

Underwriting the future: How Technology will Impact your Business

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3D printing, Google glass, drones, robots, driverless cars - the list goes on. While many of us can see how these technologies have and will continue to change our personal lives, it is often difficult to anticipate the impact they may have on us professionally. The reality is that we are in the midst of a technology driven industrial revolution and the disruptive technologies entering the market are altering the way business is conducted, consequently changing the way credit insurers identify and assess risks. In diverse speeches at our seminar, the speakers focused on the challenges and opportunities that technological advance can bring. David Hunt of IHS Country Risk outlined how technology is digesting social media chatter to inform country risk - most significantly in recent years in assessing the threats driven by the upheaval in the Middle East. He highlighted how the same use of technology could also be used to assess company strength and predict when and if a corporation was facing a crisis. A development that would be of significant benefit to the trade credit industry.

For trade credit insurers, technology has the potential to be a powerful differentiator, particularly in its ability to identify upcoming problems before they happen. Antje Seiffert-Murphy of Equinox Global told the audience that increased global access to data will allow trade credit underwriters to predict and prepare for business crises or failures before they happen. Ultimately, technology may impact risk pricing as real time sales data becomes available to credit insurers, allowing them to assess the remaining time and value of products on risk, potentially leading to rate increases or even reductions. As technology develops it will also offer credit insurers new opportunities to drive improvements in customer service and meet clients' changing needs. For instance, Equinox is seeing that some suppliers are now accepting bitcoin, and trade credit insurers need to consider how they will respond to this and other new developments that challenge the existing business orthodoxy. Perhaps one answer might be to develop policies with monthly or even shorter adjusted risk pricing, if it will

address the new realities that many of our clients face. Although it is certain that many clients will prefer the certainty and stability that current policies offer. To deliver on the promise that new technology brings, credit insurers will need to be sure they can attract the right people to the industry with the appropriate technological skills. This may mean redefining careers and creating an attractive environment, perhaps more entrepreneurial in its approach, that can entice the technology savvy away from start ups or the fashionable brands that dominate the tech space. Equinox believes that its existing approach to doing business makes it well placed to succeed in attracting the right talent. Some may argue that technology threatens the balance of the trade credit industry and in particular the role of the skilled and experienced underwriter. However, Equinox continues to see professional relationships, past experience and understanding of risk as the key differentiators and is excited by the opportunities that technological advance brings to improve all of them.