

## Call for papers - Thematic issue – 1st semester 2023

### **Insurance in the age of artificial intelligence, digitalization and insurtech - fintech - bigtech: The "great transformation" of insurance?**

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In recent years, the insurance sector has undergone profound structural changes (Cappiello, 2018; Stoeckli et al., 2018; Vanderlinden et al., 2018). Risks related to population aging and climate change are increasing in frequency and incidence. New risks are also appearing with the emergence of computer and biological viruses. In Europe, the economic environment - marked by low inflation, low interest rates and quasi-stationary growth - is limiting organic growth opportunities for traditional insurers. In addition, the sector's regulations (Solvency 2 and IFRS standards, European Directive on Insurance Distribution, RGPD, etc.) have reinforced the barriers to entry. Finally, insurance is not immune to the emergence of new consumer behaviors and the development of new technologies that are expected to revolutionize every link in the insurance value chain (Eling et al., 2021). These developments are even likely to call into question one of the founding principles of insurance - namely, the mutualization of risk (dilution of individual risk in the multitude of risks covered) - by paving the way to greater individualization/segmentation and therefore a demutualization of risks in the long term. The risk of reversing information asymmetry (to the benefit not of the insured but of the insurer) is also likely to change the situation, as it will place the emphasis on risk prevention ex ante and so-called parametric (or index) insurance ex post.

In this context, the traditional players in the sector no longer seem to be the best equipped to innovate (in a way that is not purely incremental), most notably because of their routine organizational structures (Cappiello, 2018) and the lack of intensive competition within essentially national oligopolies. On the other hand, the emergence of new players - from within the sector (insurtech start-ups or innovative brokers), from related sectors ("bancassurers", fintechs) or further afield (GAFAM, BATX) - is contributing to a new ball game within the insurance ecosystem (Cappiello, 2018).

Alliances and incubation strategies are emerging between traditional players and those from the insurtech sector. The latter are in fact few in number and can remain completely autonomous, due in particular to regulatory requirements, high capital needs and the importance of the sector's reputation capital. In fact, the offerings proposed by insurtechs generally cover only a few links in the value chain, or a few specific niches. Traditional insurers are building their own alliance networks, either through partnerships with the most advanced insurtechs or by investing in the most promising ones. At the same time, some insurtechs are building their own alliance networks with insurers or brokers, but also with banks or fintechs. The threat of the

potential entry of bigtechs (GAFAM and BATX leading the way) into this market and the cracks in the "regulatory dike" (it is now increasingly easy to cancel one's insurance) are accelerating this strategic transformation of traditional players towards a more open, agile and learning organizational model. This also favors the adoption of new business models based on the user experience (individualization, immediacy, simplification, transparency and multiplicity of customer relations), the optimization of distribution methods (multi- or omni-channel) and the notion of service provided to the insured (product-service systems, value in use, economy of functionality). From this perspective, it cannot be ruled out that the insurance ecosystem will eventually be reorganized within the framework of what is known as the collaborative platform economy, around a few large insurance networks. This ultimate disintermediation of insurance (Cappiello, 2018) would pave the way for an unprecedented and far-reaching reconfiguration of the insurance ecosystem: one that is less integrated and self-centered or, put differently, more modular and reticular.

Paradoxically, the literature on the transformation of the insurance ecosystem is currently underdeveloped, or overly focused on its digital transformation. There is practically no work on innovation networks in this sector. Indeed, the literature on innovation networks and clusters focuses mainly on high-tech industrial sectors (Depret and Hamdouch, 2009; Djellal and Gallouj, 2018). The work on networks/clusters in service activities mainly focuses on knowledge-intensive business services (Shearmur and Doloreux, 2009; Jacobs et al., 2014), creative sectors (Lazzaretti et al., 2008; Branzanti, 2015; Gong and Hassink, 2017), public services (Djellal and Gallouj, 2018) or financial services (Davies et al., 2016; Pažitka and Wójcik, 2019; Gazel and Schwiendbacher, 2020; Lai and Samers, 2020). In these service activities, sector dynamics do indeed imply stronger networking of traditional companies with new, specialized external partners with corporate cultures unlike those of the historical players (Gomber et al., 2017). This is the context in which the insurance industry also seems to be operating (Vanderlinden et al., 2018).

For all these reasons, the capacity of assurtech/fintech/bigtech to redraw, in time and space, the contours of the insurance ecosystem in the medium or long term deserves both empirical and theoretical investigations. In particular, are we not witnessing the "great transformation" (to paraphrase Karl Polany) of an insurance industry that is relatively routine and stuck in its major actuarial principles? In this perspective, this special issue of the journal *Marché & Organisations* is dedicated to an analysis of the current situation: strategies of actors, along with the dynamics of the emergence and structuring of the insurance ecosystem and the innovation networks/clusters that constitute it. Contributions may include, but are not limited to, the following topics

- Strategies of firms (traditional insurers and reinsurers, digital brokers, insurtech start-ups, GAFAM, etc.) and institutions in the insurance sector;
- New consumption behaviors of policyholders (less loyalty, new needs, increased demand for digitalization, etc.);
- New technologies (artificial intelligence, big data, autonomous vehicles, connected objects, chatbots, blockchain, service platforms, open insurance, etc.) and their translation into innovation (products, services, etc.) in the insurance industry;
- Insurtech/fintech/bigtech start-ups and their business models in insurance;
- Economy of collaborative platforms and insurance;
- Identification and mapping of innovation networks in the insurance sector;
- (Re)organization of the insurance value chain (from the design of guarantees to the compensation of claims, including customer relations, pricing, prevention or detection of fraud)

- Emerging risks and their insurability (climate change, cyber risk, pandemic risk, terrorist risk, HR risk, etc.);

Of course, the above list is not exhaustive, and all contributions proposing original theoretical or empirical work will be examined with attention.

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### **Timeline:**

Deadline for submissions: July 15, 2022

Response to authors: December 15, 2022

Deadline for final accepted papers: February 15, 2023

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