



WHAT DISRUPTORS WILL THE INDUSTRY BE FACING IN THE NEXT FEW YEARS?

For an age it seemed like the insurance industry was unaffected by change. Go to Lloyds today and you find an industry steeped in history and you could tell yourself that it will never change. Indeed, some things around insurance should never change, upmost good faith as a core principle for example. However, much like how video rental companies and black cabs in London have seen over the last decade, disrupters have had a massive impact in a very short time. The way Netflix and Uber, to name just two examples, have penetrated their respective markets and importantly the consciousness of potential customers, is staggering.

What does this mean for the insurance industry then? Well it's clear that consumers value convenience above almost all else. You can't really compare renting a movie to taking out an insurance policy, one is a simple transaction the other far more complex buying decision. However, the trend for end user convenience-orientated usage only looks set to increase. It will be offerings to customers that makes their interaction with buying or using insurance easier than it is now that will cause disruption, the same way ordering a cab on an app was. How many people use Amazon or Google every day, multiple times? Millions of people have relationships and accounts with these large companies, which suggests that, should they make the move into the insurance industry, they will already have a captive audience. In the same way people "Uber over the city", will people just buy insurance on the search engine or shopping platform they use?

What can be done about this? We can see that people use their phones, laptops, tablets for more of their daily needs and this will surely only continue. The way to combat the potential disruption is to embrace mobile technology and combine this with existing insurance knowledge. Consider becoming a disrupter today! ●