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October 15, 2021

InsureTech Momentum

The InsureTech Connect conference is, in itself, compelling evidence that the insurance technology phenomenon is a big deal. A multi-day event connecting technology startups, carriers, brokers and investors, InsureTech Connect (ITC) brings thousands of industry players to Las Vegas each year. Founded in 2016, ITC has welcomed over 30,000 attendees since inception, outgrowing Caesar's Palace and moving up to MGM and Mandalay Bay. That is a lot of investment of time, energy and capital into "insuretech."

Reagan spent some time at ITC 2021 last week and it is clear that there is a growing interest in insuretech from the broker community. Maybe it was Vegas. Maybe it was Ludacris at the ITC after-party. But to whatever you attribute it, more brokers are enthusiastic about insurance-focused start-up technologies.

Just in case you weren't among the 6,000 conference-goers in Vegas last week – or even if you were – below are a few of our observations on the conference and on insuretech in general.

- **Brokers are showing up at ITC and embracing start-up technologies in greater numbers.** When we first attended ITC in 2018, there were only a few brokers that were serious enough about the insuretech space to attend. That picture has changed dramatically. At the 2021 conference, there were dozens of brokers in attendance and even a breakout stage for BrokerTech Connect – a series of presentations and panels on technology and trends focused exclusively on brokers. Brokers have increasingly welcomed insuretech start-ups just as these start-ups have increasingly been designed to support brokers. Our industry is realizing that there are more insuretech firms whose mission is to enhance the traditional brokerage channel than there are whose

- **The line between insuretech and the traditional broker is getting blurry.** Deals like Acrisure's acquisition of Tulco (an artificial intelligence platform), Brown & Brown's acquisition of CoverHound, and the recent merger of ABD and Newfront highlight the confluence of tradition and technology. We believe that these deals will continue – and that the brokers of the future will be powered more frequently by insuretech platforms, allowing them to spend more time on client relationships and complex risks. Of course, there is also the valuation boost that comes from the higher growth expectations for a tech-enabled broker to provide added incentive to traditional brokers embracing technology integration.
- **Engaging with insuretech doesn't have to be overwhelming.** Walking through the Expo Hall at ITC provides a window into the hundreds of insuretech players competing for capital from investors and attention from carriers and brokers. If your firm is looking to see where insuretech could help, we recommend three steps:
 - Ensure that you have IT leadership focused on emerging technologies and thinking strategically about your business.
 - Ask yourself a question: What problems in our business can insuretech help solve? Is it the client experience? Is it a safety program? Is it efficiently handling small accounts? Figuring out the questions you are trying to answer will allow you to narrow the universe of technology providers – and it can make the walk through the Expo Hall a lot more efficient and productive.
 - Collaborate with other agents and brokers and industry associations. At the end of the day, most of these insuretech firms are start-ups and many of them will fail. The survivors will build scale and value by serving multiple users. Talk with your peers and industry associations about the firms that are most adept at meeting your specific needs. Networking and socializing these technologies will enhance their value. In addition, being a part of the insuretech discussions early may give you some influence as to how these start-ups refine their technologies and perfect their offerings.

In an economy still influenced by COVID, gathering 6,000 individuals for an indoor conference requires significant energy. That energy is coming more and more from brokers looking to continuously improve their operations and the insurance experience for clients by leveraging insuretech.

Brian Deitz
Partner, Reagan Consulting

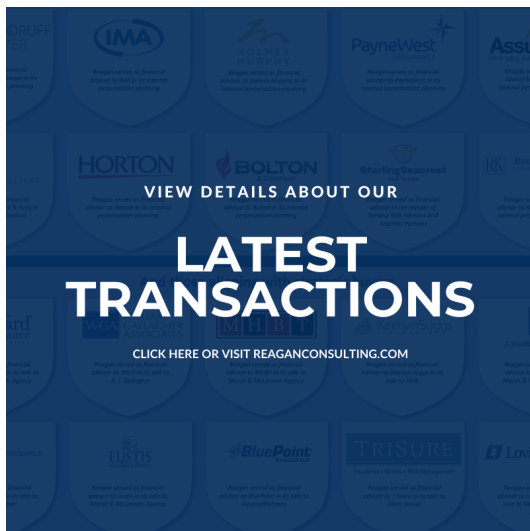


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