

InsurTech Startups Are Boosting innovation in Brazilian insurance Industry



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The insurance industry has a large demand for innovation, but it hasn't been benefited yet from digitalization as it should be. In 2014, only in the United States, insurance Market moved a total of US\$ 1,99 trillion, which stands for 11% of American GDP. The emergence of what is increasingly known as InsurTech, a segment focused on advanced and disrupted services for the insurance market, can be seen as the first steps of this movement. In 2015, this new market attracted over US\$ 3,1 billion investments all over the world, according to [InsurTech Outlook](#) report from Everis consulting.

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The report shows that insurance companies are diversifying its investments in order to integrate new digital resources in its business strategies, turning companies even better and more effective. Another challenge is to adopt a new way of interacting with the clients, by using omnichannel platforms or gamification methods in order to make sectors' players capable of offering more individually customized insurance services.

"Digitalization is a trend in every single market. The insurance industry is no longer different. These numbers show how the entire world is preparing for this new wave brought by companies that use technology to make the offer and policies even more attractive and personalized to consumers that demand efficient and agile services", says Eldes Mattiuzzo, director at Youse.

A report released in March 2016 by PwC Consulting confirms that innovation represents a big opportunity for this market. "InsurTech companies have been growing as a transforming opportunity for the innovation of insurance companies to make them bigger. The Insurtech financing has been occurred in the same size as Fintechs investments. We hope these investments grow as far as new players join the field", says the report.

According to [Prepare for InsurTech Wave](#) report, developed by Financial Technology Partners, the interesting for the subject has been grown gradually. From 2015 first quarter to recent days, the mention to the term "Insurance Technology" has raised approximately 800% in media appearance.

In this scenario a few [Insurtech companies](#) and brands has been arising all over the world, changing the traditional way of offering insurance policies and strengthening consumer relationship. This is a consequence of a lighter structure owned by insurance players by the use of technology, generating large benefits to consumers. And there is a few recent good examples of this change, even in Brazil.

Local and international case studies

Youse is the very first Brazilian InsurTech brand. It is the first local insurance selling service based upon an 100% online platform that belongs to Grupo Caixa Seguradora. Due to the way it's operating, Youse can be inserted to the same group of companies that are bringing innovation to traditional markets to make them better and advanced such as Uber, Nubank and Netflix.

As an 100% native digital company, Youse offers personalized hiring of insurance policies in a matter of minutes through internet devices (website or mobile). There are over 1,000 possible combinations of services during the acquiring of a policy. Another new possibility brought to Brazil by Youse is the hiring of a policy with no need to consult any insurance broker during the process, making the service faster and eliminating steps.

The experience that companies such as Youse bring to the country is part of a global movement driven by innovation in the insurance sector. Last September a company called Lemonade was launched in USA, have been introduced as the first P2P (peer-to-peer) insurance company. Acting in residential insurance and planning to rapidly expand thought the country, Lemonade set as one of its goals to change the mindset on insurance services in order to emphasize its role as a social good, and not a 'necessary evil', which is close to Youse's mission in Brazil. Like the Brazilian company, Lemonade offers fast insurance hiring thought internet devices, with no involvement of brokers.

Another example is [Metromile](#), an auto insurance company with a new proposal: charge only for damage coverage regarding the travelled distance and a US\$ 35 monthly payment. Consumers pay extra US\$ 0,05 per mile using a "dongle" (a "token" connected to the internet). This American startup believes that traditional insurance companies are not fair with "low miles" drivers. They have taken into account report statistics that indicates that a large numbers of drivers (65%) have to pay for the coverage of those who drives more. "If you are driving less, you should pay less", says Metromile website.

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