

Insurance Trends

Adjusting to the coronavirus pandemic

DIGITAL INSURANCE COMPANY ONLIA OFFERS ITS CUSTOMERS FLEXIBILITY AND FINANCIAL RELIEF

Businesses across Canada are adapting to the new reality of a society no longer operating with the usual pace and convenience of a 21st-century economy. The coronavirus outbreak and the associated shutdowns are disrupting delivery of products and services for many companies across numerous sectors – leading to financial pressures and an uncertain future.

Pivoting to accommodate the “new normal” is clearly easier in some sectors and for some companies than it is for others. Digital insurance and mobile technology company Onlia has made the transition quite easily, according to CEO Pieter Louter.

“On the business side, we moved to having all of our employees work remotely in early March, and as a company that already operated primarily online, we didn’t have any issues,” says Mr. Louter. “We are able to continue our services as usual and help customers if they have claims or questions.”

Onlia’s platform allows consumers to get quotes and purchase auto and home insurance through a speedy online process. They can also change their policies with a few clicks, and that includes stopping coverage during periods when they won’t be driving their vehicles – for example, when they’re away on vacation.

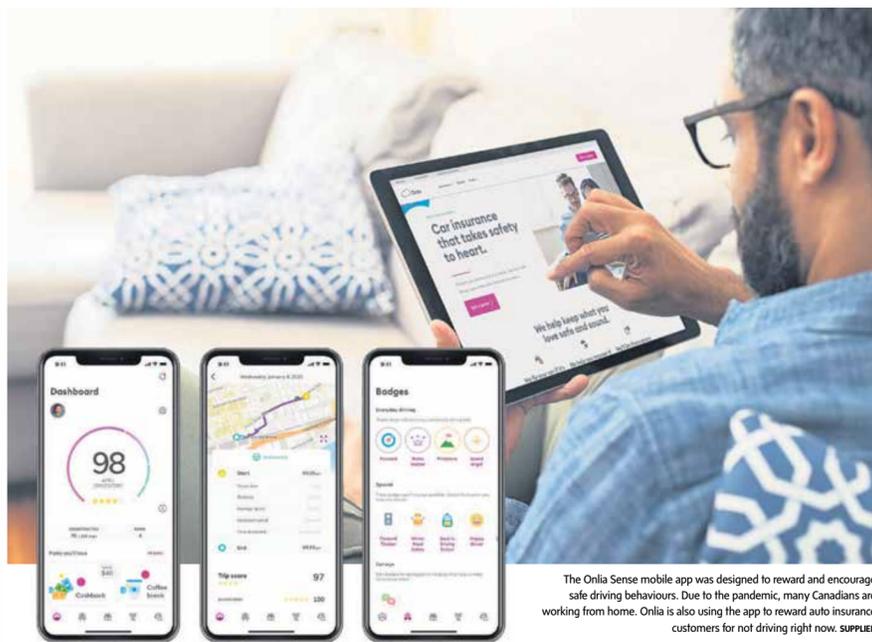
That model has proven valuable for Onlia customers at a time when many Canadians find themselves required to work from home and, in some cases, to deal with less income.

“The COVID-19 situation has led to an increase in customer questions about how they can lower their insurance costs and find more affordable options,” says Mr. Louter.

“As a digital insurance provider, we offer a product that is totally flexible. If you are now driving less, you can change your coverage, and if you are no longer driving at all, you can cancel your policy with no cancellation fee and restart when it makes sense for you. This is unique in the market and something that we are proud to offer Canadians every day.”

A “no-fee” flexible insurance policy is something Onlia feels strongly about. The company never charges NSF fees, cancellation fees or other hidden fees – an additional savings mechanism for customers.

To support customers during the pandemic, Onlia is also offering a “premium holiday” during the month of May for auto and home insurance



The Onlia Sense mobile app was designed to reward and encourage safe driving behaviours. Due to the pandemic, many Canadians are working from home. Onlia is also using the app to reward auto insurance customers for not driving right now. SUPRIED

“... we can play a role in the broader safety of Canadians by rewarding safe behaviour – both on and off the road.”

Pieter Louter

CEO at Onlia



“Our mission has always been to improve the safety of Canadians, and right now, the safest place to be is not in your car.”

Olivia van Eyk

Head of Marketing at Onlia



policy holders. All accounts in good standing will automatically receive this premium waiver.

The company has also made a change to its mobile app, Onlia Sense, which can be downloaded for free by anyone, not just Onlia customers. It allows drivers to monitor their driving behaviours, receive personalized coaching on how to improve and to get rewards for achieving high safety scores on a monthly basis.

Using mobile phone motion detection technology, the app provides feedback on various factors that affect safety on the roads, such as speed, accelerating and braking, and turning corners. It can also measure issues with distracted driving by monitoring activity such as phone usage.

“The purpose is to reinforce safe driving behaviours,” says Olivia van Eyk, head of marketing at Onlia.

“By driving safely and improving on these behaviours over time, users can earn Starbucks gift cards and, for Onlia insurance customers, cashback rewards.”

A variation has been introduced for insurance customers during these times of reduced driving. “Our mission has always been to improve the safety of Canadians, and right now, the safest place to be is not in your car,” explains Ms. van Eyk.

“Through Onlia Sense, we are encouraging app users to stay home and engaging them in a dialogue around how to stay safe during the pandemic, including by listening to public health experts,” she says. “We believe in rewarding safe behaviour, so Onlia insurance customers using the app can earn an additional \$20 in cash for simply not driving right now.”

Onlia has found that its community is heeding the advice of

the experts; it recorded a 70 per cent decrease in trips by app users throughout the month of March.

“From April 16 to May 16, we are providing a Home Sweet Home badge (a form of recognition) in the app, which users can earn by showing no trips recorded,” says Ms. van Eyk.

Since it launched in Canada in 2017, Onlia has stressed its “prevention first” model – flipping the traditional idea of insurance on its head. “We usually think of insurance as being about repairing or compensating if something goes wrong,” says Mr. Louter. “We believe as an insurance provider, we can play an important role in preventing accidents and injuries by creating a community of safe driving. We are also finding we can play a role in the broader safety of Canadians by rewarding safe behaviour – both on and off the road.”

INSURANCE SECTOR RESPONDING TO IMMEDIATE IMPACTS OF COVID-19 AND LOOKING TO AN UNCERTAIN FUTURE

Canada’s insurance providers are taking action to help their customers deal with the short-term impacts of COVID-19. At a time when large numbers of Canadians are working from home, many insurers are offering consumers lower auto insurance premiums, to reflect reduced driving. Companies are also providing financial relief to both consumers and businesses losing income and revenues – for example, by deferring premiums and waiving fees.

On April 8, 2020, the Insurance Bureau of Canada (IBC) announced in a news release that its member companies would provide relief measures for a 90-day period. This national association represents private home, auto and business insurers, which collectively make up 90 per cent of the property and casualty (P&C) insurance market in Canada.

“This is an incredibly challenging and uncertain time for many Canadians, and insurers want to help alleviate some of the financial burden for the most vulnerable. Insurers understand that many drivers are no longer commuting or using their vehicle as regularly, which could result in savings,” said Don Forgeron, president and CEO, IBC.

In the release, the IBC estimated its measures could result in \$600-million in savings to consumers.

As is true for most sectors of the Canadian economy, companies that provide insurance and their customers are primarily focused on dealing with their most immediate challenges.

One of the questions that individuals and businesses are asking in the short term is, “Does my insurance policy cover me for losses stemming

from the coronavirus pandemic?”

Given that we are dealing with a large-scale, rare event, answering that question is not always easy, says Doug Grant, partner at Insurance-Canada.ca Inc., an organization that provides independent information about technology and the business of insurance.

“One of the big issues relates to businesses ordered to shut down or that have voluntarily shut down to protect their employees,” says Mr. Grant. “Government is backstopping some losses through a range of support programs, and certainly that helps. At the same time, companies are wondering if the insurance they bought to protect against ‘business interruption’ will be triggered by COVID-19 losses.”

In a Q&A on its website, the IBC says that, generally, commercial insurance policies and traditional business interruption policies do not offer coverage for business interruption or supply chain disruption due to a pandemic. At the same time, it notes that some organizations may have purchased specialized coverage that does apply, and it advises them to seek clarification from their insurance representative.

The organizers of some large international events postponed or

cancelled for this year have reported they had insurance protection against pandemic-related losses. These include the Tokyo Olympics and the Wimbledon tennis tournament in the U.K.

In addition, Canadian dental professionals have business interruption insurance that includes pandemic coverage. This insurance has been sold to dentists and dental specialists across the country by CDSPI Advisory Services Inc. and is underwritten by Aviva Canada.

In the longer term, the insurance sector may find itself adapting to the risks theoretically posed by future pandemics, says Mr. Grant. “Newly identified risks have emerged in recent years and they have generated new insurance products and services. For example, earthquake insurance is a relatively new option, and we’ve seen new policies to protect against overland flooding, which is increasing. And the emergence of the internet and online commerce has led to privacy and cyber-security insurance,” he adds.

“Will the risk of worldwide pandemics increase in the coming years, and will this become part of the insurance landscape? These are questions for the longer term.”



As COVID-19 slows economic activity, Canadian insurance providers are offering consumers and businesses a break on premium costs and other types of financial relief. ISTOCK.COM

We live at the intersection of insurance and technology

We provide independent and impartial information about technology and the business of insurance in Canada, through thought leadership events; deep content website, blog and e-newsletter; and custom webinars and surveys.



Insurance-Canada.ca
Where insurance and technology meet

 **Onlia**TM
All for safety

Life changes quickly. Shouldn't your insurance keep up?

Flexible policies you can change anytime.

Get a quote today at Onlia.ca

Home & Auto