

Next Insurance offers coverage to Amazon Business Prime members

Article

The US-based small business insurtech is easing Amazon Business Prime members' access to a wide range of policies, including general liability and workers' compensation, [per](#) PR Newswire. Founded in 2016, Next Insurance uses AI to tailor coverage to small businesses. Amazon Business Prime provides businesses with fast shipping, discounts on products they buy the most, purchasing and spending analytics, and more.

Partnering with the tech giant is a huge win for Next Insurance, further diversifying its distribution channels. The insurtech's gross written premiums **doubled** to \$200 million in 2020 thanks to its AI-powered underwriting driving down prices by up to **30%** compared with traditional policies and customizing online quotes in less than 10 minutes. Next Insurance is now actively partnering with third-party platforms to better reach small businesses and keep this growth momentum going, and it already teamed up with accounting fintech **Quickbooks** in October. Now, Next insurance can reach the millions of small businesses that use Amazon Business Prime, per PR Newswire, further accelerating its sales.

Amazon's move will push insurers to adapt or risk being displaced.

- **Amazon is deepening its competitive moat with insurance.** Whether its payments, lending, or insurance, Amazon's **foray** into financial services aims to reduce buying/selling friction and the need for its users to ever leave its platform. Amazon **requires** certain sellers to have insurance, such as liability coverage, to sell on its platform, yet only **28%** of US small businesses have an owner's policy, creating a coverage gap that could cause SMBs to miss out on selling opportunities. With Next Insurance, Business Prime members can seamlessly get insured, enhancing the convenience of using Amazon to sell their products.
- **Insurers should partner with Big Tech firms to meet customer demand for a smoother digital experience.** With Next Insurance making this move, it's imperative for insurers to also start assessing ways to benefit from Big Tech companies' interest in insurance because they otherwise risk becoming increasingly irrelevant as insurtechs and Big Tech firms come together to offer direct and convenient coverage to millions of customers. Customer willingness to purchase insurance from Big Tech reached 44% in 2020, up from 17% in 2016, **per** Capgemini's World InsurTech Report 2020, thanks to their strong **focus** on hassle-free customer experiences. Insurers can therefore overcome their own **shortfalls** in this area by offering their policies directly on such platforms, helping boost sales. In addition, Big Tech companies infamously gather and analyze a wealth of data on their users, which could be used to funnel insurers' premiums to the most appropriate SMBs.

Key Purchase Drivers for Insurance Policies According to Adults Worldwide

Price

51%

Personalized products and services

42%

Usage-based

39%

Payable in case of future pandemics

39%

Good connection with a broker or agent

37%

Claims process is fully digital

36%

Signing up process is fully digital

34%

Ability to choose the channel they want to use

34%

Can use personal data to help protect themselves

29%

Source: KPMG, "Consumers and the new reality: Preparing for changing customer needs, behaviors and expectations," July 27, 2020

Methodology: The data comes from KPMG's "Consumers and the new reality: Preparing for changing customer needs, behaviors and expectations" report. It surveyed 12,334 consumers online across the US, Canada, Brazil, Western Europe, China, Japan, and Australia, between May 29 and June 8, 2020.

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