



P&C Insurers Embrace Home Telematics by Launching Smart-Home Programs

By Varada Bhat, Alexandra Garfinkle June 29, 2020

P&C insurers are stepping up digital transformation in the homeowners insurance segment by offering a range of smart-home technology to customers in a move to improve coverage options and reduce claims expenses.

Nationwide, USAA, American Family Insurance, Hippo Insurance and even mid-sized carriers like **Selective Insurance** have been recently adding devices — including cameras, sensors, and motion detectors — to coverage options so homeowners can detect problems before they cause costly property damage.

While most of the industry's attention has been focused on the future of auto insurance amid the pandemic, analysts and experts believe home telematics products can provide more granular insights into customers and the level of risk to be covered for each policy as Americans hunker down in their homes due to the COVID-19 pandemic.

"These value-added programs provide customizable smart home and security products and services to our customers and give them an added layer of protection they may not already have," **Allen Anderson**, SVP and chief underwriting officer, personal lines, at Selective, told *P&C Specialist*.

Dubbed as **Smart Secure**, Selective this month launched its debut smart home program via partnering with **Alarm.com**. The product was developed by Selective to fit each customer's unique lifestyle, combining end-to-end smart technology equipment with interactive security, intuitive automation (a system that learns your home's activity and responds to any changes), advanced video monitoring, and energy management features in a customizable package.

The new program is now available to Selective policyholders in New Jersey, South Carolina, and Tennessee with personal home coverage or a flood insurance policy. "In July, we will deploy a do-it-yourself installation option to additional states throughout the country where Selective has its personal lines footprint and are working toward having Smart Secure available in all 50 states for our flood customers later this year," Anderson says.

If customers opt into the program, they can get personalized plans with favorable rates and homeowners premium credits upon activation.

The push to gather more data from homeowners follows similar efforts by auto insurance carriers. For nearly a decade, insurers have poured in millions to develop telematics products, collect data about their customers driving habits, and then use that information to adjust pricing.

In the home coverage segment, **Nationwide** launched a smart home program in February via a partnership with home-security startup **Notion**. If customers opt into the program, they can purchase the Notion's Wi-Fi enabled smart home kit at a 50% discount and standard home policies can save up to 5% on their insurance premiums, Nationwide's AVP of product development, **Teresa Scharn**, said in an interview with *P&C Specialist*.

The Notion product suite packs multiple capabilities into sensors, which can use personal devices to monitor opening doors and windows; alert customers when they're not at home to the sound of smoke/CO2 alarms; and detect water leaks.

The carrier's venture capital arm made a similar investment in March by providing funding to home security startup **Deep Sentinel**, as reported by *P&C Specialist*. Deep Sentinel's product suite includes custom-designed smart cameras to automatically alert remote security guards.

USAA, the fifth-largest personal lines carrier, joined forces with home telematics provider **Roost** in a program to test smart devices that can detect leaks and other potential residential problems before they happen, or at least early enough to minimize losses, as *P&C Specialist* reported.

American Family Insurance announced last year it is partnering with a U.K.-based startup **Neos** to offer a product that will help clients "proactively protect their homes using smart home technology and related products and services."

InsurTech firms like **Hippo Insurance** have also been embracing smart home technologies to provide maintenance services and smart devices to help policyholders prevent and reduce claims. In April, Hippo expanded its smart home program via a partnership with home-security system provider **SimpliSafe**, as reported by *P&C Specialist*.

The tie-up comes just months after Hippo acquired home maintenance platform Sheltr, now rebranded as Hippo Home Care. The deal adds home wellness checkups to the InsurTech firm's product suite, including services like changing HVAC filters and monitoring for leaky pipes and clogged vents.

The market for smart home devices has also drawn some of the Big Tech companies such as Google and Amazon. In late 2018, Travelers **Insurance** and Amazon partnered together on an initiative that involves providing discounts to homeowners who acquire special safety kits through the online retailer.

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