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Greenlight Re unveils new innovation unit

Greenlight Re has become the latest re/insurer to launch a dedicated innovations unit to stay ahead of the industry's technological revolution.

Technology is rapidly changing the face of the global re/insurance industry with the rise of start-ups such as MetroMile and Lemonade providing new ways of underwriting risks while service providers like Sureify are giving carriers the opportunity to change the way they manage their back office operations.

These are just two of the ways that technology is impacting the industry, with another being the heightened use of data to gain a better insight into the risks and exposures facing underwriters.

To ensure they remain at the forefront of the industry, various companies have established technology-focused innovation units.

And now Greenlight Re has unveiled its own specialist outfit to tap into the re/insurance industry's technological revolution.

In early March, the Cayman Islands-based property and casualty reinsurer introduced Greenlight Re Innovations. The new platform is headed up by Greenlight Re's chief operating officer (COO) Michael Belfatti who first joined the reinsurer in August last year in what was then the newly created COO role.

This new unit will partner with specialist technology and risk industry companies "to maximise the quality and efficiency of risk management methods", Greenlight Re said in March.

In doing so, Greenlight Re Innovations "will seek to deliver on its central mission of supporting commerce and personal health and welfare".

The reinsurer's chief executive, Simon Burton, said at the unit's launch that "technology and innovation are at the heart of Greenlight Re's strategy for future growth", adding: "We are nimble enough to quickly develop and bring to market risk products that are efficient and beneficial. Our strategy will allow us to maximise on the changing landscape of opportunities from technological innovation, while avoiding large, permanent teams of resources that undermine the benefits available to our customers."

While Greenlight Re has only just announced the launch of its innovations unit, Belfatti has actually been working on the project since he joined the company.

"One of the main things I'm driving is pushing our innovations and technology platform," Belfatti told Reactions.

"That project really started the day I arrived, although we have only just announced it and formalised it. But we've been working on this for quite a while."

Greenlight Re is not the first company to have launched a dedicated innovation unit, with XL Group, Allianz and Munich Re to name but three who have made such a move. But, as Belfatti explained, everyone has a different interpretation of what "innovation" actually means.

“The use of technology has a wide range of applications,” Belfatti said, adding: “For example, when you compare us with other innovation units out there, there are some who are using technology for customer experience and customer brand quality. There’s clearly the use of technology for the basic objective of automation and efficiency. There is also clearly the use of technology for the objective of analytics, underwriting, claims handling and all of the analytical uses of data that people are focused on.”

Belfatti also pointed to the use of technology for prevention and hazard event mitigation, while there are also the innovative platforms that utilise underwriting data to assist with accurately pricing risks.

“All of these types of technology are out there, and we actually hope to work in all of them,” stated Belfatti.

“In general, we strongly believe our efforts to do this should not be limited to raising people’s rates or kicking them out of portfolios which is basically the underwriting and analytics perspective on technology,” he added.

Greenlight Re Innovations is therefore considering various aspects of the re/insurance industry’s involvement in technology.

The means innovations around new products, safety, integrated technology in existing insurance products and various others that can influence the underlying customer. For the wider industry, that can include individuals or businesses and corporates, although in Greenlight Re’s case, that often means insurance companies.

“A number of the interesting applications we’re pursuing involve creating better products for individuals or businesses, and/or involve better operations for individuals or businesses,” Belfatti said.

“We think we’ll produce value if we’re good at what we do. It’s our view that while the data and underwriting side of [technology] is interesting and we will be pursuing it, we don’t think that’s the exclusive use of technology in insurance. We’re going to be pursuing something a little bigger than that,” he added.