

## Part 3 – Our work, your future?



### What's in YOUR future?

**We don't have a crystal ball, but there is something you can do to help prepare for your customers' needs in the future.**

It's called horizon scanning, or futures studies. Here, we'd like to introduce you to two areas in which horizon scanning helps shape business today – and show you how this fascinating new discipline may affect your business in the future...

#### Everything's connected

Imagine one of your clients is overseas, cruising in the Mediterranean. She's been shopping for a top-of-the-range digital SLR camera and a stunning diamond bracelet happened to be on offer too.

She's now back on the cruise ship. The wifi isn't letting her use the insurer's app on her smartphone ... but that's okay, she doesn't have to worry. Both items were added to her policy automatically when she bought them, so she won't be left underinsured.

Instant and approved data sharing may be one advantage of being connected in the future. The 'Internet of Things' enables hardware to transmit data that triggers a remote response. Another benefit of connectivity will be the ability to integrate a wealth of data, and then use it to reduce risks as well as to react to them.

- Sensors in your client's local park will update an app that tells her about high pollen counts. As an allergy sufferer, she'll then avoid those areas on an early morning run.
- As she leaves home, her car could send a signal to a communal car park, reserving a timed and pre-paid parking space.
- With a lot less to worry about, she'd relax and focus on the journey ahead. Then, if the weather changes, she might adjust the temperature at home from a smartphone, and, as a storm-front moves in, check the flood sensors local to her riverside home.

#### This technology is emerging now

**These aren't fads for the rich, they're examples that are permeating our lives and offering new 'more connected living' benefits for businesses and consumers alike.**

- Customers of the future may be asking you, "Could we see policies that link secure tracking of my new purchases to pay-as-I-buy home insurance?"
- You may be asking, "Could information about a customers' real-time travel habits affect the way we market and offer travel policies or motor insurance?"
- And providers could be using their insights about these trends to help improve claims, create appropriate policies, and better still, to trigger events that could help prevent a claim.

## Transport and logistics

We already have hi-tech vehicles on the road – and we're all watching with interest at the rapid development of driverless cars.

### Driving ambitions

**Connected autonomous vehicles, or 'CAVs' as they're known, raise some obvious questions about motor insurance, risk, and responsibility.**

The government has sought to address this through the provisions of the Vehicle Technology and Aviation Bill, which will extend compulsory motor insurance in the UK to include liability arising from an accident caused by an Automated Vehicle operating in an Automated Mode. The insurer will have a right of recovery against any at-fault party, which may include the vehicle manufacturer and or their systems supplier(s). The bill was introduced to the last parliament, but wasn't able to complete its passage before the general election. It is anticipated to be reintroduced in the next session and to complete its passage in early 2018.

In addition, the progressive advances in vehicle safety features are already being reflected in the policies we offer today. The technology being developed for CAVs includes sophisticated, automated emergency braking (AEB) and Lane Keeping Assistance (LKA) systems. AEB has already proven to lower both overall accident frequency and to reduce the severity of those that do occur. As an industry, we reflect that by giving vehicles fitted with AEB a lower group rating, thereby rewarding customers who've invested in a vehicle that reduces the severity of accidents. The future is affecting the present already.

Manufacturers are continuing to develop and test a range of Automated Driving technology, but it isn't likely to be until around 2020/2021 before the first Automated Vehicles are available to the UK public. Developments will include goods' vehicles as well as passenger-carrying cars and connections with roadside infrastructure, such as traffic lights and road signs are also likely to be included. As transport infrastructure becomes 'smarter', congestion on the roads could well be reduced as a result.

### One journey, many directions

**For consumers, it also opens debates around effective fleet management, fraud, fuel use, and the type of policies that will be needed to provide reassurance if one or more elements of the connected 'chain' of data happens to break down.**

That's why, within our industry as a whole and on your customers' behalf, we're looking at how this technology works; asking questions about the effectiveness of different systems and the accuracy of mapping; working closely with government departments on upcoming regulation and researching the security and ownership of all that data.



*Horizon scanning now helps to find the answers for your customers' questions tomorrow.*

*In the next, and final part of our 4-part mini series on horizon scanning, we'll be showing you how you can start working some of the same principles into your business...*