

# Using InsurTech to help low-income renters

- contents insurance has very low take-up (around 20 to 40 per cent) among low-income renters as many products are not suitable to their needs
- Treasury and FCA has invited multiple firms from across the insurance and financial services industry to attend an Access to Contents Insurance Innovation Workshop
- the ideas generated will help the industry to design better products for low-income consumers

On 20th June, HM Treasury and the FCA ran a workshop to generate innovative ideas for increasing the uptake of contents insurance, particularly among low-income private renters. Hosted by L39 and moderated by 11:FS, the workshop saw product specialists from across the financial services sector (including insurers, brokers, and InsurTechs) join together to explore how technology and behavioural approaches might deliver more valuable outcomes for low-income consumers.

Speaking at the event, the Economic Secretary to the Treasury, John Glen, said:

The UK is leading the world when it comes to innovation in the insurance industry.

There are over 120 InsurTechs registered in the UK, which are fundamentally changing the way that customers interact with insurers and transforming the way the insurance industry is perceived.

With such low uptake of contents insurance by low-income renters there is a clear opportunity for innovative new approaches to this area that will help some of society's most vulnerable people.

Instead of digitising existing insurance products, the workshop explored innovative technologies and services which have the potential to significantly increase insurance coverage. Insight from the workshop will help the broader market to develop further new insurance services and products.

A panel of judges chose the best solutions based on two different categories; the idea with the biggest credible impact on the market and the idea with the most innovative approach.

The Judges were:

- Gwyneth Nurse (Financial Services Director – HM Treasury)
- Chris Woolard (Executive Director of Strategy and Competition – FCA)

- Caroline Wayman (Chief Ombudsman – Financial Ombudsman Service)
- Sophie Winwood (Associate – Anthemis)

Some of the factors that teams considered are:

- the definition of contents insurance and how this can be deconstructed
- the triggers, channels, and partnerships that bring the right product to the customer at the right time
- how digital technology might cost effectively deliver products better suited to low-income renters needs

The idea judged to have the biggest credible impact came from team 'Simple Sure'. Their product offered a price first, no questions asked insurance product targeted at small, local, and underinsured communities, using B2B marketing to sell the product at key touchpoints in the communities, such as post offices and paypoints.

The idea judged to have the most innovative approach was came from team 'Retro'. Their idea was for loss-specific loans targeted at gig economy workers and then using this touch point as an opportunity to sell contents insurance to help protect against the costs of future incidents.

Attendees of the event included representatives from: Moneyline, LV, Direct Line Group, Aviva, Laka, Urban jungle, Aventus Platform/Homelyfe, Slice, We Are So Sure, Bought By Many, Brolly, Aplan, AON, RSA, Simple Transfer, XnTree, Salary Fits, Vesuviois and the ABI.