

DESIGNED BY GLOBAL REINSURANCE HOSTS OF THE DUBAI WORLD INSURANCE CONGRESS

GR INNOVATION & INSURTECH

MONDAY 2ND OCTOBER 2017, DUBAI

- A CHANGING INSURANCE WORLD | DIGITAL TRENDS DISRUPTORS MUST EMBRACE – BIG DATA, AI, ROBOTICS, IOT AND BLOCKCHAIN
- XAVIER ANGLADA; MANAGING DIRECTOR – ACCENTURE DIGITAL LEAD, MIDDLE EAST AND NORTH AFRICA



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GR INNOVATION
& INSURTECH

A CHANGING INSURANCE WORLD

Xavi Anglada

Dubai
October 2017

INSURANCE: IT'S ALL ABOUT TRUST

**Customers do not see (nor enjoy) the product...
...unless when needing to fill-in the document-stack to sign-up**

Some facts:

USD 4tn market

5.5% of global GDP

False perception of loyal customers...

2/3 consumer insurance holders consider switching broker if they can find a more personalized service elsewhere

Manual and paper-heavy

Issues with turnaround time, quality and transparency

A heavy industry

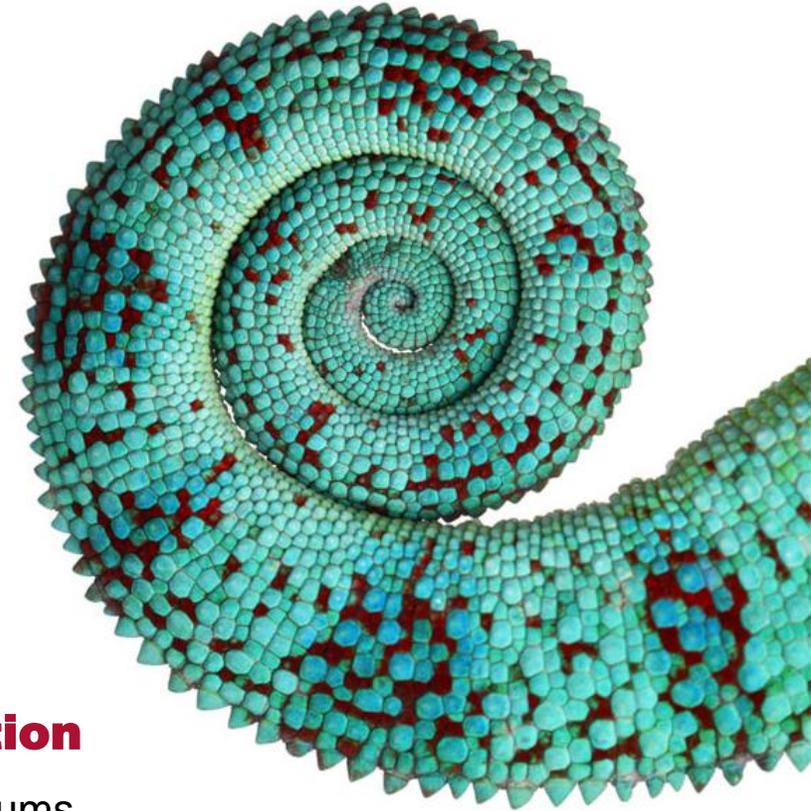
Flooded with fees and intermediaries

...and loyal brokers

2/3 of producers complain about the reliability of the brokers

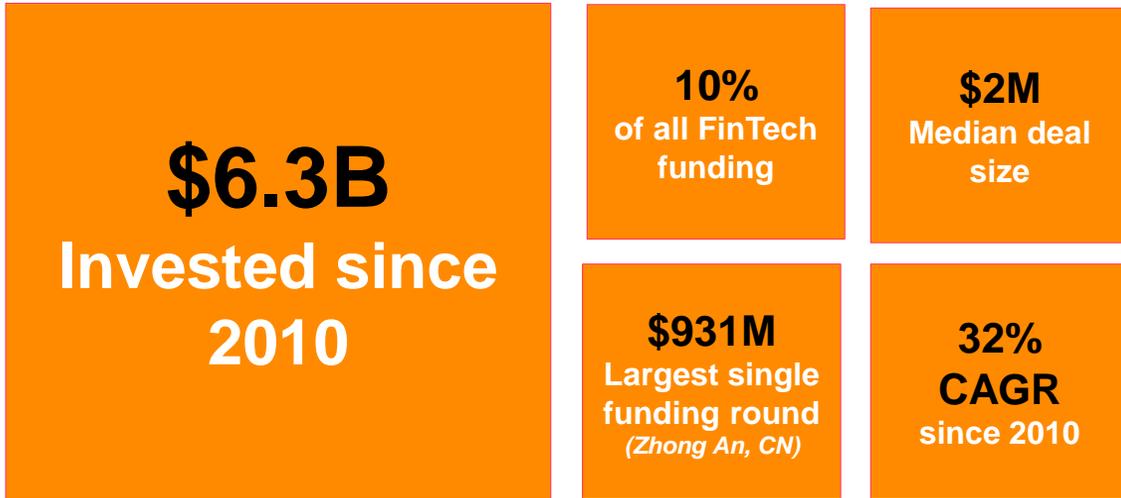
Many opportunities for disruption

To cut inefficiencies and offer lower premiums
To introduce technology to boost customer experience

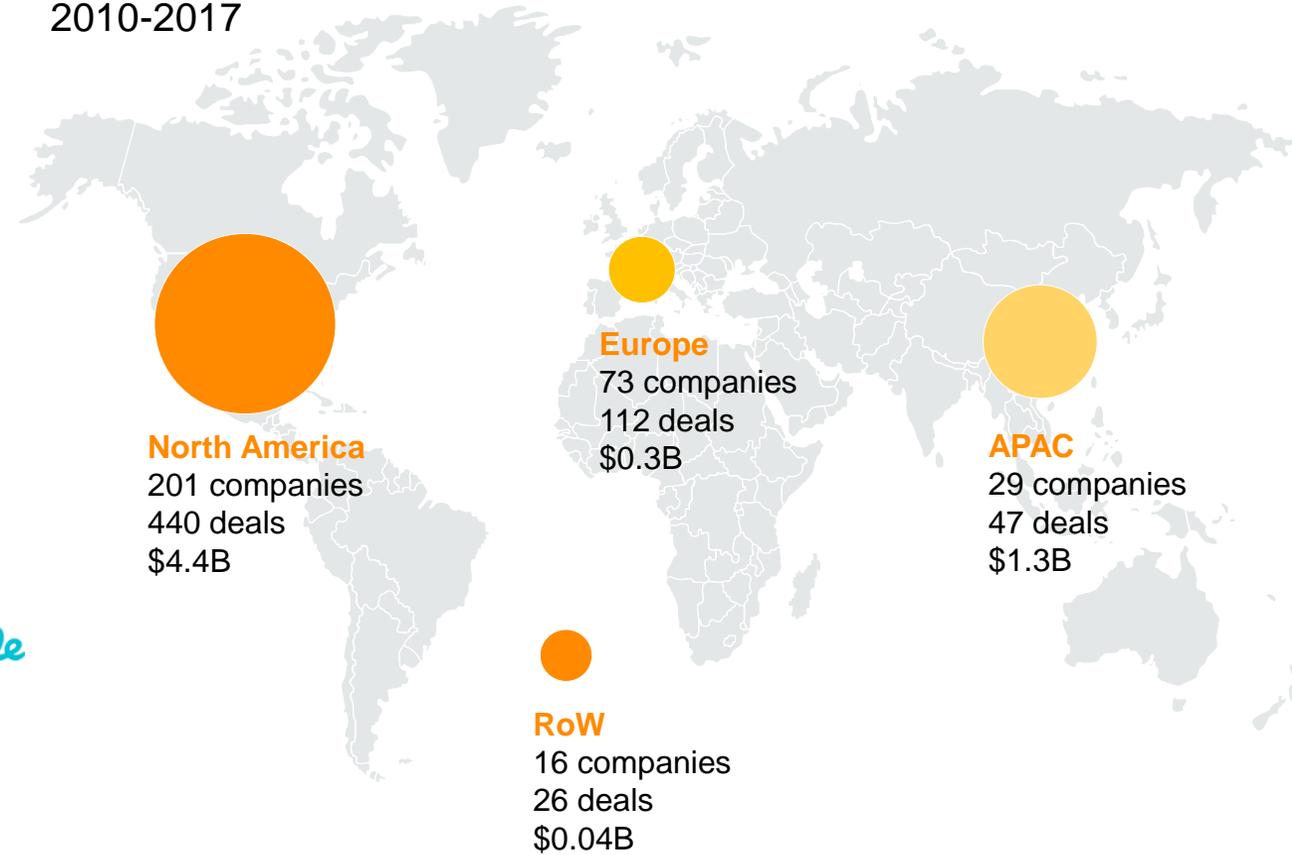


INSURTECH – A GLOBAL TREND

InsurTech Funding over the past 6 years (1.7bn+ and 150+ deals only in 2016)



Geographic Split 2010-2017



Top 10 InsurTechs

By funding \$ to date



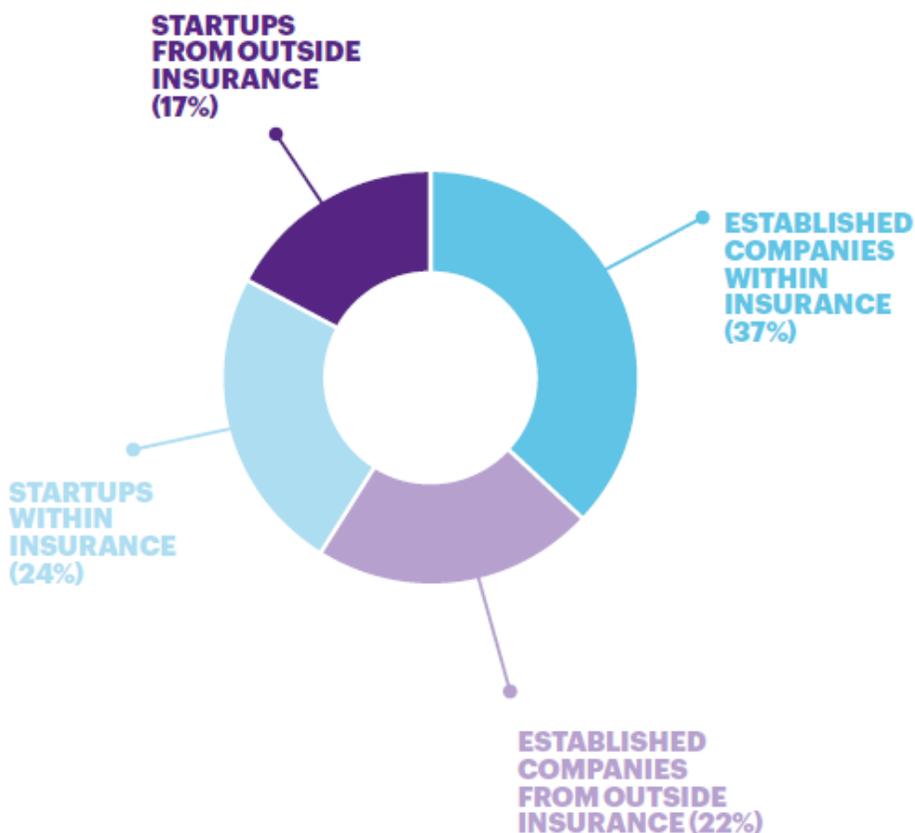
Collective Health

PlanSource

THE WHY: INSURANCE & INNOVATION

The Presence of Digital Disruption – Survey

- The everyday lives of consumers are being transformed by new technologies
- This affects the insurance industry, which is undergoing an ecosystem disruption caused by technology-driven new entrants and existing competitors alike
- Insurers are facing increasing pressure to evolve and reinvent themselves before disruption hits the bottom line



...of insurers agree that technology is no longer advancing in a linear fashion, but rather at an exponential rate



...of insurers believe they must innovate at an increasingly rapid pace simply to retain a competitive edge



...of insurers think that digital ecosystems are having an impact on the insurance industry

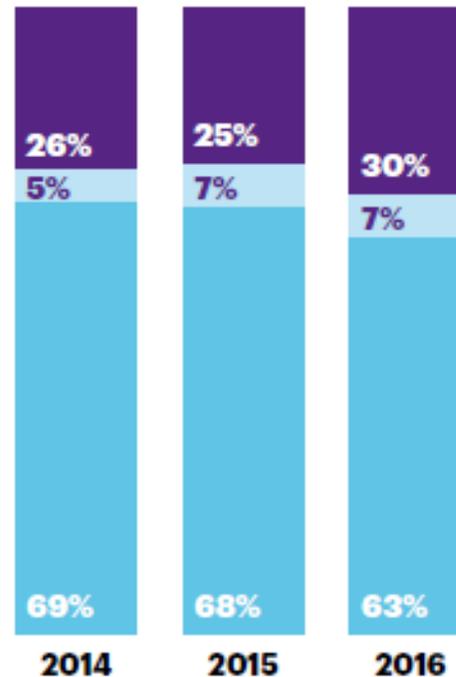
**INSURANCE HAS BEEN RIPE FOR
CHANGE FOR SOME TIME AND NOW
INSURTECH IS THE ENGINE THAT'S
MAKING IT HAPPEN.**

THE WHAT: FOCUSED ON NON-LIFE

InsurTech Trend Analysis

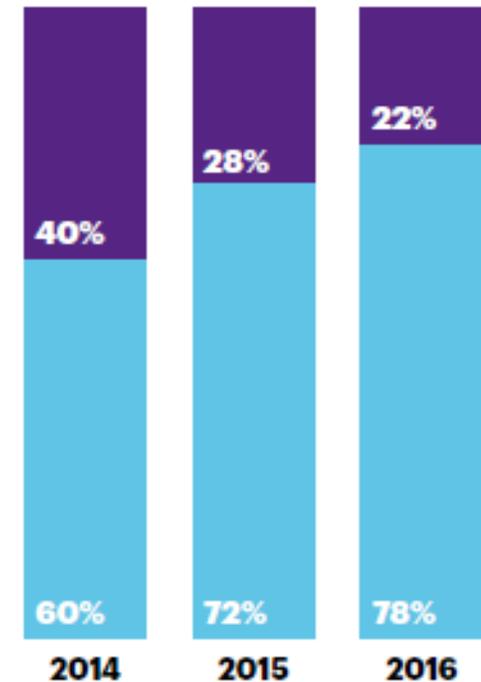
InsurTechs are primarily targeting the personal non-life insurance space, whereas life insurance and commercial insurance could be riper for technological disruption.

THE MAJORITY OF INSURTECHS ARE FOCUSING ON THE NON-LIFE SECTOR



■ MULTI-LINE
■ LIFE
■ NON-LIFE

COMMERCIAL LINES ARE INCREASINGLY BEING OVERLOOKED BY INSURTECHS

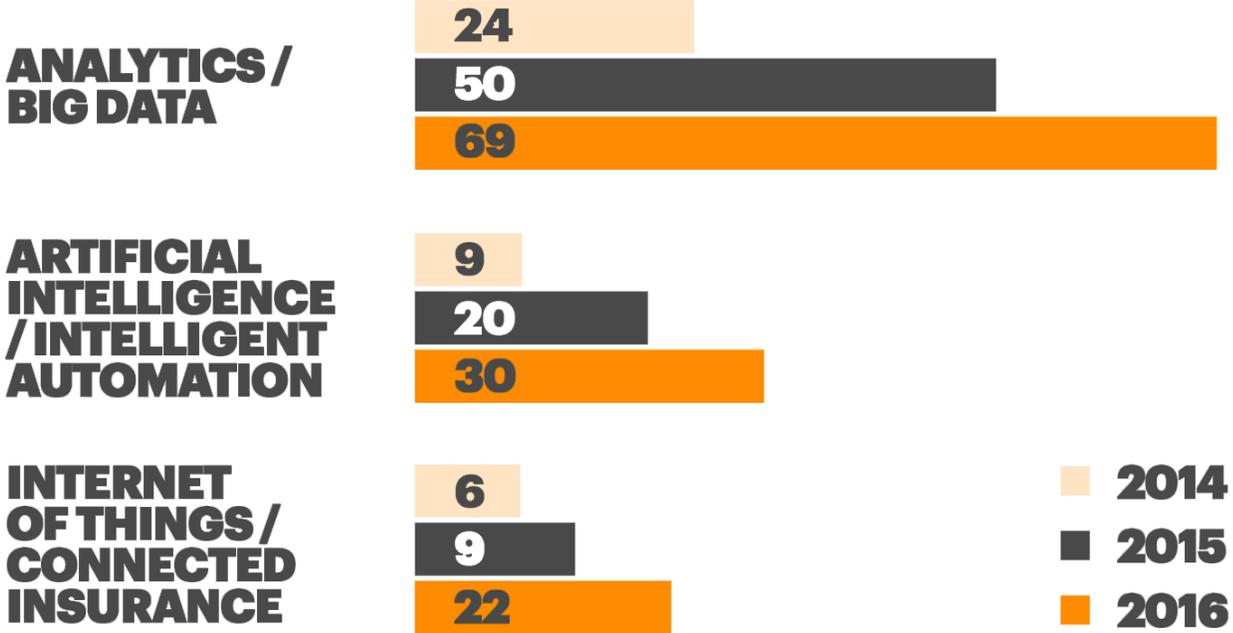


■ COMMERCIAL LINES
■ PERSONAL LINES

THE HOW: THE ROLE OF INSURTECH

Applying Technological Innovation to Insurance

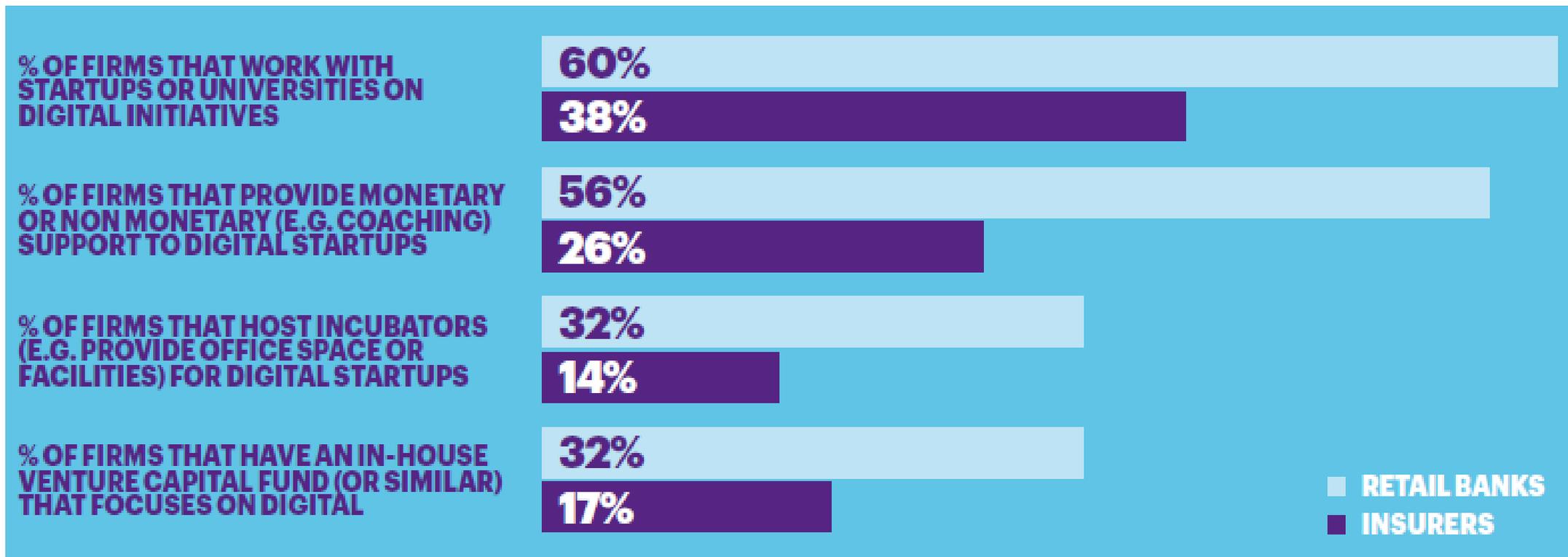
- There are two key areas where Insurance and InsurTech meet: **data** and **the customer**
- In two years, the number of InsurTech companies focused on analytics or big data has almost tripled
- Artificial Intelligence and the Internet of Things will be key to driving increased levels of personalisation and enhanced real-world outcomes for customers



**INSURERS ARE WAKING
UP TO INSURTECH, BUT LAG
BEHIND RETAIL BANKS WHEN IT
COMES TO ENGAGING WITH
STARTUPS**

PLAYING CATCH-UP VS. FINTECH

InsurTech is not a silver bullet – the real challenge for insurers is to become more innovative in their everyday business. This means not holding new technologies at arm’s length, and not taking a piecemeal approach to innovation



KEY THEMES (& TECH) IN START-UPS



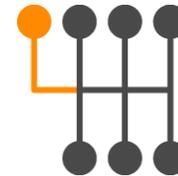
- **Easy claims management**
- **Fast claim payments** (*i.e. Travel claims to be paid within the same trip, not 45 days after*)
- **Micro insurances** fit for the precise moment of purchase (*i.e. Hardware insurance at payment moment*)
- **Micro segmentation** of needs vs. profiles (*i.e. Leveraging mobile device data for tailored offering*)
- **Partnership ecosystem** (*i.e. exchanging data for fast offer tailoring*)
- **Omnichannel experience** (*i.e. capture inputs from social feeds, from call center, from emails... seamlessly*)

	AI	Robotics	Blockchain	Big Data	IOT
• Easy claims management	✓			✓	✓
• Fast claim payments (<i>i.e. Travel claims to be paid within the same trip, not 45 days after</i>)	✓	✓		✓	
• Micro insurances fit for the precise moment of purchase (<i>i.e. Hardware insurance at payment moment</i>)	✓			✓	
• Micro segmentation of needs vs. profiles (<i>i.e. Leveraging mobile device data for tailored offering</i>)	✓		✓	✓	✓
• Partnership ecosystem (<i>i.e. exchanging data for fast offer tailoring</i>)	✓	✓	✓		
• Omnichannel experience (<i>i.e. capture inputs from social feeds, from call center, from emails... seamlessly</i>)	✓	✓		✓	✓

SO WHAT? - ADVICE FOR INSURERS...

- The insurance industry has **traditionally been slow in its uptake of emerging technology**, with just 38% of industry incumbents investing in relationships with start-ups and development centres, compared to 60% of retail banks
- **Technological innovation is ramping-up in the industry** as more and more emerging technology start-ups focus on insurance
- However, there are **significant disparities in the cultures of Insurance and InsurTech firms**. Both firms must manage this relationship carefully, whilst InsurTech firms need to gain a deeper understanding of the industry that they're targeting
- Should this relationship be managed successfully, there are huge opportunities in the **application of advanced analytics, big data, AI, the IoT and customer experience improvements**

Pillars of Improvement



Getting involved in **industry innovations and market shifts** (participating in third-party incubators is a good way of kick-starting this process)



Running **internal innovation initiatives**, such as hackathons and design sprints, to generate specific ideas and outputs



Ensuring the firm's **overall innovation strategy** and approach are well-developed and widely supported

... AND ADVICE FOR INSURTECHS

How can you effectively combine with industry incumbents?

- **BE PATIENT** – Insurance companies are typically large and immobile. It takes time for decisions to take place and they are naturally risk-averse. Support them through this process...it will make it easier in the future. Insurers are tied up in 300 years of legacy systems and processes which can be hard to untangle. Your technology is, by definition, cutting edge so there is a disparity between your technological maturity
- **KNOW WHAT YOU ARE SOLVING FOR** – Be very clear about what it is that you can do and what you can bring to the table and where the boundary of your solution is
- **CONSIDER PARTNERING** – Where you cannot solve the whole problem, consider partnering to create the ecosystem that insurers are craving. **94% of insurers view a platform-based model and digital ecosystems as critical to their future success**
- **BE AWARE OF THE WIDER INSURANCE INDUSTRY** – The majority of InsurTech activity is in the personal non-life space, but there are huge opportunities in the Commercial and Life sectors



**IN AN ERA OF
LIQUID CUSTOMER
EXPECTATIONS,
THE BATTLEGROUND
IS EXPERIENCE TO
GAIN THE AIMED
TRUST**

The success metric is delight

Differentiation is in execution

The destination is living services



ARE YOU READY FOR IT?