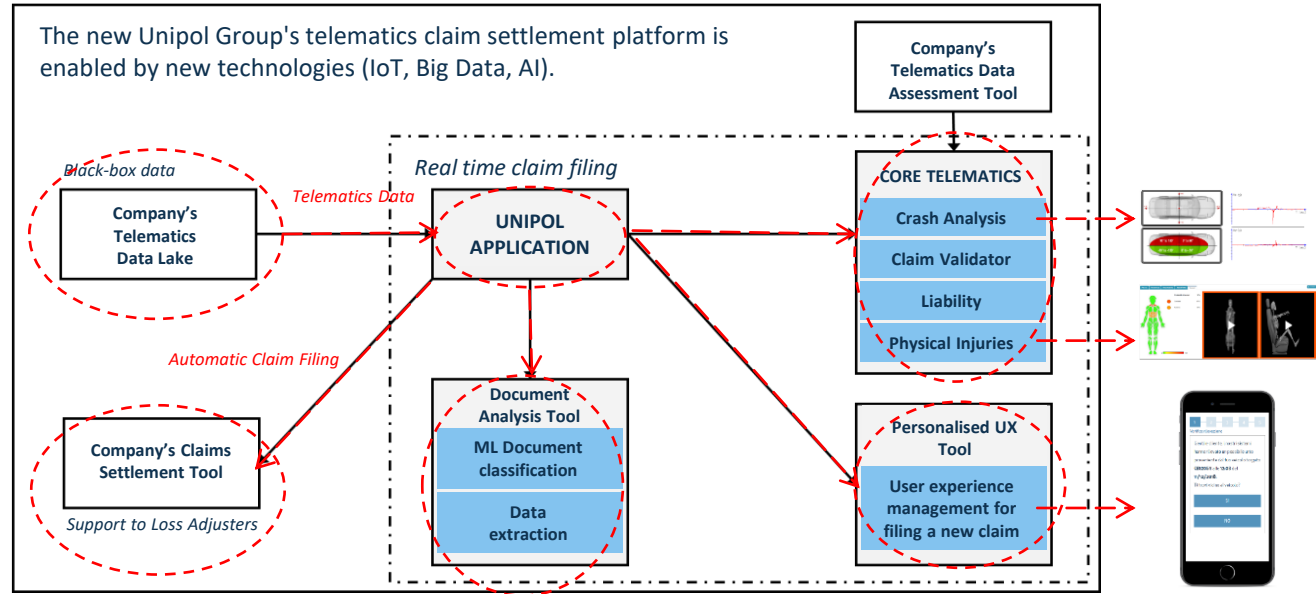
Real time Motor Third Party Claims Management

Process automation helps to deal with the new challenges in the insurance industry

Traditional motor TPL claims management system & processes



Decomposing the silos



In order to face the challenges posed by the 4th Industrial Revolution,
we must dare to shift from being protection providers to:



Predict and Prevent



Personalized Insurance Offering



Process Automation

**Creative
People Must
Be Stopped**

