

INTERVIEW WITH LANE KENT, CEO, INDEPENDENCE PET GROUP



Can you tell us a bit more about yourself and Independence Pet Group's priorities?

I am the CEO of Independence Pet Group, one of North America's largest pet insurance and services organizations. I've spent my career in the insurance industry, starting over three decades ago in travel insurance, and spending most of my career in products that serve human health with a particular focus on seniors. In 2019, I started getting involved in pet insurance. I have a lot of personal passion for the subject and it's been so much fun applying my industry experience towards pets and this rapidly growing market.

Independence Pet Group (IPG) is a collection of amazing people and businesses with a mission to strengthen the bond between pets and their people through our innovative family of products and services. IPG's businesses include many of the industry's leading insurance brands that we own and operate. We also provide underwriting capacity and risk management for brands that we do not own. All together, we insure over 1 million pets. IPG also owns a collection of products and services that we affectionately refer to as the Ecosystem, all of which enhance the health and wellbeing of pets. Those products and services include educational and informational content to pet owners, the largest microchip registry of pets in North America, lost pet recovery software used by shelters, rescues, breeders, and retail stores to manage their inventory, health records and microchip data, and much, much more. We even have a minority interest in a pet pharmacy. Our vision is to elevate the world's understanding of pets and how to care for them. All of our priorities focus on building our platforms and services so they can be home to the brightest ideas

in the pet insurance and wellness space, and to bring those ideas to life.

IPG have a lot of the market share of pet insurance in the US, but the actual penetration of pet insurance in the US is still very low. What is your perspective on why this is and how can the industry work together to increase this?

The biggest obstacle to significant immediate growth in pet insurance is awareness. At just under 4% penetration, it is safe to say that most people are either unaware of pet insurance, or, if they are aware of it, they don't understand what it's for or what it does. As an industry, we need to do a much better job of explaining what pet insurance is and why it's important.

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At IPG, we talk a lot about what it means to be a responsible pet owner. Pets are completely reliant upon us for their health and wellbeing and insurance is an important part of that as it gives you choices in accessing care. In building awareness, we can also educate pet owners on the rapidly evolving advancements in veterinary medicine and the options for care and treatments. Those options can quickly turn into limitations and difficult decisions if they don't have the financial resources to provide the best available care for the pet when they need it, and pet insurance plays a significant role in helping to cover

the cost of care in situations like this. Over time, we will steadily increase the awareness of the product, and that will lead to deeper penetration. What's interesting and a really great opportunity is that there's so much market share right now for us all to gain that collectively, as an industry, we can work together on educating consumers about pet insurance. It's going to be a long time before we're at a state of maturity in this industry where we must worry about taking business from one another, as is the case in many more mature insurance products. Right now, we are best served to all lock arms and educate consumers about the value that we bring to the equation with our products and services.

Where would you say are the biggest areas for innovation within the pet insurance industry?

Pet insurance is a little over 25 years old and is considered a young product category. When a product category is young, the products often tend to look alike and solve for the most comprehensive solution. In the next several years, we will see rapid product evolution and delivery into new and proven channels of distribution. The product itself is already found in a few unique forms such as accident-only or accident and illness, with and without wellness. We are beginning to see new benefits for cancer and other specific conditions, catastrophic care packages, access to telemedicine, and biometric data being used for wellness. When that sort of decomposition of the product takes place, the product can then find itself in all sorts of different niches, attaching and embedding in different ways. The proliferation of the product can truly be accelerated because the offerings start to become very distinct, which is different from where I feel we are today with most offerings looking similar.

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That's an area IPG is keenly interested in because we've staked a position in the marketplace as a multi-brand, multi-channel pet insurance provider. A lot of the innovation you'll see from us over the coming years is making each of our brands really speak to a different consumer need so there is meaningful differentiation in what we offer.

With the pace of innovation accelerating, we think about the needs of the consumer as more of an ecosystem as opposed to just insurance. We really want to be on the lifelong journey of pet ownership or pet parenthood, from the very beginning when people start to think about bringing a pet into their home, all the way through end of life, and that is more than just insurance. There are all sorts of innovations happening around enhancing the pet ownership journey, arming pet owners with real-time information about what their pet is experiencing and creating a more engaging and social way to live with your pet.

At IPG we want to shape and be a part of that journey – it's bigger to us than simply insurance. Insurance is in our DNA, it's an important part of what we do, but there are other tools, financial and otherwise, that can also be quite helpful to a pet owner. We want to



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CEO
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bring those tools to pet parents, throughout the pet journey, and make them really simple to use and engage with. Lastly, we feel strongly that the way consumers pay for care and use insurance will undergo radical changes in the coming years, and we will be on the leading edge of those changes. There is a level of sophistication in human health today that we often take for granted and does not yet exist in pet health. This includes diagnostic coding, Health IT, data interchange, provider networks, pharmacy, and claims settlement. As innovation in these realms accelerates, pet insurance will become more mainstream and widely accepted by consumers and the larger pet care infrastructure.

Data has a huge role to play in the industry - how do you think that we can improve usage and collection of data within the pet insurance industry?

Data is an important and timely subject as AI, ChatGPT, and other platforms are exploding. It is all about capturing, learning from, and using the data that's all around us every day – doing that in the pet space is no different. Your pet is a source of unbelievably rich and largely untapped data. Our pets can't talk, but there's all sorts of emerging technologies we will soon leverage to get real-time insights into how your pet is feeling and what sort of journey they're on. We need to harness that data and then do new and different things with it. For example, pet owners need to understand what's happening with their pet, and so does the pet's care provider. The more real-time we can make that, the more effective it will be in improving the quality of life for the pet.

There's all sorts of consumer behavior that marketers have traditionally been very good at understanding

and leveraging. We can also use consumer behavior as an insight into the health and wellbeing of the pet, and that's another whole category of data that you can capture through interactions a pet owner has with all the technology surrounding them today. You can infer all sorts of things about how a pet owners' behavior will impact the pet's health and wellbeing. The collection and understanding of this data is going to be really important, and I think you'll see a lot of innovation in this area in the years to come. We're going to talk a lot about that at the conference, and IPG will be right in the middle of the conversation.

You attended Petcare Innovation USA last year, what are you most looking forward to at the event this year?

For me, it's just amazing inspiration. There are incredibly bright people coming together from so many walks of life and various industries bringing different perspectives and ideas to the discussion. It's phenomenal to be in the same room and listen to all those ideas as they build upon one another and work together to improve pet and human health. I look forward to connecting with people I haven't met before, hearing their amazing ideas, being inspired, and finding new people with whom to collaborate. At IPG, we'll work with anybody who shares our vision and our values.

Lane and the Independence Pet Group team will be joining us at Petcare Innovation USA on December 5-6 in LA to further discuss the innovations driving the pet insurance industry forward.