safe4

How insurance companies can launch alarm services for fire, water and burglary monitoring to reduce claims cost

A practical guide for insurance companies exploring new ways to reduce claims costs by helping customers prevent damage before it happens

Executive summary

Insurance companies are increasingly turning to alarm and sensor-based monitoring services to reduce claims costs, strengthen customer relationships, and add new value to their offerings. This guide outlines how such services can be launched quickly, branded seamlessly, and integrated with minimal operational overhead.

- A major Swedish insurance company has successfully launched a branded monitoring service for fire, water and burglary prevention – fully integrated with their digital ecosystem
- Similar solutions are now available to other insurance companies through flexible, white label models with short time to market
- Monitoring services enable earlier detection, faster intervention and measurable reductions in claims costs
- These services also create natural daily touchpoints with the customer – opening new opportunities for communication, increased engagement and stronger long-term loyalty
- Depending on the chosen delivery model, a full-scale service can be live in just 3 to 6 months

Learn how to structure the offering, calculate the business case, choose the right delivery model – and turn damage prevention into a strategic customer advantage.

Introduction

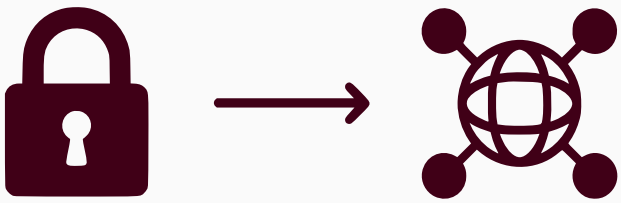
Reducing claims costs is a key focus for all insurance companies. Advances in digital tools and data-driven systems have already helped to improve risk assessment, streamline processes and support better decision-making. As part of this development, more insurance companies are exploring how they can play a more active role in helping customers prevent damage before it happens.

One of the most promising strategies is to install sensors directly in the customer's home. By detecting fire, water leaks and burglary at an early stage, these systems can reduce both the frequency and severity of incidents. This approach is increasingly seen as a way to strengthen risk management, reduce claims costs and deliver long-term value.

This e-book explains how insurance companies can offer these services under their own brand. It outlines the different models available, the key elements that must be in place, and how to get started with minimal investment and operational complexity.

The trend: Why more insurance companies are offering fire, water and burglary monitoring services

In recent years, there has been a clear shift in how insurance companies approach risk management. While traditional claims handling and risk assessment remain important, more companies are now looking for ways to take a more proactive role in protecting customers' homes. The aim is simple: to reduce claims costs by preventing damage before it occurs.



Previously, alarm services were dominated by closed ecosystems, where companies like Verisure and Sector Alarm owned and controlled every part of the solution. These systems were not designed to integrate with external partners, which meant that insurance companies had limited opportunities to offer their customers such services.

Today, the situation has changed. Open technology platforms and flexible service providers like Safe4 enable insurance companies to offer their own fire, water and burglary monitoring services without the need to build the technology or the operational capacity themselves. This development makes it possible for insurance companies to combine risk prevention with claims management in a completely new way.

The business case for offering fire, water and burglary monitoring services

For insurance companies, the rationale for offering fire, water and burglary monitoring services is simple: reducing claims costs. Sensors placed in customers' homes allow for earlier detection of incidents, leading to faster intervention and less severe damage.

Risk type	Without monitoring	With monitoring
Water	Leak detected after significant damage	Leak detected early with quick intervention
Fire	Noticed when visible damage has spread	Smoke detected early, faster emergency response
Burglary	Break-in discovered after theft has occurred	Attempt detected immediately

By offering monitoring services, insurance companies can influence customer behavior and prevent claims from developing into major losses. Water sensors detect leaks before they escalate. Smoke detectors trigger alerts at the first sign of fire. Door and window sensors signal unauthorized access attempts, helping to prevent break-ins.

While the benefits of early detection are well known, the challenge for insurance companies has been how to deliver such services at scale. The development of open platforms and white label solutions now makes it possible to implement a monitoring service without having to build the technology or operations in-house.

The business case is clear: by helping customers prevent damage, insurance companies can lower claims costs and improve overall risk management.

Building stronger customer relationships

Alarm and monitoring services open new possibilities for strengthening the relationship between insurance companies and their customers. Delivered through a branded app, the service becomes a part of the customer's everyday life – providing a sense of safety and control and positioning the insurance company as a trusted partner in protecting the home.

Alarm services create natural touchpoints in the customer's daily routines. Notifications, status updates and alerts offer reassurance, while reinforcing the insurance company's role as an active and visible presence. These daily interactions also open new possibilities: the app becomes a trusted communication channel where insurance companies can share relevant advice, promote preventive behavior, or introduce complementary services in a context that feels helpful – not disruptive.

This ongoing presence contributes to higher engagement and a stronger emotional connection to the brand. It also creates opportunities to highlight new offerings at the right time and in the right setting – increasing the potential for both upsell and cross-sell.

Customers who subscribe to such services often remain longer, particularly when the solution includes installed hardware in the home. This adds perceived value, increases switching costs, and strengthens the customer relationship over time.

Key benefits:

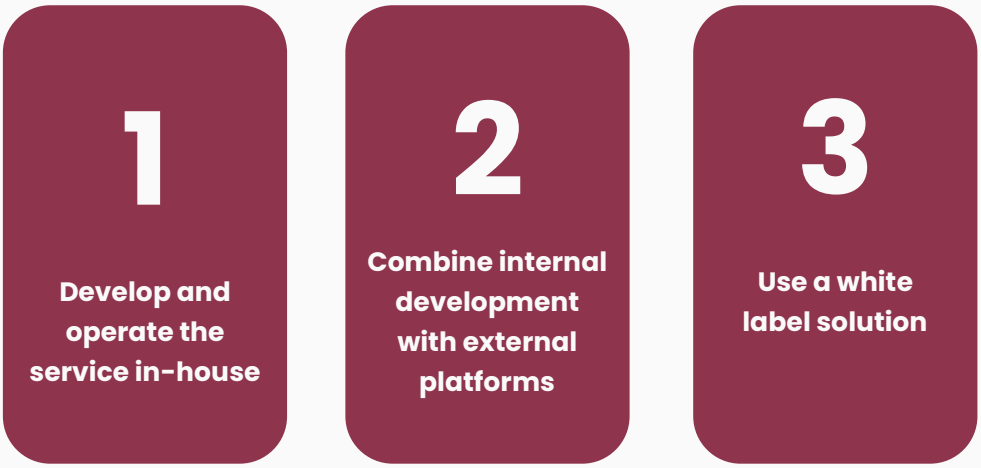
- Natural and trusted touchpoints through a branded app
- Higher relevance in the customer's daily life
- Direct channel for communication, advice and new offerings
- Stronger loyalty and increased customer lifetime value
- Enhanced brand perception through proactive support

By combining everyday utility with meaningful communication, insurance companies can move closer to the customer – and build lasting relationships that go beyond traditional policy interactions.

How insurance companies can deliver fire, water and burglary monitoring services

There are different ways insurance companies can approach offering monitoring services to their customers. The right solution depends on the company's strategy, resources and ambitions. However, the goal remains the same: to reduce claims costs by enabling earlier detection and faster intervention.

The three main models for delivering such services are:



1. Develop and operate the service in-house

In this model, the insurance company builds its own solution. This includes selecting and integrating hardware, developing a customer app, managing servers and data, and ensuring regulatory compliance. If the company does not already have its own certified Alarm Receiving Centre (ARC), it must contract an external partner that meets the EN 50518 standard for professional alarm monitoring.

Advantages

- Full control over design and customer experience
- Potential for long-term differentiation

Challenges

- High development and operational costs
- Time-consuming to implement
- Requires dedicated technical and operational resource

2. Combine internal development with external platforms

Here, the insurance company develops part of the solution, such as the customer-facing app or elements of the user experience, but partners with an external provider for the core alarm platform, hardware integration and ARC services.

This hybrid model allows for customization while leveraging proven technology and operations from a partner.

Advantages

- Faster time to market
- Reduced technical and operational risk
- Possibility for brand customizations

Challenges

- Still requires internal development resources
- Some dependency on external technology

3. Use a white label solution

The simplest and fastest way is to partner with a provider like Safe4 that offers a complete white label solution. In this model, the insurance company receives a fully operational service including hardware, app, cloud platform, certified monitoring and support.

The insurance company focuses on sales and customer relationships, while the partner handles all technical and operational aspects.

Advantages

- Fastest time to market (typically 3–6 months)
- Proven technology and certified monitoring included

Challenges

- Less flexibility for customizations beyond brand elements

Different approaches to white label alarm services

When insurance companies choose to launch a fire, water and burglary monitoring service, there are multiple ways to approach the solution, even within a white label model. Some companies prefer a fully packaged solution, while others opt for a hybrid approach that integrates external platforms with internal systems.

Hybrid solution

Länsförsäkringar is an example of an insurance company that has taken a hybrid white label approach. Their service, Alf (see www.alf.se), is presented as a dedicated solution under their own brand. Alf combines hardware from external providers with a custom-built customer app, designed specifically for Länsförsäkringar's ecosystem.



From a technical perspective, Länsförsäkringar uses Safe4 provided hardware, which is pre-integrated into the Safe4 IoT platform. To create a seamless customer experience, they have developed an integration between the Safe4 platform and their own IoT platform. This allows them to manage their customer data, product features and service logic in a way that aligns with their internal systems and digital strategy.

Länsförsäkringar has also chosen to integrate additional hardware from other providers into their platform, ensuring flexibility and scalability. This approach requires more development and coordination but allows for greater control over the final customer experience.

Länsförsäkringar is a Swedish insurance group comprising 23 independent, customer-owned regional insurance companies. Collectively, they serve approximately 4 million customers across Sweden.

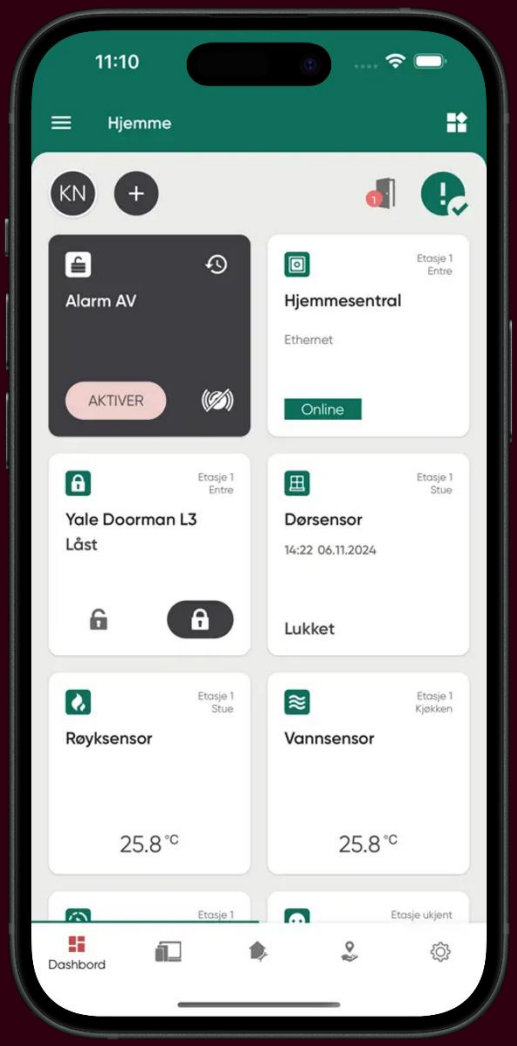
100 percent white label: the simplest way to launch

For insurance companies looking to offer fire, water and burglary monitoring services, a 100 percent white label solution is the simplest option. The partner provides hardware, the IoT platform, the customer app and certified alarm monitoring.

The insurance company focuses on sales, marketing and customer communication, while the partner handles all technical and operational aspects. This approach enables a fast launch without large internal projects.

Homely is an example of this model. They focus on branding and sales, while their partners deliver the technology and monitoring. This demonstrates how a complete alarm service can be offered without developing hardware or managing operations.

Insurance companies can adopt a similar approach, adding monitoring services to their product portfolio while relying on partners for the technical delivery.



The Homely app is delivered by Safe4. It lets users control and monitor alarms, sensors and smart locks in real time.

The same app is used by several partners, with branding, colors and profile fully adapted to each company's identity.

Pricing, costs and commercial models

Launching a fire, water and burglary monitoring service involves both upfront and ongoing costs. Understanding the financial model is essential when evaluating the business case.

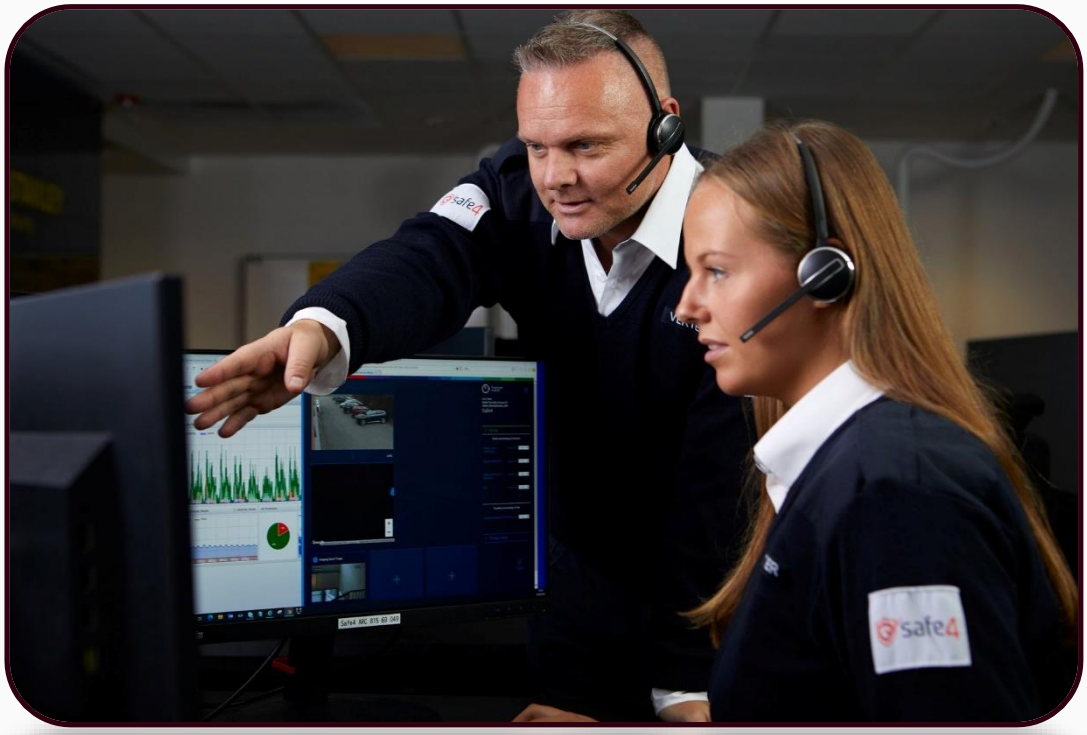
The typical cost structure for a white label alarm service includes:

1. **Setup and integration**
   This is an one-time cost for onboarding, branding the app and integrating the service into the insurance company's sales and customer channels. The cost depends on the level of customization and the complexity of the integrations.
2. **Hardware**
   The gateway, sensors and other devices and physical components must be purchased for each customer. This cost can be covered by the customer or by the insurance company, depending on the chosen business model.

3. **Monthly service fee**
   The insurance company pays a recurring fee per active customer to the white label provider. This covers the app, cloud infrastructure, monitoring services and support. The monthly fee per customer depends on the selected package and service level, and typically falls in the single-digit euro range.

4. **Customer pricing**
   The insurance company is free to set the monthly price for customers. This allows flexibility to decide whether to offer the service as a free benefit, as part of a bundle, or as an optional premium product.

ARC and EN 50518:
Why a certified monitoring center is essential



A fire, water and burglary monitoring service is only as strong as the response system behind it. Insurance companies cannot rely on their customer service teams or standard contact centers to handle alarms. This is because alarm monitoring is a specialist task that must follow strict regulations.

In Europe, the industry standard for professional alarm monitoring is EN 50518. This standard specifies requirements for the physical infrastructure, IT systems, staff training, redundancy procedures and privacy protections that an Alarm Receiving Centre (ARC) must have in place. A certified ARC must provide 24/7 monitoring, handle emergencies quickly and escalate situations to relevant services when necessary.

Without an EN 50518-certified ARC, an insurance company cannot deliver a professional-grade monitoring service. If the company does not operate its own ARC, it must partner with a certified provider to ensure safety, compliance and reliability.

Time to market and implementation effort

The time it takes to launch a fire, water and burglary monitoring service depends on the chosen delivery model.

For insurance companies that want full control and build everything in-house, the process is complex. Developing the technology, integrating hardware, building a customer app, ensuring compliance and securing a certified ARC partnership can take 12 to 24 months.

A hybrid model, where the insurance company develops parts of the service and integrates with an external platform, typically takes 9 to 12 months.

A white label solution offers the fastest route. Here, the technology, hardware, ARC services and app are already in place, and the insurance company focuses on branding, sales and customer communication. This model allows for a launch within 3 to 6 months.

Delivery model	Estimated time to market
Develop and operate in-house	12–24 months
Combine internal development with external platform	9–12 months
Use a white label solution	3–6 months

The choice of model has a direct impact on how quickly the service can go live. For insurance companies that want to test the market, respond to customer demand or react to competitive pressure, a fast time to market can be a significant advantage.

Conclusion

Fire, water and burglary monitoring services offer insurance companies a powerful way to reduce claims costs, protect customers and remain competitive. By enabling earlier detection and faster response, they help prevent damage before it occurs – with measurable impact on claims frequency and severity.

At the same time, these services provide daily value through a branded app. This creates natural touchpoints and positions the insurance company as a proactive, visible partner in the customer's life – not just when something goes wrong.

The result is stronger engagement, a trusted communication channel, and new opportunities to share advice, promote prevention and introduce complementary services. Over time, this leads to increased loyalty, longer customer relationships and higher lifetime value.

Thanks to proven technology, certified partners and white label models, it's now possible to launch quickly and efficiently – without large internal projects.

Choosing the right delivery model is key. Whether in-house or partner-led, the goal remains the same: fewer claims, closer customer relationships, and a stronger role in the home.

The opportunity is real, the technology is ready – and the time to act is now.

Ready to take the next step?

Safe4 offers a proven, certified platform for insurance companies looking to launch fire, water and burglary monitoring services quickly and efficiently. Contact us to learn how we can help you reduce claims costs, protect your customers and bring your solution to market.

Visit **safe4.com** and get in touch with us directly to discuss your project.