

Big commercial brokers, insurers breaking new ground on data, analytics use

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While the use of data and analytics to improve business processes has become more prevalent throughout the insurance industry, certain sectors and firms are taking the lead when it comes to pushing the envelope with data technologies.

“If you look at where sophisticated analytics and big data are happening in the insurance industry, the big commercial brokers and reinsurers are the ones breaking new ground,” said Mark Breeding, partner at Boston-based insurance research and advisory firm Strategy Meets Action. “They need to have a finer understanding of risk than carriers do.”

Delivering the keynote address at the ACORD 2012 Insurance Technology Congress in London in October, Steve Betts, global chief information officer for Aon P.L.C. said his firm was looking to leverage the wealth of data it collects as a global insurance intermediary to help its clients make fact-based decisions. “At its core, the insurance industry is all about gathering and analyzing data to mitigate risk,” he said.

Mr. Betts cited Aon's Global Risk Insight Platform, known as GRIP, as an example of how Aon was using data and analytics to improve operations. The platform, which serves as a repository for the insurance placement information Aon collects throughout its global network, is paired with proprietary analytical tools that enable the company to offer clients real-time insight into market conditions and premium rates around the world and across industries.

“Transforming data into insight is the key to managing the complexity of risk in today's world,” Mr. Betts said. “We are fortunate in that Aon has the expertise, the technology, the access to data and the global network to help clients harness the information explosion and turn it to their advantage.”

The advantage to aggregating data on a massive scale is that certain emergent trends predicated on relatively rare events may only become evident at scale, Mr. Betts said. “We can answer questions that clients don't immediately know to ask,” he said. “We can identify risks before they turn into problems.”

Yet making sense of this flood of data takes a commitment in technology and in people adept at deriving insight from it, Mr. Betts said. “Access to data and information is not the problem; making sense of it is the real challenge,” he said. “In many ways we are data rich, information poor, and insight starved.”