

Blurred lines

How advances in technology impact personal lines coverage

By Donna Asta

It shouldn't be news to anyone that technological advancements are shaping the world around us. But because new technology changes the way we live, work and play, independent agents need to keep up to date.

Here are a three ways technological trends are impacting personal lines coverage:

Cyber threats. From instant application approvals to auto-renewals, the use of technology is changing the insurance industry. With this changing environment come additional risks and new coverages, such as cyber or data breach coverage.

Your clients use technology to make their lives easier, but it also puts them at greater risk of a cyberattack. Victims may find that they downloaded a document that contained ransomware that disabled their computer system, while others may unknowingly find themselves sent to a phishing website. Damages from these types of attacks can cost thousands of dollars. Are your clients covered for such perils?



Also, in the event of a cyberattack, do your customers have adequate coverage and limits? Personal cyber coverage is becoming more common. But as it grows in popularity, it is also becoming common for cyber coverage to be excluded from standard homeowners policy and only available by endorsement or a standalone policy. Do the standard homeowners policies you write provide cyber coverage? If not, did you offer it?

Teleworking: Another technological trend is telecommuting, which has become the standard operating mode for at least 50% of the U.S. population, according to Forbes. However, traditional homeowners policies contain broad exclusions for home business pursuits.

Coverage for personal liability arising out of business pursuits is typically excluded, which prompts the question: Is your customer covered for business performed at home? Agencies should determine whether they have clients who telework or run businesses from home and offer endorsements to existing homeowners and renters policies to

cover these pursuits.

The gig economy: There are more than 1 million rideshare drivers working for companies like Uber and Lyft in the U.S. Meanwhile, HomeAway offers 2 million global home listings and Airbnb offers 500,000 in the U.S. alone. Other examples of the gig economy include ad hoc food delivery, package delivery and manual laborers.

Do you know whether your clients are participating in the gig economy? If so, are they covered for property damage, personal liability, injuries requiring health care and loss of income? Agents should start asking these questions before a claim comes in.

Recognizing and reacting to these trends will prepare you to satisfy your duties as a 21st-century personal lines agent or broker. Importantly, staying ahead of the curve when it comes to technology leads to better agency achievement, and higher client satisfaction and retention.

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