than 80 percent of the market, according to data taken from *"Peru's Superintendence of Banking, Insurance and the Private Pension Fund Administrators"* (SBS). It is necessary to ask ourselves:

How can insurance brokers use analytics, blockchain and AI to their advantage?

Brokers and insurers alike need to become Technology and Data driven companies. This is not the same as saying Technology Companies or Data Companies!

They need to use all the available tools to better understand and serve their clients, and to provide faster and more accurate answers. That's where technology can help, but keeping in mind that Technology is a mean not an end. Data analytics and data science provides us with granular information that can help decode de customer's DNA. What the client wants, what he does, where he goes, who are his friends and influencers can be easily understood analyzing data to better design and customize a service for him. Until the microscope was invented many diseases were a mystery. The researchers were able to view bacteria and viruses, then they understood what was causing the disease. Now we can see data that was unavailable to us: a "datascope" is in our hand to identify reasons and behaviors that were impossible to understand and predict in the past. Can we see the potential? Are we ready to "pamper" and "surprise" our customer?

Artificial Intelligence, Deep Learning, Big Data and RPA are here to reduce costs, improve response times, develop more personalized products and be closer to our customers.

3. Finally, the insurance market concentration in Peru, creates fewer choices, and this lack of competition leads to increased costs and reduced coverage. That is why *"successful decision making"* requires an understanding of many challenges, also their relative importance, and how to assess options and make better informed decisions. We must ask ourselves:

How will insurance brokers use Mergers and Acquisitions to adapt and change this scenario?

This is a tricky question Idan. Small broker can be nimble and fast. Small brokers can be closer to their customers and adapt easily. On the other hand many new technologies require not only strong investments but also talent and management many brokers may lack. The scenario is changing faster than ever. Agile mindset and methodologies are needed to understand the mutating business environment; new technologies are needed to give answers to new and old questions.

As always there is no a "one-size-fits-all" answer. The main challenge is, in my opinion, to be able to find not good answers but the right questions. Data will tell us nothing if we don't know what are we looking for. Insurance is changing. The speed of change is difficult to grasp. We better begin running before it is too late.

To conclude, of the approximately eight million homes in the whole country, only 264,000 are currently insured, in other words a critically low percentage of 3.3%, the Peruvian Association of Insurance Companies (APESEG) published this information recently. That is surprising because Peru and many countries in South America are disaster-prone countries.

UNITED STATES

Reduced to Numbers – Have We Lost the Art in Claims Management

By Marci De Vries-Todtz

Scoring is insurance tech "du jour." An array of scoring companies appeared at InsureTech this year in Las Vegas, promising to score all human interactions with a number to indicate next steps. So of course, with an eye toward quantifying everything (which is a programmer's dream) we took a closer look.

While scoring has alleviated a great deal of reading and interpretation from Insurance assessment tasks such as underwriting, an enormous red flag appears when scoring enters claims management.

First a little background: Our company uses technology to harvest social media content related to claimants. After researching several thousand social media profiles and reading them in detail, we see only inconsistencies. This leads us to argue that there is an art to interpreting the information received by an adjuster, requiring skills above and beyond speech recognition and scoring.

For instance, the claims referred for social media investigation often return results riddled with issues related to language. Many claimants are not native English speakers, while others from lower socioeconomic status use a lot of slang or alternative spellings for common words. It would be easy to marginalize these populations using a linguistics score, thereby denying these populations the benefits to which they are entitled.

Second, scoring systems are just that – systems. They are 100% dependent on the quality of information they receive in order to produce a quality output. Or, as programmers like to say, "Garbage in, garbage out." If the information used to produce the score is inconsistent or biased, the resulting score will also reflect that bias.

Third, claims adjusting (to some extent) is an art. The adjusters' ability to interpret the information received from a claimant lends a level of intelligence to the final claim result that is greater than a score. And, when an adjuster receives a score as a starting place for their work, it creates an immediate bias prior to ever communicating with a claimant. In researching this article, one former claim adjuster commented, "Claim handling is an art. These scores take away our paints and brushes, effectively turning us into robots, speeding the eventual automation of adjusting."

Insurance is primarily a financial institution; however it is also supposed to be in the business of caring for people in their most vulnerable moments. In our rush to automate the industry, it is critical to remember that the end of the transaction is a very human interaction. While scoring can save thousands of hours, what additional consequences will it trigger?

Insurance: Destined for change by way of technology

By Sandra E. Welker, CIC, Insurgent Consulting

Are you willing to embrace change? Most people say "yes," but do they really mean it? In the insurance industry we may not have a choice. It seems like new technology is being created on a daily basis, and investors are hungry to support the products that are likely to change the way we do business.

There are now more than 1,400 insurtech startups that have garnered almost $20 billion in funding. As such, we cannot ignore the insurtech revolution. It is here and not slowing down. Last year alone over $1.7 billion was invested in insurtech startups. There is significant momentum and interest around developing the next best thing, and each and every one of these startups brings a new idea to our industry.

The insurance industry is entering an unprecedented era of change through the introduction of new technology. Most insurtechs are still in their infancy in terms of their funding and maturity. Undoubtedly, the consensus is that Insurtech startups have large growth potential. Future success of players in our industry may be determined by those who embrace innovation versus those who don't.

Within all this excitement, what is needed for these emerging insurtechs to succeed? Two things: timing and the right partner.

Timing is everything! The goal is to bring the product to market when consumer demand (or perceived demand) is at its highest point. Entering the market too early or too late could eliminate any possibility of success.

Finding the right partner is like finding the missing pieces to the puzzle.