



INNOVATION MEETS REGULATION



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INNOVATION MEETS REGULATION

- **Technology** is transforming the insurance industry
- Regulators need to adapt to consider new methods and distribution systems

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- **Technology**- enormous effect on how insurers communicate with policyholders, measure risk, and assess claims



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History: US Postal Service-Telephones-Computers-Smart Phones



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Data collection:

- Onboard Diagnostic Port
- Wearable Technology
- Smart Home



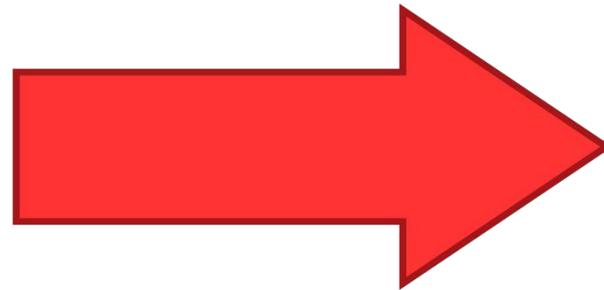
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“InsurTech”

- Regulators committed to being knowledgeable about new and emerging technologies
- Welcome new technologies to come to market if they can improve insurance by: more accurately pricing risk, providing better service to the consumer, and bringing products to a broader segment of the population

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How does North Carolina regulate Auto and Home Insurance?



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How does North Carolina regulate Auto and Home Insurance?

- Companies are members of the North Carolina Rate Bureau
- NCRB file rates, rules, and forms on behalf of member companies for approval with the NCDOI
- NCDOI approves the rules, rates, and forms for member companies to write business in North Carolina

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Can a member company of the North Carolina Rate Bureau submit InsurTech Auto and Home filings solely for their own use?

YES!



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Companies have two tools for use to differentiate themselves from the competition



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- **Optional Enhancements**
- **Deviations**



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Type of Optional InsurTech Enhancements

- Cyber Security
- Limited Transportation Network Driver Coverage
- Home Systems Protection



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Type of Optional InsurTech Enhancements **“On Hold”**

- Forms not enhancing existing NCRB coverage
- Filing submissions changing approved NCRB form language



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Deviations

- Telematics



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Commercial and non-NCRB Coverage



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Commercial Insurance

- Cyber Liability
- Unmanned Aircraft
- Unmanned Aircraft exclusions



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Non-NCRB Personal Coverage

- “On Demand” Drone Coverage



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Looking Ahead

- Autonomous Vehicles
- Autonomous Uber Aircraft
- Unmanned Aircraft Delivery
- Smart Homes



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Questions?



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