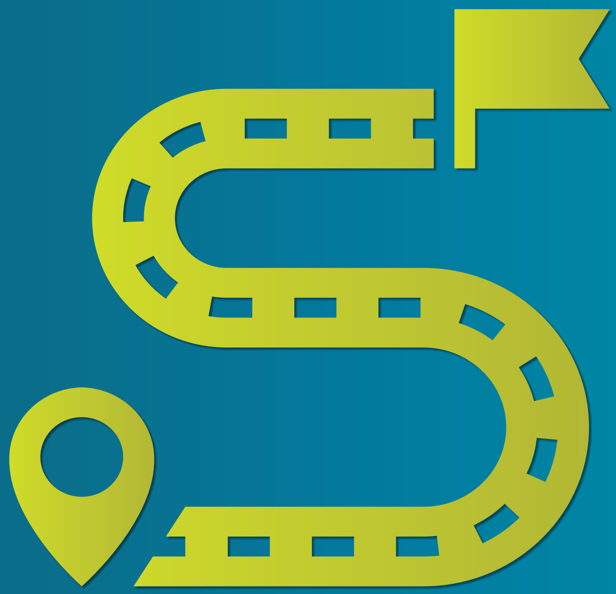


THE INSURANCE INNOVATION JOURNEY

Innovation, Insurance Technology & Digitisation

EBOOK BROUGHT TO YOU BY:

owls software

The Road to Inclusivity

Tony van Niekerk, Managing Editor, COVER Publications

However, it is estimated that by 2035, all vehicles manufactured in Europe will be electric only. Change is inevitable, even when it starts slowly.

When hybrid electric vehicles first came onto the market, it was only the seriously committed “greenies” or “tree huggers” that invested and, even now, these vehicles are priced outside the affordability range of the average vehicle buyer. However, it is estimated that by 2035, all vehicles manufactured in Europe with be electric only. Change is inevitable, even when it starts slowly.

So, also, it is with game changing innovation in insurance. The first movers and radical innovators are mostly skunk works, small niche insurtechs and a few non-insurers who push the envelope of standard processes and models in the industry. However, as these models refine and start to get traction, it becomes attractive and viable to the average underwriter to participate. I would like to argue that we are here now. Let the games begin!

Insurance Innovation Journey: We recently hosted a series of webinars to discuss digitalization from the perspective of innovation. After all, this is just another facet of innovation. The biggest mistake made in the quest to compete with increased digitization is to jump at quick fix plug-ins offering access to untapped markets or apps that digitise sales and on-boarding. This might look like quick wins but they mostly do not deliver nearly as well as expected, due to the lack of strategic decision making in the selection and implementation of technology based opportunities.

In this E-Book several presenters at the webinar share thoughts on this journey and especially the strategic approach to digitization. **René Schoenauer. Director, Product Marketing, EMEA at Guidewire Software,** approached his presentation from the point of the insurance value chain, exploring the various touch points for optimisation across the chain.

According to Bruce Sahd, CEO, Casejohnson and Partner in COVER Advisory, explains that insurers are “in a ‘stuck situation’, not because CEO’s are not aware of the possible strategies available to them, but because there is no clear roadmap to get from where they are now - to where they want to be. His presentation provides some very practical tips on how to embark on and successfully sustain the digitisation journey.

The innovation journey is aptly defined by Valerie Hayter and Isaac Chindotana of Lireas Holdings when they said “Innovation is not just about the introduction of technology but includes the creation, development and implementation of new products, processes, services or business models with the aim of improving efficiency, effectiveness, competitive advantage or producing new profits or growth for the organisation.”

Kali Bagary, CEO of The Data Company unpacks the opportunities that innovation opens to intermediaries and how they should approach benefitting from the opportunities offered by digitisation.

If you are interested in innovation, insurance technology or digitisation regarding any aspect of the insurance value chain, I highly recommend you attend our upcoming Insurtech Conference. We will host eight Round Table, each with three to four participants debating opportunities, challenges and debunking myths about the current disruption of traditional insurance models. Visit www.insurtechconference.co.za

INSURANCE
ADMIN
ENSURED

MORE FEATURES THAN FEATHERS ON THIS OWL

At **OWLS™ Software** we offer over **8000** insurance software features designed to automate any **Insurers**, **UMAs** or **Brokers** insurance admin.

Book your free demo on our website and take a test flight with **OWLS™** today.

owls
software

info@owlssoftware.com | www.owlssoftware.com | +27 82 950 7079 | Johannesburg, South Africa

Innovation elevates the entire insurance value chain

René Schoenauer - Director, Product Marketing, EMEA at Guidewire Software

It is no secret anymore that the insurance industry globally is facing accelerated transition and change caused by raised customer expectations, fast evolving digital technology and advanced data and analytical capabilities.

Customers are expecting the same speed, convenience and transparency as they are used from global platform and ecosystem players like Amazon, Netflix or Spotify. And it is not only the policyholder who has that expectation, but also any stakeholder within the entire insurance value chain searching for the same state-of-the-art experiences. All of this is accelerated by the "New Normal" the world finds itself since the beginning of 2020 with the pandemic fuelling the need and desire for excellent digital journeys and experiences. With every stakeholder throughout the insurance value chain expecting speed, convenience and transparency, innovation is necessary within every phase of that chain.

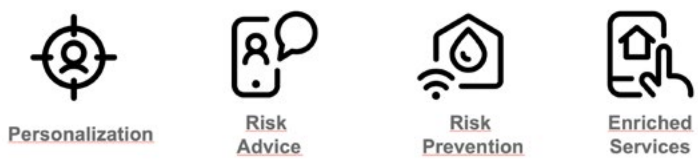
In Product and Pricing technology and new tooling provides insurers with the ability to create new products that are more flexible and tailored to the needs of the policyholder. Innovative tools for product development and design increase the ability of business departments to create new or adjust existing products with fewer iterations and shortened deployment cycles and thus decrease the overall time-to-market and gain the ability to increase customer satisfaction and customer retention rates through personalized products that are more transparent and better to understand for their customers.

There are various use cases around usage-based insurance like telematics driven Pay-As-You-Go insurance solutions for motor lines or parametric insurance solutions through IoT technology and automatic real-time adjustments of insurance rates or coverages based on internal or external circumstances changing detected by sensors. This applies to both personal and commercial lines insurance. The benefits of such solutions start with premium growth through new products, increased customer satisfaction and retention, but also span over to improved time-to-market and lower operational cost in product design, development and deployment. In Marketing & Sales technology offers a variety of opportunities to grow an insurers business and market share by reaching new customers and improve satisfaction of existing customers.

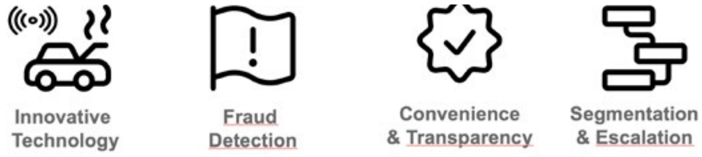
This can be achieved through deployment of new channels and more importantly by providing policyholders a true omnichannel experience through seamless integration of all communication touchpoints an insurer offers to them. Customers want to be met at their terms and convenience is one of the most important criteria in this context. In addition, digital technology and advanced data and analytics help insurers to gain deeper insight about their policyholders and their needs. It will help developing more personalized offerings, recommendation on new coverages or adjustment of existing coverages based on changing risk profiles which will lead to a more targeted engagement with policyholders and thus improve customer retention.

In Underwriting insurers can achieve higher operational efficiency and sustainable business growth through innovative technology.

The two biggest drivers in this area are advanced data and analytics and technology like drones or IoT devices and sensors. With new insights from data insurers will be able to better assess, evaluate and price new categories of risk like cyber or reputational risk, risk categories that have been a challenge for underwriting in the past. Data will allow an underwriter to make better informed and more accurate decision. At the same time, the new data and insights can be used for automation purposes. Drones and IoT devices provide capabilities for innovative risk assessment. Both will have an impact on operational efficiency either directly or indirectly through higher automation rates or reduced cycle times. Another benefit will come through increased customer satisfaction as underwriting decisions will be shortened and more transparent to policyholders. In the area of Policy Admin and Service the innovation opportunity lies in personalization of the whole customer relationship and the ability for insurers to provide new enriched services to their customers and agents.



Insurers will be able to act more proactively with risk advice and risk prevention services and tackle a challenge where a lot of platform and ecosystem players have raised the bar: closing the engagement gap with the customer. Customer satisfaction and retention will be positively improved, the insurer has the ability to proactively reduce occurred losses with innovative risk advice and prevention services. Last but not least looking at innovation in claims. Telematics solutions can automatically create a first notice of loss in case of a car accident, the same technology can at the same time call



The claim itself can be enriched with detailed data about the damage of a car and additional parameters like acceleration and thus help assess the assessment of the accident situation.

Advanced data and analytics help insurers in loss reduction through detection of fraudulent cases, identify the risk of litigation, help in segmentation based on predicted claims severity and help in either automating claims or escalating them to specialized teams.

> *“With new insights from data, insurers will be able to better assess, evaluate and price new categories of risk like cyber or reputational risk, risk categ that have been a challenge for underwriting in the past. Data will allow an underwriter to make better informed and more accurate decision.”*

The two biggest drivers in this area are advanced data and finally, insurers can offer their policyholders convenience and transparency through innovative technology where it matters the most, in the moment of truth.

This is just a quick overview on opportunities and in summary, innovation is possible in any phase of the insurance value chain with huge benefits for any stakeholder, be it the insurer, the policyholder, the underwriter the agent or any other stakeholder.

One key element to those benefits is technology that enables the IT department to act more agile and as an innovation enabler and thus increase the agility of the business as well.

The case for design thinking in the insurance industry

Wimpie van der Merwe - CEO, Global Choices

Adapting to change is hard but not impossible, we have seen this in how some Financial Advisors have over time been ab to make the transition from commission to fee based businesses or transition into the coaching way of being, when engaging wit their clients.

Even in today's period of rapid change, it appears that a lot of insurance companies are trying to create new solutions by counting on outdated paradigms. To overcome modern challenges, new paradigms are needed.

Fresh thinking from outside the insurance industry will drive the next wave of growth within the insurance sector. Design thinking may be a desired approach that shapes customer-centric innovation, but few companies do this well.

WHAT IS DESIGN THINKING?

Design thinking may be a methodology used to solve multifaceted problems and satisfy complex needs. It is a philosophy, a toolkit, and a process. What differentiates this method of thinking against the backdrop of other problem-solving techniques is a suite of core beliefs that are optimistic, human-centred, collaborative, and boldly experimental. It requires "designers" to get their hands dirty, embrace ambiguity and learn that the best ideas often come from collaborating with a diverse source of strengths, and remembering the vital insight of human truths.

DESIGN THINKING ANTICIPATES THE HUMAN EXPERIENCE FIRST

Empathy is the foundation of this human-centred design process, involving the work you do to understand people within the context of a design challenge. Technology cannot replace the power of empathy. Technology should act as a tool for people, and not the other way around. Yet many insurance companies put technology first. This is evident in the hype surrounding insurtech. Many of those solutions are designed round the instrument and not the human. Defining the customer and identifying the matter that you are trying to unravel will vary drastically among players across the value chain.

DESIGN THINKING DELIVERS INNOVATIVE IMPROVEMENT

One of the first steps involved in the design thinking process is to define the problem. Creating breakthrough value propositions isn't about being incrementally better. It is about really making a difference. Looking beyond insurance, it is both remarkable and refreshing to witness the willingness of other organisations to bet big, fail fast, learn key lessons, and come back hard with improved offerings. The insurance sector can learn from these players. It is not just about providing good insurance products and customer experiences but about having customised policies on demand.

Insurance companies will also need to step in to help their clients with risk prevention and mitigation. To remain relevant, insurance companies are fighting a battle for client attention and retention on an unprecedented level, discovering that previously successful problem-solving methods are rendered ineffective by rapid changes in society. Human-centred insurtech can help with this.

DESIGN THINKING PROVIDES FOCUSED OBJECTIVES

To create innovative change, insurance companies cannot keep adding elements simply because their competitors do. This tactic will lead to solutions that are undifferentiated and too complex or vague. Many players within the industry still think they can be everything for everybody, but to be relevant and appealing they›re going to need a razor-sharp focus for specific target groups and an understanding of what they truly do well.

DESIGN THINKING DEFIES CONFORMITY

Insurance companies have become enslaved by the rules they created around the customer experience, distribution, and services. Holding on to these rules can only stunt improvement. Conformist wisdom gives a false sense of security — if everyone believes it, how can it not be true? Conventional wisdom revolves around the rules of the game, on leaders lacking curiosity, creativity and imagination — rules about what products should look like, pricing, communication, the customer, and the entire value chain by which these elements of a worth proposition are delivered... the industry's sacred procedures.

DESIGN THINKING CAN BRING INSURANCE OFFERINGS TO LIFE

Insurance is essentially a construct manifested in many pages of legal jargon that not many people truly understand. This service, with little customer involvement, creates a true problem when selling the merchandise.In an era of data overkill, sensory experiences are vital within the business buying decision. However, within the grander realm of monetary services, design is usually the forgotten discipline. Design thinking is centred on the customer and interface and may assist in bridging the gap between abstract offerings and, therefore, the real lives of consumers.

Looking beyond thew normal barriers of the insurance sector is critical for producing differentiated products and services. Direct alliance with digital platforms, distribution channels, and policyholders can unlock a number of client insights. **With enough creativity, many things can be made tangible, and solutions will begin to present themselves.**

THE DATA COMPANY

“Data is the New Oil”

Innovating using Data Driven Digital Transformation

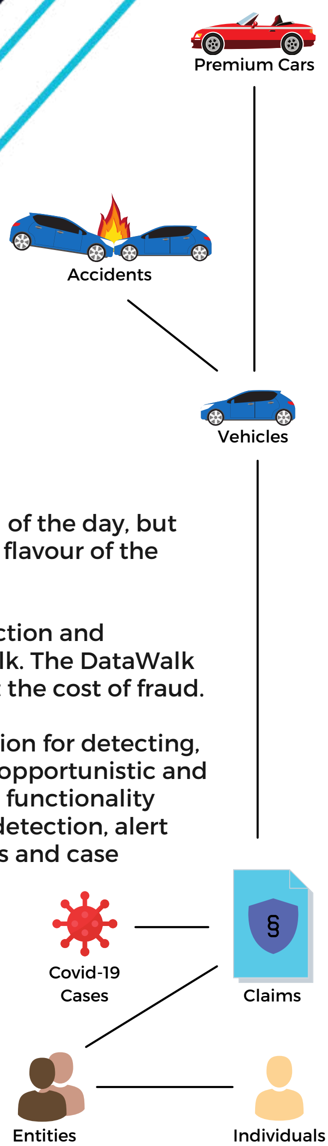
About Us

- **We help businesses with their digital transformation journey by unravelling complex data and rapidly building applications to reveal powerful insights and automate processes.**

What We Do

- The Data Company helps enterprises accelerate their business agility by unlocking the value of data to create new revenue opportunities and operational efficiencies for organizations.
- The world is one big data problem. A recent study by industry body research revealed that, on average, organizations that invest in data and analytical capabilities.
    - Increase their revenues by 8%
    - Reduce costs by -10%.

- Big Data might be the buzzword of the day, but actionable insight should be the flavour of the month.
- Using our AI and ML Fraud Detection and Investigation Platform - DataWalk. The DataWalk solution can help businesses cut the cost of fraud.
- DataWalk is an end-to-end solution for detecting, preventing and managing both opportunistic and organised claims fraud. Solution functionality includes components for fraud detection, alert management, investigation tools and case handling.
- Capabilities
    - Automated scoring
    - Automated business rules
    - Incorporate AI and machine learning
    - Text mining
    - Anomaly detection
    - Network link analysis



Contact Us

Germaine Hennop
VP Business Development SA
germaine.hennop@thedatacompany.com
+27 (0)83 651 7840

The Data Company Technologies
https://thedatacompany.com/
canwehelp@thedatacompany.com
+27 (0)10 001 6280

Data: The key to digitalisation

The Data Company

Tony interviewed Kali Bagary, CEO, The Data Company, after his presentation at COVER's Innovation Journey webinar

Tony: The Data Company is doing a lot of work with data in the intermediary space, which has become an essential component of how brokers do their business, although it's not really been exploited by brokers. Can we get your opinion on whether or not brokers or intermediaries are getting value from their data at the moment?

Kali: I see intermediaries almost in two categories. One I would say, are the larger intermediaries, and I think they probably are getting value from the data. They have the organization, the funding, the individuals and the skills within the organization to set up data models and leverage from the data. I think. where intermediaries are not getting value, are the SMEs where you know, the size of those organizations are limited. Some of them have grown through smaller mergers and acquisitions and I don't believe they're getting value from data, certainly based on some of the discussions we're having.

Tony: So what are the main issues why they are not getting the needed value from that data?

Kali: As I mentioned ,with some of the smaller and the medium enterprises, they've grown through mergers and acquisitions, so their organizations are sitting on different systems. The quality of the data varies from line of business through to the organizations that they've aquired. Some of their data is structured, some of it is unstructured. So just getting access to that data in the first place is not easy for those organizations. With the added complexity now around COVID-19, I think a lot of those brokers are now working from home. The number of face to face interactions are reducing so, getting access to that data from disparate systems in different locations, is a big challenge.

Secondly, I think within that space, sometimes the completeness and the accuracy of that data is lacking. And, when we're out there in a sales mode, you're eager to promote and sell a product so the administration tends to be a job that you take on when you go back to the office, etc. So some of those records, maybe is not as accurate as it can be or maybe haven't been updated so frequently. So I think those are some of the challenges that they have. In the intermediary space, getting the 360 view of a client is also still a challenge, because short term insurance, compared to long term investments for example, maybe do not have all the data pulled together. Furthermore, you might not be able to reconcile an individual due to the data being from different systems.

Tony: In the webinar we did on the 18th of February, you unpacked how intermediaries can get that value. Please give us your thoughts on how could they can potentially use their data to innovate.

Kali: Because there's a great opportunity to innovate. We see some of the new Insurtechs coming in with technology, using a data driven approach to focus very much on the products that they're offering, the time and place when they're promoting those products, the channels they're using to promote those, such as social media. The secret is in looking at all of those technology advantages and the data you can optimize. The next thing is around user experience, making sure that you've got the right platforms for the right products. Most people would be comfortable buying a travel policy on a mobile app, but I don't think the same when buying an investment policy, it's a whole different experience, different data and then making sure you're using the right technologies to support the products that you're trying to promote.

The other issue is looking at really innovating around pricing and underwriting. There's a lot more now pay as you go type insurance as opposed to taking out an annual insurance policy. So it's being able to innovate and for example offer usage based insurance and other similar opportunities.

Tony: Lastly, for intermediaries, as a starting point, what is the base they need as an essential to build from.

Kali: I think the intermediaries need to be supported by organizations like the Transunion, the Insurance Crime Bureau and the FIA, where, you know, they've all got access to industry wide data that they could provide. Somehow, they all need to make that data available at an affordable price.

Because some of the smaller intermediates would like to use that data. I would like to use enrichment services, but the intermediary must get access to that data and then processing the data at a cost per transaction. So, if somehow, those bodies could come together to create an offering for the industry where that data can be anonymized and used as a benchmark, I think that would be very, very valuable. I also think organizations need to do a gap analysis, initially, to look at what data they've got, what products are selling, what target segment they're going for, and then engage with companies like the Data Company who can help them build their strategy based on where they are today and where they want to go to. That needs to be done on an incremental basis, not necessarily a big bang. So start picking small manageable chunks, delivering value to the business and then moving on to the next one.

The Insurance Innovation Journey: key takeaways from Lireas' presentation

Valerie Hayter & Isaac Chindotana, Lireas Holdings

THE INNOVATION DECISION

Innovation is not just about the introduction of technology but includes the creation, development and implementation of new products, processes, services or business models with the aim of improving efficiency, effectiveness, competitive advantage or producing new profits or growth for the organisation. This was achieved in Lireas's case when they introduced the UMA and insurtech business models to the Hannover Re group in 1988 and 2016 respectively. The importance of group wide open innovation such as Hannover Re's Journey re completion in 2016 was highlighted as being a strong promoter and facilitator of innovation. Organisational culture and the "people factor" also contribute immensely to the success of innovation within organisations.

DRIVERS OF INNOVATION

Traditional Insurers have been very slow to innovate compared to the upcoming insurtech start-ups which move at a fast pace and bring about many changes that are creating efficiencies, solving problems, creating better customer journeys, connecting people, introducing new platforms and distribution channels. Various real life examples of such insurtech companies namely InvestSure, Inqaku and LifeQ were utilised to explain various innovations. Collaborative strategies were not utilised much as a means to innovate by traditional insurers in the past but this is now on the rise. Examples of collaboration between OMI & Pineapple, Hollard & Lumkani as well as Compass Insure and InvestSure were utilised to illustrate such collaborations in the market.

CLOSED VS OPEN INNOVATION

Open Innovation was promoted as more effective than closed innovation with respect to the quantity and quality of outputs as it facilitated the generation of more and better ideas from within and outside the organisation and is the more effective innovation strategy.

ENTREPRENEURSHIP AS A MEANS TO SUPPORT INNOVATION

The complementary nature of contributions by incumbents and start-ups in collaborative entrepreneurship was highlighted. It was noted that incumbents (insurance companies) benefit from the creativity, structural flexibility, agility & speed, customer orientation and entrepreneurial mind set of start-ups (insurtechs) whereas insurtechs benefit from the established brand, legitimacy, resources, networks as well as distribution/customer base that the incumbents bring to the table. Cultural differences between traditional insurance companies and insurtechs were highlighted as well. In addition, asymmetries between Incumbents and Start-ups were discussed in areas such as corporate governance, regulatory knowhow, flexibility, appetite to experiment and silo mentalities of traditional organisations.

Executive support and corporate venture capital (CVC) firms like Lireas in bridging the asymmetry and cultural gaps as well as mentorship are critical for the success of the partnership between incumbents and start-ups. It is critical that innovation gets support from the highest levels within an organisation to develop a culture of innovation in the company.

EVALUATING OPPORTUNITIES

Important considerations in evaluating innovation, entrepreneurship and collaboration opportunities were grouped into 3 key elements being People, The Idea and Commercialisation. Under People it was highlighted that track record and cultural fit of the entrepreneurs were key considerations. For the idea, consideration is given to important questions such as what problem will the idea solve and what change will it bring. Lastly, the commercialisation considerations should consider size of the market (as well as total addressable) for the envisaged product as well as the effectiveness and efficiency of the distribution channels that will be used to sell the product.

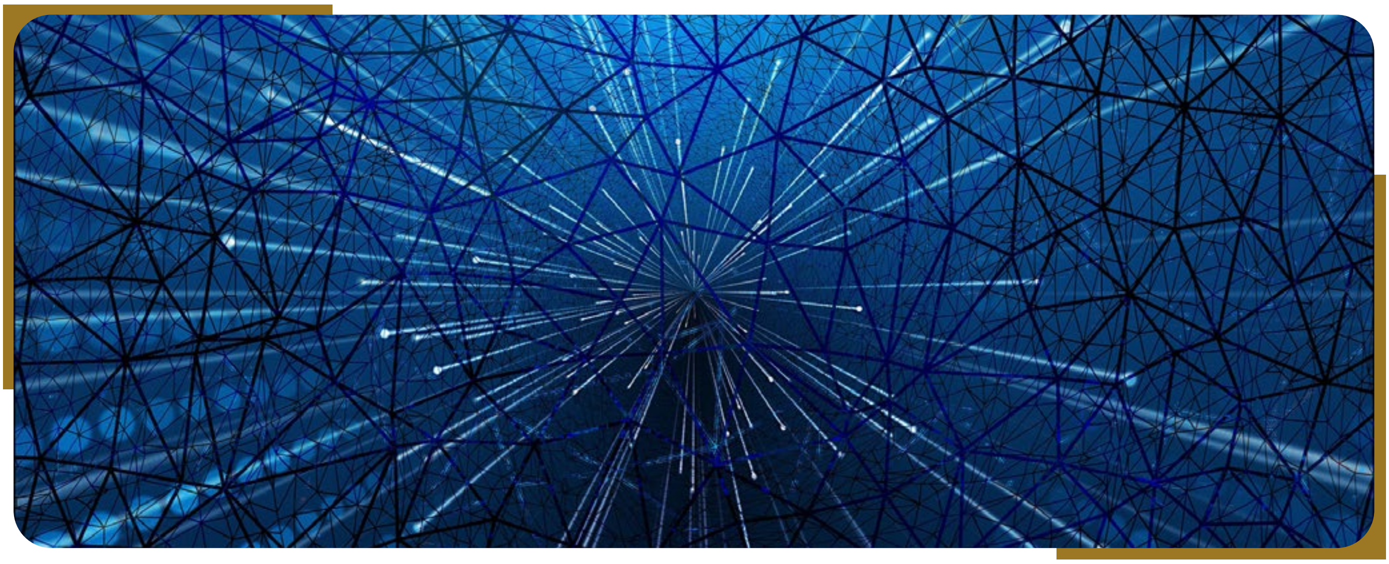
FUNDING INNOVATIONS

This was the last section of the presentation and highlighted how innovations are funded. Internal funding tends to be limited and competes with other imperatives of the organisation. External funding at the very start of an idea generally comes from the entrepreneurs own savings as well as Friends, Family & Fools (3Fs!) who take a leap of faith in the entrepreneur and the idea until it gains traction and becomes investment 'ready' to allow the entrepreneur to approach VCs and CVCs.

VCs tend to invest for short periods of time with desired exit multiples as well as pre -defined exit horizons. CVCs like Lireas invest long term as they invest to support certain strategic outcomes and objectives of their corporate parent (Hannover Re Africa group in Lireas' case). In closing it was highlighted that innovation is key to continued existence and sustainability of the insurance industry amidst rapid change, needed to solve problems and bring about efficiencies as well as addressing the demands and expectations from consumers.

The business benefits of getting big data right

Sharon Wood, Linktank Connect



Big data has become the buzzword of the day. However, it is how you serve your customers based on the actionable insights that you derive from the data that matters – and the benefits of getting the data right are potentially enormous.

The Business Application Research Center (BARC) has found that practices that have invested in data and analytical capabilities have increased revenues by an average 8% and reduced costs by 10%. There is no doubt that arriving to the point where you are getting the most out of your customer, product provider and other external data from third parties is no simple process – and, as such, it is likely to be the biggest challenge facing financial advisors in the future. The reduction in costs when you have to invest in technology to get there may seem counterintuitive. But it highlights the benefits of putting in place technology-enabled systems that ensure your data is integrated and operationally streamlined and effective

In a recent webinar hosted by Cover Magazine, Linktank founder and director Jen McKay and The Data Company CEO Kali Bagary discussed how to tackle this challenge and why it worth the time and effort. Bagary warns that financial advisors that don't get this right will fall behind. Those that do, he adds, will achieve a single source of truth for their customers that will enable them to receive actionable insights. "It's not about what data exists but how to take action based on the insights achieved from the data." The BARC research found that "good data" enabled 69% of organisations to make better strategic decisions, 54% to improve operational processes, 52% to gain enhanced customer insights and 47% cost reductions across the operations.

McKay discussed how far most financial advisors are from this desired state of data. Linktank advisor research has shown that 74% of the respondents use multiple software applications and 90% have no integration at all, with standalone systems and data manually captured in different systems.

Operating effectively always comes down to managing the complexity of the flow of data through the business, she explains, and most practices are using one or two software systems in addition to Microsoft programmes, like Excel and Outlook. “Financial advisors maintain information in multiple places with no way of connecting them. Integration opportunities are available, but they are few and far between and it is costly to patch them.”

Bagary explains that using and taking advantage of the technology out there to help you give the right advice doesn’t need to be a scary prospect. “It’s a journey and doesn’t need to happen overnight. You can map out where you want to get to and break it down into chunks. That way you can make sure the process is cost-effective and repeatable.”

McKay paints a picture of what the ultimate result could be: a central administration hub that plugs in internal and external data sources that you can build once and use many times. It will give you a 360-degree view of the customer, with their information consolidated and clean. You can then create dashboards and visualisations of the data that are meaningful to you and your client.”

Bagary and McKay highlight that achieving the holy grail of a single source of truth of your clients is not as difficult or costly as you think. All it takes is recognizing the value in getting your data right and finding the right technology partner to get there.

Strategic Digitisation: Commit to the Journey

Bruce Sahd, Founder Case Johnson

Digitisation is executed best with a holistic approach. This is because digitisation opportunities bring together the functional silos into a new whole. Technological disruption impacts all the business functions, not just IT or sales or customer service. Holistic means managing technology, pricing, risk, distribution, branding – all simultaneously.

INSURERS STRUGGLE TO DIGITISE

New and different is risky. No surprise then that insurers worldwide remain the digital laggards. Where do we start? Who will guide us? What if it goes wrong? The pure digital startups fare a lot better when it comes to insurance innovation. These new entrants threaten to leave the incumbents behind. Insurers seem stuck. This 'stuck situation' is not because CEO's are not aware of the possible strategies available to them. It is because there is no clear roadmap to get from where they are now - to where they want to be. Do we have the capabilities in-house? Do we need help? Complex questions. Not even the starting point is clear, let alone the destination. The solution lies in adopting the right execution strategy - but execution is notoriously difficult.

EXECUTION IS DIFFICULT

If it wasn't difficult then every insurer would be digitised already! Strategic digitisation is a journey, a process. A process of developing and executing the strategy. A journey rather than a destination. Learn by doing, and adapt along the way, because the destination can change. So the challenge insurers face is not only the question of 'what strategy'. It is again and again the question of 'how to execute'. A good execution philosophy starts by accepting that the destination can change. A change in one area can require a change in another area, it has to be seen as a dynamic whole. Digitisation affects every area - it has to be executed 'holistically'.

DIGITISATION IS HOLISTIC EXECUTION

Digitisation is executed best with a holistic approach. This is because digitisation opportunities bring together the functional silos into a new whole. Technological disruption impacts all the business functions, not just IT or sales or customer service. Holistic means managing technology, pricing, risk, distribution, branding – all simultaneously.Holistic execution means combining the thinking piece - and the doing piece - all at the same time. Digital is a dynamic new technological disruption that cuts across all areas. Executing all the pieces together requires an understanding of each piece in the overall value chain.Holistic execution therefore means finding the right multi-disciplinary skillset. Execution must be managed by the right jockey.

THE JOCKEY MUST MANAGE

The 'digitisation horse' needs to be ridden by the right jockey. A jockey with a multi-disciplinary skillset to manage holistic execution across all functional silos.Knowledge in product design, pricing, data-mining, IT, accounting, marketing, social media is critical. For example a change in distribution strategy can change data-warehousing requirements.

This can in turn change product pricing, which changes financial breakeven targets. This then changes the technological specs, which changes vendor costs etc etc.And so on and so forth. Where do we find this person? In-house? Or from outside? Insurers don't always want to bring in heavy-duty expensive consultants. But they also don't want to lose another year. The CEO must appoint the right jockey early in the process. The CEO must be seen to lead the digitisation effort.

THE CEO MUST LEAD

Digitisation starts and ends with the leadership and boldness of the CEO. Most CEO's accept the need to digitise, but are usually too busy with core business priorities. Lip-service to digitisation is not the same as digitisation. Digital transformation is too strategic to be hands-off and delegate downwards. CEO must lead but not manage, the jockey must manage. The CEO must always be seen to be leading the project. Humility is the greatest strength – accept that I cannot know everything.And even if I do, I cannot do everything myself, and I don't want to lose another year! Humility helps to save time, and it's easy to measure the money value of lost time.

How do I make clear measurable progress, in a way that can be seen by all stakeholders? Digitisation requires organisational change in order to succeed. Change will not happen without strong leadership from the top. Foot-dragging, problem-finding and 'boss-pleasing' only wastes time and drains energy. The CEO must lead and commit to the journey.

COMMIT TO THE JOURNEY

CEO's must commit to the digitisation journey, even if the destination is not clear. Which area do I want to digitise? Distribution? Underwriting? Back office? Service (chatbots)? And why? Lower costs? Reach new segments? Grow customer base? Up/cross sell? Beat the competition? Build the brand? Simplify the offering? Make it easier for customers? What else is out there? is this the right strategy for my business? Do i have the complete picture? And even if I am sure about the strategy, who will implement it? And even if I have the right people, who can guide or advise or train them? So many questions. The best way to answer them is to commit to the journey.Appoint a jockey, start with a helicopter view. Scan the external environment, do an honest audit of internal capabilities. But start - start small and start soon.

START SMALL BUT START SOON

Make a humble start but do it sooner rather than later.Don't procrastinate, the timing will never be perfect.There is no need to spend a lot of money to get started. Start small, follow a roadmap, and hold the jockey accountable. Spend small initially, at each stage invest a little more as unknowns become knowns. Losing time is the most expensive thing an insurer can do. There is no finish line - but get onto the digitisation horse and start the ride.

Joining forces for the customers sake

Click2Sure - Insuretech & SAAS Insurance Software Solutions

InsurTechs like Click2Sure's is cloud-based, modular and scalable software as a service (SaaS) that enables any company to digitise an insurance value chain from the distribution and onboarding of insurance products through to administration and reporting.

It enables non-insurance companies, whom we call Affinity Partners, to easily incorporate insurance products into their offering to customers and create an additional, profitable revenue stream. Platforms like ours enable multiple insurance distribution channels - in store/in branch and online; via QR codes, SMS, USSD codes, instore terminals, tills or the e-commerce journey - and issue policies to more customers than any traditional call centre or broker can do in the same period of time. Best for Short Term Insurance, Extended Warranties or Credit Life Insurance, when the decision- making process is not a complex one and a customer can decide to purchase insurance in a matter of seconds. We give any business the opportunity to easily launch insurance products, reach more customers with it and gain deeper customer insights. It makes a great administration tool for an enterprise and policy holder, with all policies' details on one digital dashboard. There are several benefits with this type of insurtech solution: cost saving (SaaS is cheaper than on-premise, legacy software); zero capex outlay (you just pay monthly licence fees); no maintenance issues (this becomes the responsibility of the SaaS provider); effortless implementation (our platform can go live in as short as 30 days); scalability (the solution grows along with your business growth); data security and, most importantly, deep customer insights - as the data on your customers is consolidated, in real-time and with one customer view point, businesses can easily offer more value to customers by improving the relevance of the offerings to them, increasing the customer relationship and loyalty.

Embedded Insurance: a game-changing insurance industry innovation: The biggest insurance industry disruption coming out of insurtech SaaS like Click2Sure's is the enormous business opportunity of embedded insurance for any non-insurance enterprise. It opens a completely new revenue stream for companies that have never sold insurance before. Embedded insurance is the digitally-enabled sale of an insurance product by any company, via multiple customer touch points. It requires transforming the whole traditional insurance value chain into digital form to enable any company, in any sector, to seamlessly integrate insurance solutions into their customer offering, either as a complementary add-on to their core offering (pet food; cars; laptops etc.). Ultimately, for the consumer, embedded insurance enables quality, relevant insurance policies at lower prices. Meanwhile, retailers benefit in three ways:

Increased Customer Lifetime Value (LTV): Embedded insurance overturns the decades-long traditional approach to insurance - buy something now, insure it later. By offering insurance up front at the point of sale, embedded insurance gives customers the cover they need in real-time, when it is top of mind, fast and effortlessly. The take-out for the customer? They feel that the company understands their needs in terms of convenience of purchase, simplicity of product and peace of mind. The benefits for the company offering embedded insurance? First-time customers are likely to become repeat customers; existing customers are more inclined to stay with the retailer, and both groups are likely to increase their basket size during their shopping journey.

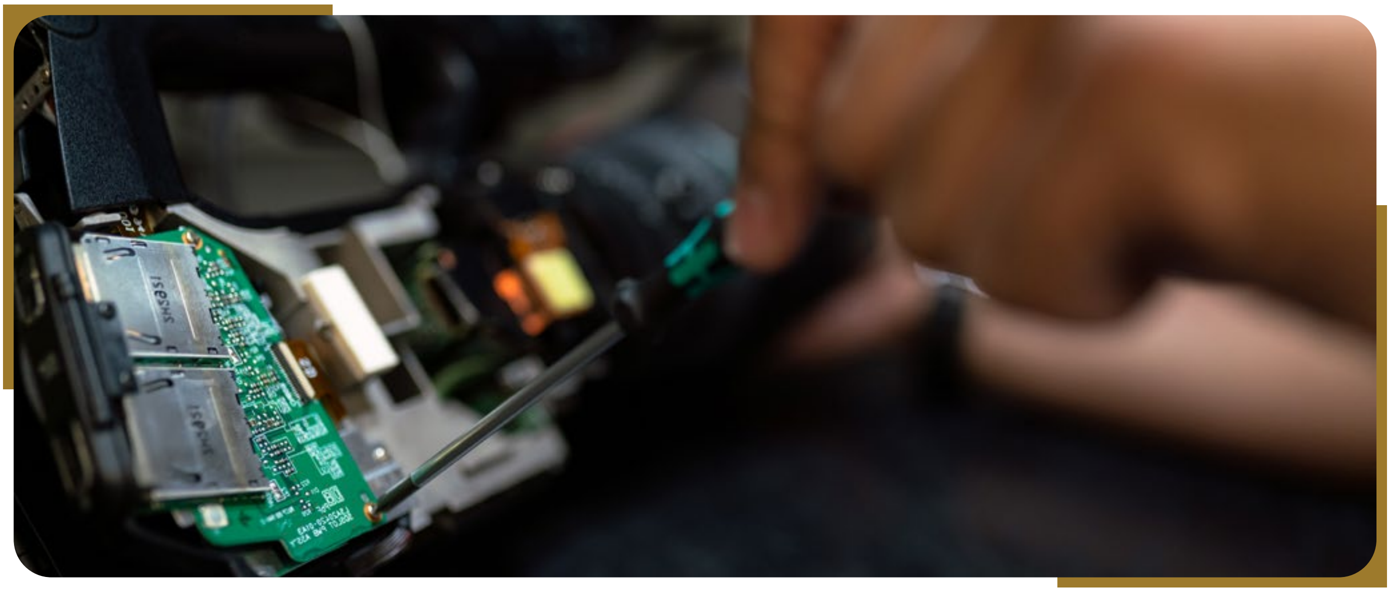
A new revenue stream: Research shows that consumers are more likely to opt for embedded insurance cover with higher cost items. Consumers paying more than R15 000 for a purchase are most likely to buy up-front insurance for it, with a 30% take-up. Retailers dealing in higher-ticket products like appliances, computers, jewellery, motorbikes, tyres and cars should take note. In the automobile space specifically, the take-up of insurance cover offered at the point of sale can rise as high as 85% (**PYMNTS Retail Product Insurance Study**, USA, 2020). Research also suggests that even offering embedded insurance on low-ticket items sold online, prompts increased buyer interest in those items - sometimes turning a possible purchase into an actual purchase. Embedded insurance revenue opportunities: Higher end of the market - high insurance take-up/ lower end - increased purchase. By far the most common type of insurance taken up at point of sale is the Extended Warranty, making this a logical focus area for retailers to begin with in terms of embedded insurance offerings, followed by funeral policies.

Deeper insight into customers' purchase behaviour: By switching on embedded insurance, a retailer's data becomes more integrated and rich across inventory, orders, sales and after-sales. This aggregation of "big data" enables the company to do various things: assess risk, predict future customer behaviour or recommend relevant products and services to customers. This capability, to offer more personalised engagement to customers, adds further to customer loyalty and ultimately, the company's revenue.

It's genuinely a big deal: In summary, our SaaS platform is an enabler for non-insurance companies to launch insurance products and grow their business - and an enabler for insurance companies to sell more products to more customers, onboard faster and administer much more efficiently with less manual work. Both parties gain one consolidated source of data informing decisions on products they sell, customer segments to prioritise, how to upsell, cross sell or introduce other products and how to continually build a relationship with the customer, delight them and grow them into brand evangelists.

Insurtech: looking behind the hype

Deon Pieterse, Ellipsys Technologies (Pty) Ltd



WHAT IS INSURTECH?

Insurtech refers to the use of technology innovations to disrupt or transform the insurance market, especially, but not limited to, how clients interact with their insurers or brokers.

OLD GUARD VS AVANT-GARDE

Insurtech is allowing traditional insurers to innovate and operate more efficiently and effectively with customers in a disintermediated way through chatbots and Artificial Intelligence (AI). Insurtech is also introducing new players to the market either as brokers, underwritten by traditional insurers, or as direct insurers, by enabling non-traditional policy sales and claims intimation via smart phone apps.

ARE THE BENEFITS BEING REALISED?

REDUCING COST

Automation and analytics allow insurers to reduce cost and streamline operations, but this may be difficult with traditional operations and legacy systems. An ecosystem approach allows insurers to replace parts of their systems to realise immediate benefits without a total system replacement. With more players in the Insurtech space this is becoming more of a reality and with increasing competition actually becoming a necessity.

CUSTOMER FOCUS

Insurtech enables insurers to establish a more data-centric, customer-focused business model. Analysing more data allows a better understanding of customers to be able to offer more flexible and suitable insurance products. Customers are getting used to a digitised world and starting to expect everything around them to keep up. “The [insurance] customer has evolved, and much of that has been born through how they’re engaging with their other service providers outside of the insurance sector” said Jeffery Williams, senior analyst at Forrester, a global market research company.

MANAGE RISK

Insurtech not only allows insurers to reduce the cost of insurance (such as allowing a customer to reduce the time on cover) but also allows them to reduce their own risk by using technologies such as advanced telematics in vehicles and cell phones to monitor items such as driver behaviour. This is achieved by using data to identify, analyse and monitor risk exposure.

NEW GROWTH

Insurers can explore new markets at a lower cost than ever by teaming up with Insurtech companies. Ecosystems offering insurance Application Programming Interfaces (APIs) are proving themselves and insurers are increasingly willing to fund or support new ventures. This is opening new opportunities in markets such as new younger drivers or uninsured drivers.

BEST PRACTICES

By teaming up with an Insurtech partner or even multiple partners, insurers can get the benefits sooner than trying to reinvent the wheel for themselves. Technology is always changing, and the rate of change is accelerating more than ever. Adopting an ecosystem approach to systems allows flexibility to system renewal instead of an all or nothing approach as well as enabling ease of integration with Insurtech partners via APIs.

FINAL NOTE

Customers are expecting their insurers to keep up with technology and to interact with them in ways that they prefer. Technology provides the enabler for insurers to get creative, all they need is some initiative and the right technology partners.

The Art of Partnering & Collaboration in Insurance Technology

Andre' Symes, MD Genasys Technologies UK

The days of all the technology and technology skills sitting inside insurers, are long over. And even the biggest of global insurers are more and more moving to partnerships and collaborating with people that have very specific skills, that have markets, and that can provide them with access t

At our recent Insurance Innovation Journey webinar series Andre' Symes, MD Genasys Technologies UK, and collaboration expert, shared some secrets. Part 2 of this presentation will be published in the next issue. When it comes to ecosystems and choosing partners we should think about dinosaurs, USB ports, cables, or paint palettes. We need to ask ourselves, why have ecosystems become so important? Dinosaurs have been evolving for hundreds of millions of years at a steady pace, and they would have carried on evolving, unless the asteroid hit. That is very similar to what happened last year, when COVID hit. Effectively, they were not able to adapt fast enough. It is exactly this step change that we need to be able to make to stay relevant and survive.

Changing legacy systems, takes a very, very long time, it really does. So when COVID happened, we didn't have the luxury of spending two years implementing a new system, we had to adapt quickly. Think about how platforms and digital services have rendered bricks and mortar companies irrelevant, and how the digital era is enabling us to change quickly. I mean, business schools at the moment are littered with numerous cases about Toys R Us versus Amazon and Uber versus taxis. It's this digital ecosystem that they can create that enables them to adapt fast for environmental change. This is why ecosystem are so important. Simply put, technology options give us the ability to adapt and pivot quickly. So again, why is this important? Technology ecosystems give us choice. Choice gives us the ability to adapt to change quickly and this ability to adapt or to evolve faster than the dinosaurs could, or existing dinosaurs can, is really what future proofs our business. Nobody can predict the unforeseen or the future, but we can engineer for the unforeseen, and we can architect for it.

The question now is, what do we do to enable these ecosystems? How many of us have got a pile of cables lying useless in a bottom drawer. To create ecosystems, we all have to be able to interact with each other. 20 years ago we all had a Sony Ericsson or Nokia or Siemens, etc and none of them could talk to each other and each needed its own cable to connect to computers. It was a nightmare to set them up. At one stage we brought in all these adapters, which brought with them their own complexity. It wasn't until we created universal connectors like USB, Bluetooth or Wi Fi that connecting systems or connecting devices became easier. Right now I've got a USB cable plugged into my laptop, and I can access my Garman and my phone, etc, from there, with one connecting port. That is effectively what it is that we need to have. Now USBs are not perfect, but it's a hell of a lot better than the cables we had before. And that's where we want to go with our ecosystems. The USB is the API in the ecosystem. I cannot over state how important API's are. API stands for application programming interface and is basically just a connector between different systems.

Secondly, we need a clear vision for how we want to interact with the ecosystem. We need to have a roadmap that facilitates opening ecosystems. We need to have an API-first approach. That's super important when looking at how you want to build your roadmap out. However, we also need to be able to iterate and change. I think that's where my good friend Wimpie from Global Choices brought in design thinking the other day, as part of this series. We need to bring this into our conversation when creating this roadmap towards the creation of your ecosystems.

Last, but certainly not least, we need to get internal buy-in from large organisations. It is currently a huge problem where

we have large incumbents that don't adopt the future. They don't adopt the change or this open ecosystem mentality. They will know we need to do it but, when it comes time to pull the trigger, things stall. That's when we start struggling with change and we saw, in our COVID asteroid experience from last year that those that were able to change did change, and they leaped from their competition. So it is massively important to make sure that you get internal change management, even to the point where you create innovation teams that can help the traditional business understand the need for this open API's, ecosystem approach rather than the monolithic approach of building everything yourself and attempting to hoard that IP.

Now we know that we need it because we want to avoid the asteroid. We sort of know how to do it because we understand that we have to have interconnection within the ecosystems, but then Who? And there was a question earlier about what the insurer tech ecosystem look like?

The question really is, how do you choose out of this? What do you choose? How do you choose, and which partners here will actually create a powerful ecosystem. How do you ensure you don't end up with something that your company doesn't want, or that doesn't add value to your business. I would like to propose a couple of points for consideration, to think about when you are looking at partners in your ecosystem. Firstly, do they improve the customers life, if they aren't going to improve your customers or your customers, customers life, don't bring them on board. Then you are effectively just using tech for the sake of tech. And that is rule number one that you shouldn't do. Don't ever try and use tech for the sake of tech. There's a term "Maslow's hammer" that often comes out in our hypothesis adoption analysis, Take Blockchain as an example.

Four years ago, blockchain was the be all and end all solution to everything in insurance and, whilst there has been use case adoptions, it has gone through a time cycle, and it is no longer here. So, quite often, we hear people just using tech for the sake of it, it has to improve your customer's life. In the end, when it comes to ecosystems, the question is whether they are they going to embrace collaboration? Now, you would think that mentioning ecosystems off the bat, that there is going to be colaboration, but don't be so sure. In any sort of ecosystem, as well as in the environment and natural ecosystems, there is always a predator. We therefore need to make sure that all ecosystem partners are aligned to the same goal, so that they can all, collectively, add value to the end customer or to the ecosystem as a whole. Andre' discusses this further in our next issue.

CLICK2SURE

Deepen relationships with your customers & grow exponentially your revenue with extended warranties or other insurance products embedded into your current product offering.

Forget about excel sheets, papers, multiple databases, calls & follow ups. Click2sure cloud-based software as a service not only gives you an opportunity for an omnichannel distribution of insurance products but also simplifies all the administration processes, collects and manages the data and ensures your compliance, all in real time for your team and your consumer to access.

Your consumers will be able to sign up for a policy quickly and easily via multiple online and in store digital channels, from QR codes, SMS, USSD codes, in-store terminals, to name a few through to seamless e-commerce journey.

Benefits of SaaS

Increased Profitability and Revenue

Grow exponential additional source of revenue through increased reach & new distribution channels.

Customer-Centric Approach

Seamless customer journey, personalisation, value added benefits & increased customer satisfaction (NPS).

CLTV Increase

Increased engagements & opportunity to cross & up-sell. A brand differentiator.

Systems and Processes Optimisation

Simplify your systems and processes, increase your business operational efficiency, & reduce your costs.

Real-time Business Insights

Real–time visibility ensures your compliance. Big data access gives insight into your consumer.

30+
Insurance Partners

30+
Product Lines

40+
Distribution Channels Enabled

1M+
Policies Live

+27 (10) 045 4019 | hello@click2sure.co.za | www.click2sure.co.za

What is the right tech for my advisory business?

Linktank & Atwork

Three of SA's leading tech experts attempted to answer this burning question at a webinar hosted by COVER last month. Read on for a rundown of the key considerations...

AN INVESTMENT NOT AN EXPENSE

As Trevor Stacey, atWORK's Business Development Executive, explained, "finding the right technology is fundamental for ANY business." So much so that Nina Lowes of Linktank has built an entire business around helping advisers to choose the right software. "We help advisers to view investing in technology as just that," said Nina. "An investment...Not an expense."

AUTOMATING THE PROCESS

As the flowchart above illustrates, choosing the right software for your business – just like choosing the right home or car for your family – can be both time consuming and costly. Especially when many business owners don't really know what they're looking for. To this end Linktank has recently launched Hadeda Technologies which automates some aspects of the decision making process to make "it quicker, easier and less expensive for clients," explained Hadeda Ambassador Robyn Clay.

WHAT ARE THE PAIN POINTS?

Surveys conducted by Linktank show that there's been very little change in the challenges faced by Advisers over the past six years. What's more, 60% of advisers plan to revisit their tech in the next one to three years and a staggering 56% of advisers are dissatisfied with their current tech. While the individual challenges faced by advisers are of course illuminating, it's important to remember that simply putting in the time and effort required to find the right technology solution can make all these individual pain points disappear.

APIS AND OPEN SYSTEMS ARCHITECTURE

While Trevor is confident that atWORK offers a superior solution for most financial advisers, he has come to realise that "we cannot be all things to all people." This is where APIs – sometimes referred to as plugins – really come into their own. As a cloud-based software solution that's built upon Open Systems Architecture, atWORK can integrate any third-party provider into its system, provided they have an API.

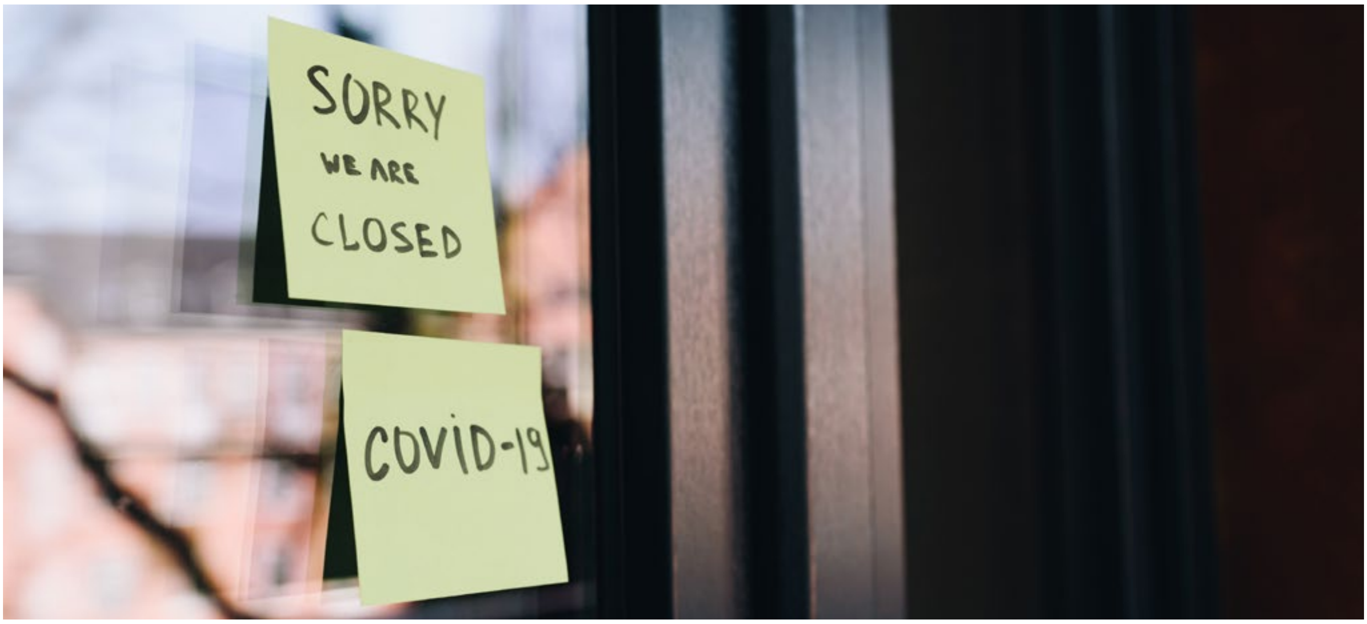
This means that atWORK's clients can quickly and seamlessly benefit from the latest software innovations around the globe. These include risk profiling software, e-signing capabilities, anti-money laundering solutions and much more. "Even if you don't end up choosing atWORK," Trevor says graciously, "Be sure to go with a provider that can integrate third-party solutions using APIs."

MEASURING RETURN ON INVESTMENT IN TECHNOLOGY

Too many South African businesses are looking at technology as a "grudge purchase," says Robin, "and making decisions based on price not suitability." This is a grave error, as even small investments in the wrong technology will cost your business both time and money. One of the most enlightening segments of the webinar was a short video interview with advisers who had been through the Linktank/Hadeda process. One explained how investing in the right technology has allowed him "

After the shock: insurance in 2021 And beyond

Stephen Richardson, Market Consultant at SSP



COVER: You recently published a whitepaper titled "After the Shock: Insurance in 2021 and Beyond". It made for very interesting reading. Please tell me a bit about what led to you actually going into all the research for a paper like that?

Stephen: It was a realisation that COVID-19 was going to cause a significant market shock. Whenever there is a major economic or market shock, the successful organisations are those that react to it, and then navigate the changing market in which they find themselves. If you think back, the last major shock we had was in 2008 with the global financial crisis. Insurance reacted by becoming quite insular, focusing on the products and new regulations, reigning in spending. That's a trend that many analysts think led to the rise of the insurtech; they attempted to fill the customer-centric void that was left by the incumbents. So I was interested to know - after another shock ten or so years on - had the industry learned any lessons from 2008? How were they going to react to this specifically?

COVER: Obviously a lot of work went into compiling this . Please give us some insight into your process?

Stephen: The key to any good report is multiple streams of research and multiple sources from which you derive information. There's around 50 references in this - including many analyst reports, speaking to executives at insurance companies, and looking at what major industry players and influencers are speaking about on LinkedIn. As I work for a technology company, I also have the advantage of asking my colleagues in the sales and account management teams what are they seeing in terms of customer demand too.

Using all of those inputs – and bearing in mind that all of these sources have their own agendas, I applied critical thinking and my own evaluations to collate my findings. It was definitely not a regurgitation of existing analysis. The aim was to bring something new to the table, as well as sharing others' insights.

COVER: Personally, I definitely found lots of new insights. What was the most exciting stuff that came out of that for you?

Stephen: The good news is that my findings seem to show that insurance companies have learned from 2008. What we're seeing right now in response to COVID-19 is greatly accelerated digital transformation. I suspect we're going to see about five years' worth of innovation in the next 12-18 months. In my report, I highlight these innovation trends across three key market segments: personal lines; SME insurance and; the commercial lines space.

"In the SME space, there's increased risks of cyber-attacks being another catalyst. The commercial lines market is hardening. These aftershocks brought about by COVID-19 are driving real change."

Personal Lines - These trends are very customer-centric and are largely driven by what-are-called digital ecosystems. Insurers are partnering with a network of complementary products, services, and technologies to deliver improved customer experiences. This might manifest itself in: shorter online journeys; the types of online web journeys; flexible insurance; personalised insurance. Even the most innovative insurers are creating these holistic propositions that extend beyond insurance to include additional services and, sometimes, even moving away from the model of carrying risk to becoming orchestrators of risk-prevention services. There is a real change in the model.

SME Insurance - There is a real battle between brokers and direct insurance for distribution. Small business owners basically value two things - advice, and a simple buy-in journey - because they're time-poor. Direct insurance has the simple buy-in journey done well... but they lack the advice. And so what they're doing is infusing the advice into the web journey. Where brokers need to adapt is to improve their web journey to make it easier for these time-poor small business owners to purchase insurance.

Complex Commercial - Insurers here have a very different focus: it's on improving underwriting profit and profitability by analysing risks at individual and portfolio level, through using internal data insights as well as external data around markets and climates to improve underwriting decision-making and ultimately drive greater profitability.

To summarise the three at very high-level and across all of the segments, there are three key technologies that emerge: the use of data; the Internet of Things; and APIs that enable ecosystem integration.

COVER: Did you find that there's a serious commitment now to try to be part of this evolution?

Stephen: Absolutely. I think there are various things around COVID-19 that have forced insurance companies to innovate. Let's consider motor insurance. Previously a twelve-month fixed policy was fit for purpose – when twelve months looked the same. Except now, suddenly people are working from home half the time and cars just sit on their driveway – they're only using it for essential food shopping but are having to pay the same insurance premium that they paid pre-COVID. Back then I was driving all the time – this policy seems unfair to the customer.

I think this will act as a real catalyst for insurers to evolve: if you offer a flexible product that can be scaled up or down in terms of the cover, that fully reflects the changing circumstances in people's lives. Consumers are more likely to purchase that sort of product because it seems much more customer-centric and far more personalised to them. There's already multiple examples of that business model in the market. In the SME space, there's increased risks of cyber-attacks being another catalyst. The commercial lines market is hardening. These aftershocks brought about by COVID-19 are driving real change.

COVER: I suppose people are thinking about risk in a different light - realizing that risk is an important factor to consider in the business. So where to from here, Stephen? What are you doing with the whitepaper and who will benefit from this?

Stephen: We have already distributed this to over 1000 industry professionals that we know and speak with – and by, of course, sharing this through you and the readers of COVER magazine.

So this is a direct message to your readers. If you read the whitepaper and find there's something you'd like to chat through then please get in touch. I'll be more than happy to jump on a call to give some free consultancy. I wrote this paper ultimately because I'm passionate about insurance companies thriving – and to do that you must innovate with the right information as your compass.

Intelligent automation providing fresh opportunities for customer-centricity in insurance

Patrick Ashton, Managing Executive at SilverBridge Holdings

The global intelligent process automation (IA) market is expected to top $14 billion by 2024. However, the insurance industry has, in some instances, been slow in reacting to the opportunities presented by the technology.

This is not altogether surprising given insurers' historic slower pace in adopting new technologies when compared to the banking sector for example.

Unlike robotic process automation (RPA), which can be considered a more mechanical process that frees up staff from repetitive job functions, IA combines RPA and artificial intelligence (AI) technologies to empower the intelligent automation of business processes. For insurers, part of IA sees intelligence injected into those business processes that focus on critical decisioning points such as underwriting and claims. So, while RPA relies on algorithms that can replicate keystrokes and greatly assist businesses with high volumes of transactions, IA includes a specific focus on automating decisioning in business processes. Fortunately, the lockdown has contributed to a momentum shift with insurers realising they can no longer rely on traditional, paper-based processes. Instead, the focus has been on digitising as much data as possible, a critical step before any form of automation can be implemented.

A MATTER OF IP

And yet, when it comes to the decisioning process, insurers still view it as a fundamental component of their intellectual property. One can understand the thinking behind this given the amount of time spent training individuals to become experts in their fields. After all, the potential exposure when calculating risk and performing underwriting functions can number in the millions of Rands if done incorrectly. The reluctance to automate human expert decisioning with AI is evident. But this does not have to be the case. AI can be used to model the most highly skilled underwriters and claims experts within the insurer and has the added benefit of being available 24x7 which dramatically speeds up historically slow processes, often subject to tight SLAs. This greatly improves the customer experience as self-service solutions can be introduced where people can manage their policies at a time convenient for them.

Given their nature, insurance companies are risk averse and generally slower to adopt new technologies. They are generally reliant on their 'human experts' and are hesitant to replace them with automated solutions. But the need to use these experts' time more efficiently will gradually see insurers embrace IA, thereby freeing up resources now capable of delivering more strategic functions inside the organisation.

CUSTOMER-DRIVEN

It could very well be the focus on customer-centricity that delivers the final push needed for insurers to fully adopt IA. By improving manual and multiple step processes through automation, employees can be repurposed for other, higher valued tasks.

Real-time decisioning through AI can, for example, reduce the number of fraudulent claims. This, in conjunction with other more efficient administrative processes, will bring about a reduction in product pricing that will lead to happier customers and ultimately an increase in profitability and improved market competitiveness.