



Invention and Reinvention: *Observations
for Regulators, Supervisors and
Policymakers on all things #Insurtech*

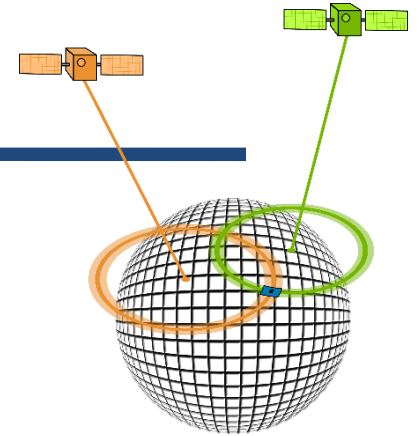
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Connected cows!

- Who would have thought... but there are more connected cows in India than anywhere

The connected cow

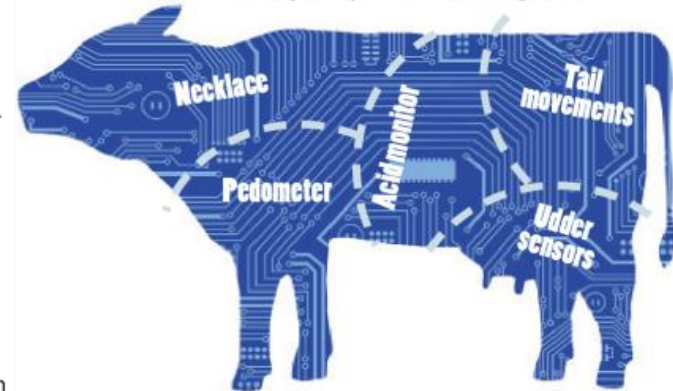
Necklace

Connecterra, a Dutch company, makes Fitbit-style necklaces that monitor a cow's movement and feeding habits. The sensor can be used to detect health problems and to tell when the cow is in heat, so that insemination can happen at an optimum time.

Pedometer

Afimilk, based in Israel, makes a pedometer for cows. Cows typi-

'One of the most important issues is to control and increase the quality of milk through IoT'



cally increase their walking as they come into oestrus, so the pedometer alerts farmers to the best time for insemination.

Acid monitor

Well Cow, a British company, has developed a bolus that is inserted into the cow's rumen to monitor acidity

levels. This helps detect digestive problems.

Udder sensors

Automatic milking systems, such as US-based

Lely's Astronaut, can be equipped with sensors to monitor the quality of the milk and check for signs of mastitis.

Tail movements

Mocall, an Irish company, makes a birthing sensor that attaches to the tail. It measures tail movements triggered by labour contractions, and sends a farmer an SMS alert approximately one hour before a cow is due to calve.

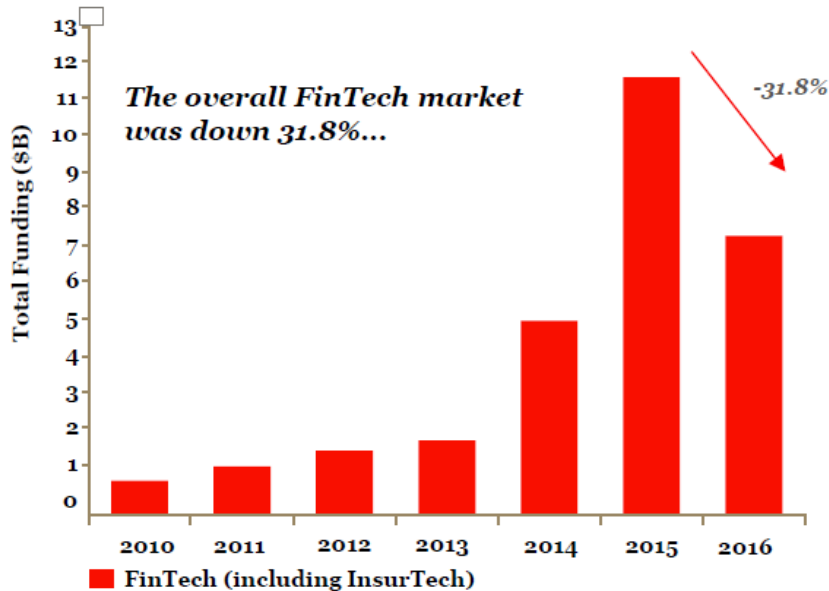
Picture: iStock

Source Financial Times April 2018



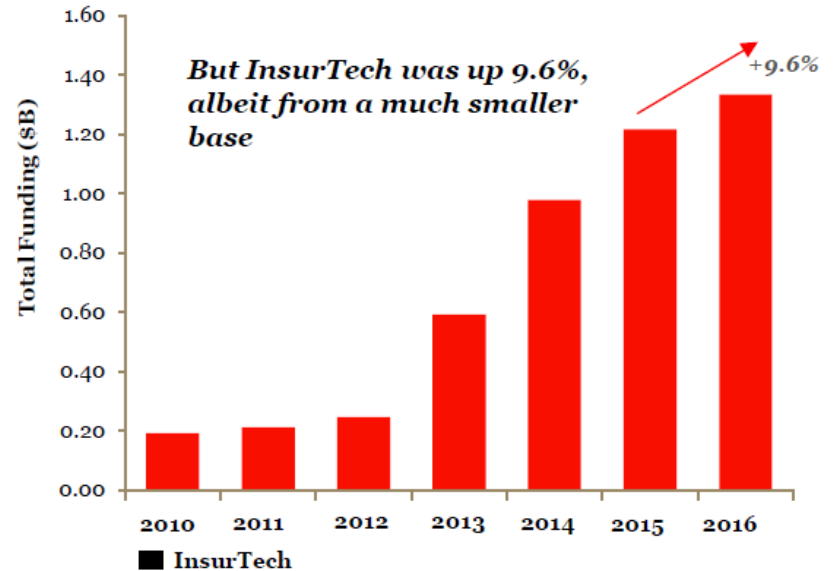
Massive increases in funding and investment

Fintech activity overall saw a steep decline



Source: DeNovo including a selection of relevant FinTech companies

InsurTech activity continued to grow regardless



Source: PwC



Insurance has a history of radical reinvention

- Hurricane models were invented for engineering first
- RFID tags were invented for tracking inventory
- Telematics in cars? Those plugs have been there since 1995
- The telematics phone sensor that makes telematics cheaper was created to switch from portrait to landscape
- Africa has been a leader in digital financial services delivery



Technology

Collecting data

Sensors
Connectivity
Power sources
Buffering and transmitting
Using data that is already there for new insurance purposes

Analyzing data

Distilling big data into key indicators
Understanding material changes in data points that are relevant to decision making

Actioning the analysis

SMS and other messaging to inform or change behavior
Delivering better more relevant service in a timely manner
Making business decisions to alter risk profile

Other disruptions – Peer-to-peer insurance, AI, Blockchain etc.



Five practices relevant to regulation and supervision?

- Practice 1: **focused attention on innovation** as a result of technological advancements and the **active review of regulatory regimes**
- Practice 2: the **creation of innovation facilitators** such as hubs and sandboxes to keep close to emerging developments and foster shared learning
- Practice 3: **coordination, collaboration and communication** between domestic regulators
- Practice 4: **global cooperation** with standard-setting bodies
- Practice 5: **building staff capacity** through deep knowledge of exponential technologies

Source: Francois Groepe, Deputy Governor of the South African Reserve Bank, 19 April 2018



END