

EBOOK

How Digitization is Transforming the Insurance Industry



CONTENTS

- 01 INTRODUCTION
- 02 TOP TRANSFORMATION TRENDS
FOR INSURANCE
- 03 TOP TRANSFORMATION TRENDS
FOR INSURANCE
- 04 OMNI-CHANNEL/OMNI DEVICE
- 05 MEASURING SUCCESS
- 06 CONCLUSION

INTRODUCTION

The insurance industry faces specific challenges, particularly when it comes to consumer outreach and customer satisfaction.

Digital transformation empowers insurance companies to succeed in a swiftly changing environment, providing the tools needed to deliver products and services that are becoming increasingly segmented and customized.



WHY INSURANCE COMPANIES MUST EVOLVE

There are two primary challenges facing the insurance industry:

- A consumer base that demands personalized, tailored products and services.
- Increasing pressure from digitally native competitors such as Lemonade.

Technology can help guide product and service personalization, streamline agent workflows, support underwriting and claims-filing processes, and safeguard customer data. Committing to one or more of these trends can be the first step to digital transformation.



4 KEYS TO REMAINING COMPETITIVE

To address and overcome these challenges, insurance companies can leverage four key elements:

- Digitization and modernization across internal and customer-facing assets
- Business process automation, including robot process automation (RPA)
- Artificial intelligence and machine learning
- Agility via DevOps and workflow optimization



TOP TRANSFORMATION TRENDS FOR INSURANCE

These digital trends are driving transformation across the insurance industry.



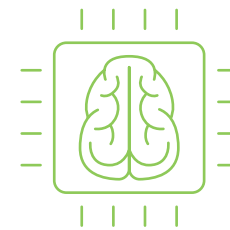
DATA LAKES

Data will power your business transformation journey. Data lakes allow you to consolidate your data in one place, making it accessible to your analysts, marketing experts, and risk management teams. Proper data organization and utilization can also power applications upstream and deliver new ways to support customers.



CLOUD COMPUTING

Agility in business and the ability to scale hinge significantly on modernization and cloud adoption. Almost two-thirds of insurance organizations believe embracing cloud-based technology is the move that has had the greatest positive impact on their organization.



ARTIFICIAL INTELLIGENCE AND MACHINE LEARNING

On average, only 10-15% of an insurance company's data can be effectively processed using manual data entry. Insurers are using AI and machine learning across a range of processes, from improving risk calculations for underwriting to identifying new verticals for product expansion.

TOP TRANSFORMATION TRENDS FOR INSURANCE

Committing to one or more of these trends can be the first step to digital transformation.



OPEN ECOSYSTEMS AND APIS

More than half of insurance executives say that they are actively seeking ecosystems to access more data. For example, APIs and insurance-as-a-platform allow companies to offer customers buying furniture suites a homeowners insurance policy, or those purchasing baby monitoring systems a whole life policy.



THE INTERNET OF THINGS

Devices or sensors connected to the Internet of Things (IoT) deliver data that can support proof of responsible homeownership, careful driving habits, or a healthy lifestyle. IoT data allows insurers to accurately manage risk and insurance customers to gain access to perks like lower premiums.



BIOMETRIC IDENTIFICATION

Biometrics can deliver trusted identity verification, helping insurers push back against fraud. Already, 6 out of 10 insurers say that this type of technology has had a positive impact on their underwriting processes.

OMNI-CHANNEL/OMNI DEVICE

Digital transformation in insurance means being able to meet consumers where they are. Insurance customers expect to be able to seamlessly perform insurance-related functions across a range of devices, from anywhere, using various channels.



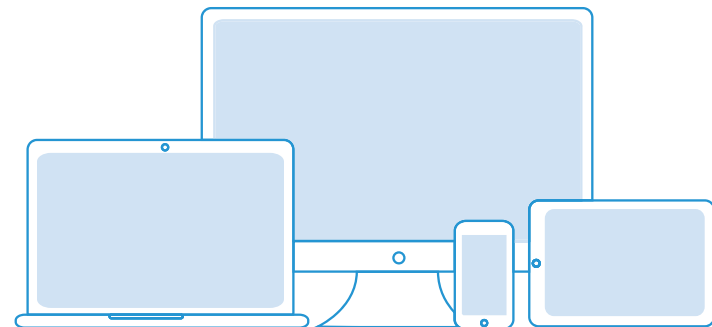
THE INSURANCE CUSTOMER LIFECYCLE

- Shopping for policies
- Comparing insurance products
- Uploading key documents
- Accessing instant coverage
- Proactive risk management
- Filing claims
- Making payments
- Receiving notifications and renewal reminders

Mobile-first is an important part of digital transformation. Consumers expect to be able to conduct all manner of business from their phones, including insurance processes.

By embracing digitization, insurance companies can leverage multiple communication channels and allow consumers to use the platforms and devices of their choice throughout the customer journey.

Along the way, upsell and cross-sell opportunities can be identified using data analytics, tracking changes in consumers' lives, and leveraging that knowledge to expand product lines and personalize offers.



MEASURING SUCCESS

Being able to measure and report on the results of any initiative is key to ongoing success. Benchmarking is vital to this process.

PROGRESS ANALYSIS REQUIRES THE FOLLOWING STEPS:

- Defining clear and short-term objectives
- Creating an internal marketing strategy to get buy-in at all levels
- Clearly articulating goals
- Figuring out how to measure progress
- Establishing a baseline to start from
- Identifying KPIs to act on to improve performance
- Reporting on results at regular intervals

Transactional data can be gathered from customer interactions and used to calculate ROI. Other types of data can be used to track consumer behaviors. Non-financial behavioral and passive data can come from many sources thanks to IoT connected devices including:



Smart home devices



Smart car devices



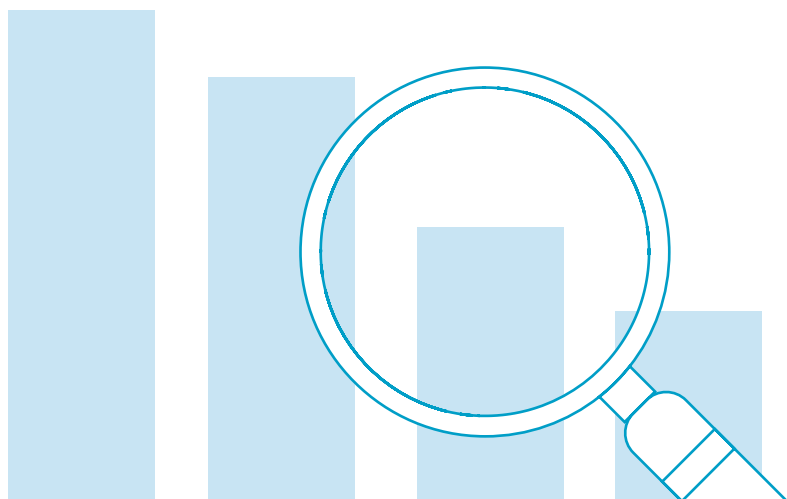
Wearable health devices

Fortunately, most insurance customers will share personal data in exchange for personalized offerings and lower premiums.

CONCLUSION

The next step for insurers is to embrace technology that can help them improve workflows, develop new products, leverage data insights, and retain existing customers. Finding the right technology partner is key.

Ideally, your support should come from a company that is itself in growth mode, has an agile mindset, and possess the resources and willingness to work with smaller companies and help them scale incrementally.



**ECI DELIVERS SUPPORT
TO HELP YOU ADOPT
MULTIPLE TRENDS AND
ACHIEVE YOUR GOALS.**

- Process automation can free up human workers for one-on-one customer care, improving retention.
- Managed data services can provide deeper insights into customer behaviour, paving the way for new offerings.
- Modernizing systems and applications can improve compliance with privacy and security regulations.





ECI is helping businesses drive their digital transformation with services ranging from DevOps to Strategic Advisory services. **Contact us** for a consultation today.

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SOURCES:

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