



HOME SMART HOME

Advances in Home Technology

Linda Jancik | AAIS
Product Manager, Personal Lines

Our houses are more than buildings; with the advances in smart home technology, they're becoming intelligent, all focused on keeping us healthy, safe and protected. It's an exciting advancement in the personal lines industry – but where should insurers focus their efforts, and how can they keep up with the rapid changes in home technology?

Interconnectivity and the Internet of Things (IoT)

The things we have in our home – including doorbells, appliances, and plumbing and HVAC systems – are getting smarter and more connected through the Internet of Things (IoT). Home consumer devices are connected to the Internet, have their own IP addresses and can easily transmit data to data centers and smartphones in real time. The technology helps insurers preemptively manage risk and homeowners protect their assets. For example, sensors can report leaky pipes before they burst and power down electronics when fire risk is detected.

The IoT can also protect older homeowners...a critical demographic as the average US population age rises. Aging homeowners and their families can feel safe with in-home IoT devices detecting personal safety, even attaching sensors to ensure seniors are taking medicine or avoiding falls.

Artificial Intelligence

Artificial intelligence, the computer science of simulating human intelligence through machine or into a computer, is prevalent throughout the home.

A key example is Alexa, Amazon's virtual machine-driven assistant. Alexa, and its contemporaries, can do more than play music or give a weather report. It can use its AI technology to 'listen' to a home environment, picking up on ambient noise and key words to identify emergencies, intruders, and more. This information can be translated into data, giving insurers more information on common home risks.

The inevitable security issues that come with the rise of artificial intelligence in the home are important for insurers to understand, too. Hackers could break into Alexa's connection, collecting data and personal information and using it for criminal activity. That's where cybersecurity and cyberinsurance comes in, working closely with other personal lines.

The Modern Home Insurer

What does this all mean for insurance? The modern home insurer must not only understand the latest home technology advancements but reposition their policies and ratings to allow for a smart home. They've got to embrace sensors, IoT and artificial technology to collect detailed user data and deliver bespoke coverage based on unique home risks. They must update their own technology to interface with home technology and deliver a seamless experience. It's an exciting market, and one where AAIS continues to lead the way.



Member Focused Advisory Solutions