

Emerging Analytics

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Bryan Bedford, 2015 recipient of the CIP Society Emerging Leader Award, suggests that advances in data analytics technology could help insurance providers sell more services.

As advances in technology help improve vehicle safety, insurance carriers could face a drastic drop in auto insurance premiums. One way to offset that lost revenue could be through additional services made possible by data analytics, suggests Bryan Bedford, a self-taught computer consultant who now works for an Ontario mutual insurer.

Recently inducted into the Chartered Insurance Professionals (CIP) Society Leadership Circle, joining 31 previous established leaders and emerging leaders, Bedford is the 2015 recipient of the Emerging Leader Award from CIP Society, a division of the Insurance Institute of Canada.

"I was never a fan of the 'big data' term," says the manager of strategic projects and privacy officer for Brampton, Ontario-based

Peel Mutual Insurance Company, a member of the Ontario Mutual Insurance Association (OMIA). "It is definitely a catch-all. When I talk about big data, it's more focused on the more advanced analytics," he says.

Computer databases are nothing new, Bedford notes, but adds "there is more data being produced now than there has been, historically, with multitudes of sensors and various other things out there connecting everything."

That opens the door for an insurer to take advantage of data analytics by sending information to customers in an effort to prevent losses, he suggests.

In many cases, says Bedford, insurers only interact with policyholders when they pay their premiums or submit claims. That being the case, "there is certainly opportunity, if there are more things that are connected — more sensors involved — to know if something may happen, to push out some information to try to mitigate that before [a loss] happens," he believes.

For example, an insurer could be notified that a homeowner's furnace is not working and the policyholder is not at home. That insurer could then send a message to the policyholder notifying him or her the temperature is dropping in the home and that "someone should go take a look or something, to avoid pipes freezing, and

things like that," Bedford says.

With data analytics, he further suggests insurance providers could glean information about weather patterns and warn customers. Upon learning of an impending hailstorm, for example, a provider could advise policyholders to move their vehicles under cover.

The possibility of using technology to provide more services is something that

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senior executives at Peel Mutual have been discussing, he reports. "Obviously, there might be more of an opportunity to charge a fee for some of those things."

Identifying potential new forms of revenue is important because auto premiums are going to decrease as insurers reduce claims costs through telematics and self-driving cars are introduced, Bedford notes, pointing out that auto insurance is likely close to 50% or more of most companies' written premium on the

property and casualty side.

"I have seen some studies that say as much as 50% to 60% of auto premium could disappear within 15 years, so companies will be looking for other opportunities," he reports.

One technology already being implemented at Peel Mutual is eDocs, a standard overseen by the Centre for the Study of Insurance Operations (CSIO). The standard is intended to let brokers download policy documents directly from a carrier's computer system to a broker management system (BMS), and to store those documents in a BMS without manual intervention.

"If you are sitting in a broker's office and you are discussing your insurance... the broker has the ability to get up-to-date, real-time information from our systems, present that to the customer, make changes and present the customer with premium changes, in real time," Bedford says of his company's eDocs application.

ROAD TO INSURANCE

Like many professionals in the industry, Bedford says that he "fell into" insurance as a career.

Born in Ottawa, he moved to Mississauga, Ontario when he was five years old. During the 1990s, he earned a Bachelor of Science degree in applied geography and biology at Brock University

in nearby St. Catharines and, after graduating, he and his wife went into business for themselves in information technology consulting.

"We weren't doing multi-million projects," but the work included web design, computer programming and databases, Bedford says of his consulting days. "It was more small- and medium-sized businesses," he notes.

"We sort of rode the tail end of the Internet wave at the end of the '90s," he says.

Bedford, who is self-taught, notes that a trial-and-error approach is "the way I teach myself to do a lot of things. You just start playing around and do it."

But as his family grew, he and his wife "figured one of us needed a real job with benefits," recounts Bedford, who now has three children.

So in 2005, he joined York Fire & Casualty Insurance Company in Mississauga.

At the time, the company's parent firm was Kingsway Financial Services Inc. In 2008, Kingsway Financial sold York Fire & Casualty to La Capital General Insurance and then in 2011, York Fire & Casualty changed its name to Unica Insurance Inc.

In 2012, Bedford joined Peel Mutual and has served in his current role as manager of strategic projects and privacy officer for a little more than one year.

Over the course of his time in insurance, Bedford has



attained the Fellow Certified Insurance Professional (FCIP) designation and the Canadian Risk Management (CRM) certification.

Bedford has also taken part in working groups for CSIO, OMIA and the Organization of Real-time Brokers Implementing Technology (ORBiT), notes a statement from CIP Society. In addition, he has presented at industry events such as ORBiT Canada Education Day and the Insurance-Canada Technology Conference.

FOLLOWING THE CUSTOMER'S LEAD

One thing Bedford has noticed, after 13 years in the insurance industry, is that insurance providers "can be a little behind the curve" in technology. "A lot of the change is driven by... the consumer or the customer,"

he observes, suggesting that some customers are looking for an "omni-channel" experience — that is, having a choice of doing business by cellphone, landline or the Internet.

"If you are doing online banking through your phone, that's the sort of experience that you would expect to have working with your insurance company. Or if you are buying your Starbucks with a mobile payment... all these types of things that are happening now, you are expecting everywhere you go."

But that type of customer experience is "not available in most places in the insurance world," Bedford maintains, adding that it can be a "struggle" for insurance providers to pay for and implement such systems.

"The problem that everyone falls back on is legacy

systems — old technology, trying to slap something on the front of that to make it work or replace it entirely," Bedford observes. "I think we are starting to see the end of some of those [legacy] projects, which is allowing companies to do things that are much more responsive to what customers want."

At Peel Mutual, for example, he notes different farm clients have different preferences. "We have both extremes," he says of farm policyholders, pointing out that some would like to do business over the Internet or through mobile devices.

Still, there are others who "are very content in what they have been doing in the last 20 or 30 years, and don't see any need to change," he says. "They stroll into town one day and see their broker face to face." ■