Back 2 Basics
Ljubljana, September 6th 2019
Agenda

- DVA – at a GLANCE
- Back 2 Basics
- Principles of Undertaking Risks
  - Property Insurance
  - Premium Basic Principles
  - Premium Evaluation
  - Pan-European Client Experiences
  - Focus of Clients
  - Focus of Industrial Clients
  - Future Challenges
- Crystal Ball
  - Insurance Industry 2030

© DVA Deutsche Verkehrs-Assekuranz-Vermittlungs-GmbH
**DVA at a GLANCE**

- **√** Inhouse-Broker of Deutsche Bahn AG

- **√** Established in 1992  
  (Privatisation of Deutsche Bahn AG)

- **√** 92 Employees

- **√** Registered Office in Bad Homburg/Hessen

- **√** Branch Office in Berlin
Insurance Definition

A promise of compensation for specific potential future losses in exchange for a periodic payment. Insurance is designed to protect the financial well-being of an individual, company or other entity in the case of unexpected losses.
Back 2 Basics?
Does this work for Property Insurance?

OLD SCHOOL

versus

NEW SCHOOL
Principles of Undertaking Risks

✅ Property Insurance

✅ Key Figures

✅ Property to be insured
Buildings, Contents, Stocks, etc.

✅ Perils to be insured
Flexa, Burglary, Tape Water, Storm/Hail, etc.

✅ Locations/Countries to be insured
Pan-European Contract (FOS), Non-admitted, Pools, etc.
Principles of Undertaking Risks

✔ Premium Basic Principles

✔ Tarif premium

calculated on statistical material to proof that the obligations assumed under insurance policies can be satisfied at all times.

Source: © 2019 Munich Re, Geo Risks Research, NatCatSERVICE. As of March 2019
Principles of Undertaking Risks

Property Insurance

Named Perils or All Risks

What if perils become foreseeable?

Locations to be Insured

If perils become foreseeable

Does “all” locations stay insurable?
Principles of Undertaking Risks

✓ Property Insurance

✓ Property to be Insured

Buildings, Contents and Stocks

The type of a building and its protection measures are important for the premium evaluation.

How does the protection measures might have an impact on the insurability in the future?

What happens when your fire-detection system inform the insurer that the fire was caused e. g. by a defect at an electrical system that was not certified to be used in the EU?

Will this fire be covered?
Does the System allow you to use such systems?
Who will be responsible?
Principles of Undertaking Risks

Premium Evaluation

- Loss prediction
- PML
- Deductible
- Protection Measures
- Risk Exposure
- Scope of Cover
- Loss History
Principles of Undertaking Risks

What about “COMETITION” ??

2018 – companies under German Supervision
❖ 499 Insurance (199 property and casualty insurer)
❖ 029 Re-Insurance Companies

Consequence
Principles of Undertaking Risks

AND what about

❖ **Climate Change**
   Are our predictions right?

❖ **Technical Developments**
   3D printer, Chat Bots, Blockchains, AI, Quantum Computing, Crypto Currency....

❖ **Different Cultures**
Principles of Undertaking Risks

Pan-European Client Experiences

UK Market different insurance law

Polish Market No trust in Insurance

German Market very competitive

Benelux Market open minded

French Market difficult to get in

Italian Market like to negotiate

© DVA Deutsche Verkehrs-Assekuranz-Vermittlungs-GmbH
Principles of Undertaking Risks

Property Insurance

Who will decide

- which property will get an offer
- which perils will be offered
- which locations will get an offer

HUMANS or AI?

How does this might have an impact to our life? Where we live and how?

- Las Vegas (Doctors)
- Locations (no cover for exposed locations) (no insurance – no credit)
- Protection Measures (Property Insurer to be involved)
Focus of Clients

TRUST
(product + Company)

SERVICE
(good + fast)

HANDLING
(easy + transparent)
Focus of Industrial Clients

**LTA**
(Balance sheet protection Volatile risks)

**Cross Lines Solutions**
(Driven by the risk e.g. Cyber)

**Industrial CLIENT**

**Locations**
(Service around the world)

**Capacity**
(High amounts to be insured)
Back 2 Basics?
Does this work for Property Insurance?

new SCHOOL

Based on the Experience of

With predictive possibilities by AI

old SCHOOL
Future Challenges

It’s not only the digitalisation - what happens, if big players like

✓ Amazon
✓ Google
✓ Alibaba
✓ ....

enter into the Insurance Market?
Back 2 Basics?

Is the Insurance Industry able to overcome the obstacles?

Who will survive?
Outlook - Cristal Ball
Outlook

Insurance Industry 2030
Private Insurance

- Just a few Insurer will survive (less than 50 Companies in Europe)
- All of our Data’s will be handled via block-chain (Privat Cloud Server)
- Proposal for a sufficient insurance solution are offered automatically by request via AI (monthly, quarterly, annually – as predefined in your system)
- AI will activate tender processes automatically and close contracts after your confirmation on your behalf
- All these actions have been settled within seconds
- The cover provides a combined capacity for all of your liability and property risks with a final list of uninsured risks – easy to understand
- Most of the claims will be settled automatically – either by serving the reparation or only paying the money for the reinstatement value
Industrial Insurance

AI will not take over Insurance responsibility
Copyright Notice & Disclaimer

© DVA – all rights reserved

You are not permitted to create any modifications or derivatives of this presentation without the prior written permission of DVA.

This presentation is for information purposes only and contains non-binding indications as well as personal judgment. It does not contain any recommendation, advice, solicitation, offer or commitment to effect any transaction or to conclude any legal act.

In no event will DVA be liable for any loss or damages of any kind, including any direct, indirect or consequential damages, arising out of or in connection with the use of this presentation.