

# Insurance Times

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## Analytics should focus on closing the insurance protection gap – Guidewire

Data analytics could help inform risk and better mitigate losses but the industry is a long way off sharing data for this purpose.



Closing the insurance protection gap should be the focus of analytics over the next five years, according to Daljit Barn, head of Tokio Marine’s innovation lab.

Speaking during Guidewire Software’s webinar on 14 July ‘*Leading through change with analytics*’, Barn, said: “There are still other lines of business, not just cyber where people just don’t buy enough insurance.”

Ian Branagan, chief risk officer at Renaissance Re said if he could wish for one thing it would be the availability of high-quality data and models on natural hazards where they do not exist currently to push forward the climate resilience agenda globally.

Climate change is one of the areas that Mike Donovan, head of cyber and executive risk at Beazley said the industry will need to do a better job at predicting these losses given the range of events over the last decade.

Meanwhile, Michael Poulos, president at Marsh Risk Consulting added: “As those things play out, you are going to see demand for more protection products, a strong demand for advisers and masses of information. Clients are going to expect us as an industry to make them safer [and] lower their risk.”

It follows [Guidewire’s research revealing that one in five consumers believing that the insurance industry did not do enough to help consumers in their response to Covid-19](#)

### Sharing data

But to make an advance in this area data needs to be more accessible and shared.

Branagan added: “Many are realising that sharing data, making it more openly accessible will be the power tool to grow the whole pie for the (re) insurance industry. And then it’s what people do with that data – that’s where the intellectual property sits.”

Donovan agreed: “We have more ability to collect data, if we can do that in a more collected way it will lead to better outcomes – I believe this is what the industry should focus on right now.

To a large extent sometimes the data sits within individual insurance companies or brokers, sometimes within third parties but often those data sets are relatively limited. We could do much better at analysing risk if there were more assets to data”

Paul Mang, chief innovation officer at Guidewire said that while establishing data standards are a step in the right direction and a means of keeping competition sharp that the insurance industry’s relevance to deal with political uncertainty, transformed business models, disrupted legal markets, climate change and cyber threats over the next five years will be tested.

However, Barn’s said that until analytics becomes a useable solution insurance it is hard to see the bigger picture.

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