

Tractable makes inroads in US insurance market with Geico partnership

Article

The UK-based insurtech secured US auto insurance giant Geico as its newest incumbent partner, [per](#) AltFi. [Tractable's](#) AI solution uses computer vision technology to rapidly evaluate photos of vehicle damage—instead of relying on a physical human appraisal—increasing the accuracy of damage estimates and expediting the policyholder claims journey. Tractable will

enable faster claims payouts and digitized vehicle damage assessment for [28 million vehicles](#) Geico insures across the US.

Tractable's strong growth trajectory is due in part to its sustained onboarding of big-hitter insurance partners. Large global insurers that have partnered with Tractable include Spain-based [Admiral Seguros](#) and Japanese insurance outfit [Mitsui Sumitomo Insurance](#) in 2020. The UK insurtech also expanded existing partnerships with Japan-based [Tokio Marine](#) and French insurer [Covéa](#) last year. Insurers' [accelerated digitization](#) amid pandemic disruption seems to have helped Tractable [double its revenues](#) in 2020.

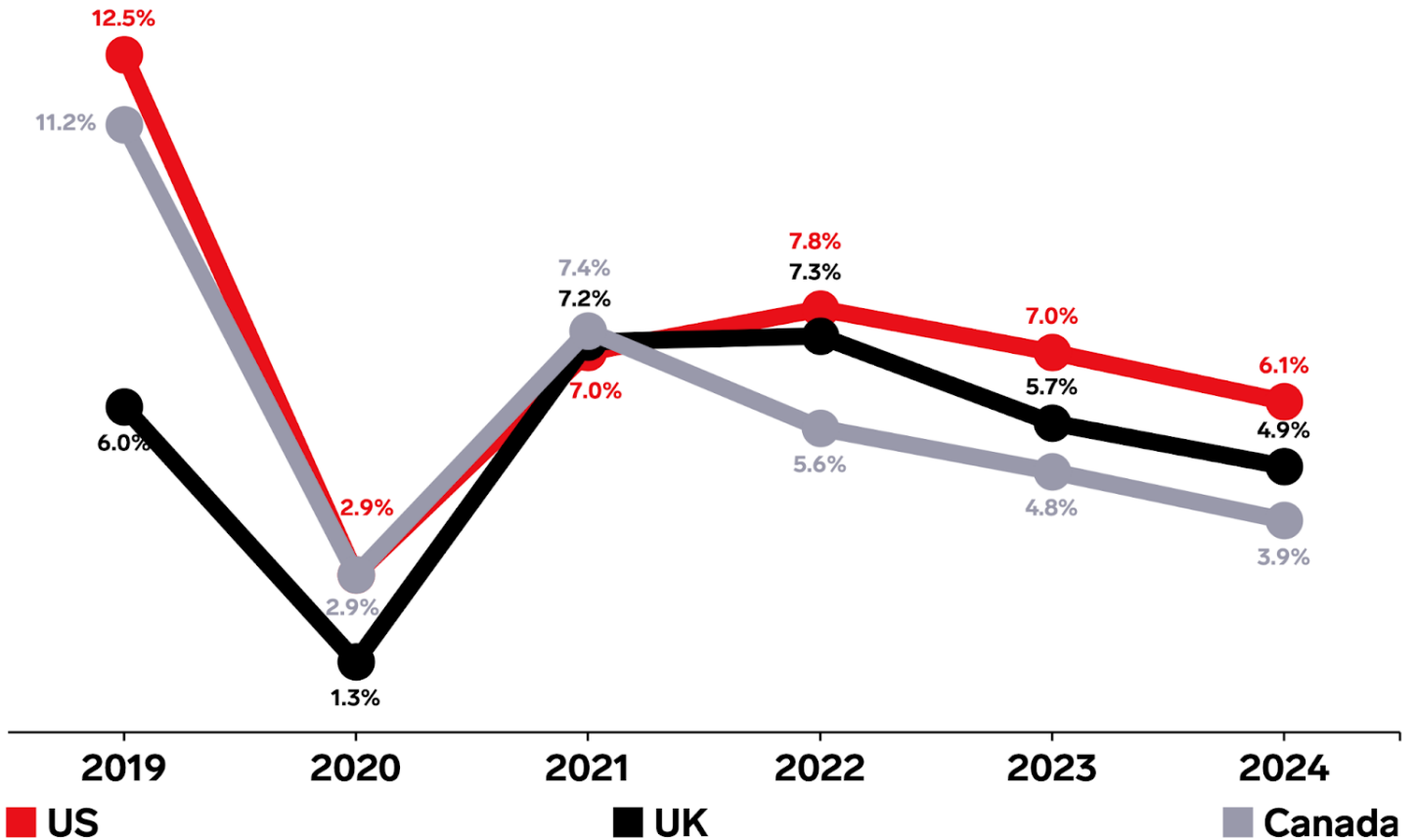
The big win with Geico underlines opportunities available to Tractable within the US property and casualty (P&C) market.

- **US P&C insurers need to step up their game through an enhanced digital experience.** It's a highly competitive market: **State Farm**, the largest insurer by premiums, controls just [9.3%](#) of market share. The pandemic has exacerbated competitive pressures: US P&C policyholders [shopped](#) around more and [switched carriers](#) more frequently in 2020. What's more, recent survey data shows that incumbents are [missing the mark](#) when it comes to delivering the expected digital experience.

As a result, incumbents are growing their tech spend and Tractable's cost-efficient solution will stand out as an attractive way to boost the customer experience. US P&C insurers' technology investments are forecasted to grow at a compound annual growth rate of [7.5%](#) between 2020 and 2024, which will outstrip the spend growth of fellow P&C firms in insurance hotbeds, the UK and Canada. Thus, incumbents in the US P&C insurance market represent a profitable growth vector for insurtechs that can keep abreast of evolving digital customer demands. Adding to its appeal, Tractable's solution also has the capacity to drive operational efficiencies, reducing the cost to serve, which they can pass onto their customers through lower prices—the [most significant](#) customer acquisition and attrition factor.

FORECAST: IT/Tech Spend Growth Rates of US, UK, and Canadian P&C Insurers

% change YoY, 2019-2024



Source: eMarketer, July 2020

Methodology: Estimates are based on the analysis of data from respective insurer corporate disclosures, reported and estimated non-interest expenses from major insurers, estimates from other research firms, historical trends, GDP trends, technology expense trends, and macro-level economic conditions.

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