

The Future of Insurance: P2P Innovation versus Traditional Business Model

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Abstract : Digitalization has impacted the entire insurance value chain, and the growing movement towards P2P platforms and the collaborative economy is also beginning to have a significant impact. P2P insurance is defined as innovation, enabling policyholders to pool their capital, self-organize, and self-manage their own insurance. In this context, new InsurTech start-ups are emerging as peer-to-peer (P2P) providers, based on a model that differs from traditional insurance. As a result, although P2P platforms do not change the fundamental basis of insurance, they do enable potentially more efficient business models to be established in terms of ensuring the coverage of risk. It is therefore relevant to determine whether p2p innovation can have substantial effects on the future of the insurance sector. For this purpose, it is considered necessary to develop P2P innovation from a business perspective, as well as to build a comparison between a traditional model and a P2P model from an actuarial perspective. Objectives: The objectives are (1) to represent P2P innovation in the business model compared to the traditional insurance model and (2) to establish a comparison between a traditional model and a P2P model from an actuarial perspective. Methodology: The research design is defined as action research in terms of understanding and solving the problems of a collectivity linked to an environment, applying theory and best practices according to the approach. For this purpose, the study is carried out through the participatory variant, which involves the collaboration of the participants, given that in this design, participants are considered experts. For this purpose, prolonged immersion in the field is carried out as the main instrument for data collection. Finally, an actuarial model is developed relating to the calculation of premiums that allows for the establishment of projections of future scenarios and the generation of conclusions between the two models. Main Contributions: From an actuarial and business perspective, we aim to contribute by developing a comparison of the two models in the coverage of risk in order to determine whether P2P innovation can have substantial effects on the future of the insurance sector.

Keywords : Insurtech, innovation, business model, P2P, insurance

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