

How Insurers Are Creating Uniquely Personalized Services Through Digital Transformation

5 Steps To A Customer-Centric Competitive Advantage

quantexa



The opportunity for insurers today

The insurance industry is on the verge of massive transformational change to compete and thrive in the digital age. Customer expectations are rapidly evolving; the volume of data is growing exponentially; and new entrants into the insurance ecosystem are forging strategic partnerships.

There is an opportunity for insurers to take advantage of these changes to build deeper, longer-lasting, and more profitable relationships with their customers.

But to do this, insurers need to be more **data-driven** and **customer-centric**.

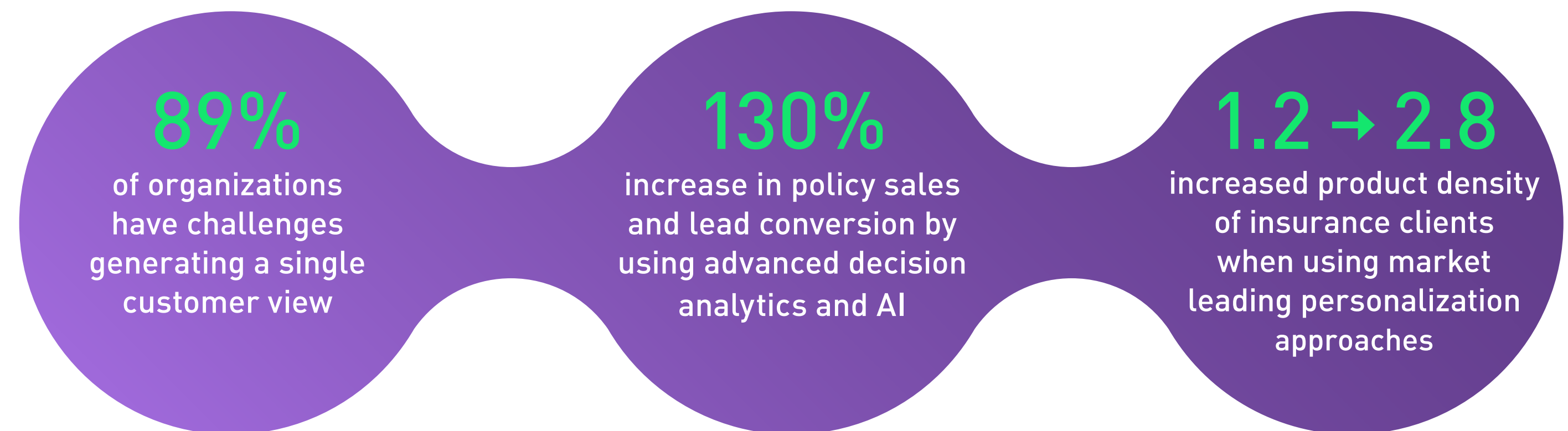
While the potential of becoming genuinely data-driven is powerful, many insurers continue to struggle to maximize the opportunities presented to them.

New technologies can provide a solution.



Discover the **5 steps** to achieving a customer-centric competitive advantage

- 1 Acknowledge the barriers to digital transformation
- 2 Capitalize on evolving market conditions
- 3 Leverage the power of AI
- 4 Reimagine the value chain with decision intelligence
- 5 Maximize ROI with key areas of focus





<10%

of data deemed potentially
useful is actually being analyzed
in day-to-day decisions

- Maximize Your Decision Intelligence
by Analyzing Contextual Data Across
the Enterprise



1

Acknowledge The Barriers To Delivering High-Value Transformation At Scale

There are some common barriers to delivering high-value transformation:

- 1 Mindset or a history of restricted technological investments
- 2 The growing breadth, scale, and complexity of the data landscape
- 3 A continued strain on operating costs

Further investment in modernizing systems and adopting new technology is required to unlock the value in data available to insurers.

“95% of insurers expect the use of advanced analytics to increase over the next three years.” - [Deloitte](#)



But most insurers lack the right data foundation to maximize value from it.



These barriers highlight the need for insurance organizations to be able to **better connect systems and siloed data across their organization** to derive a more holistic, trusted and 360-degree view of all customers across all brands, products and segments.

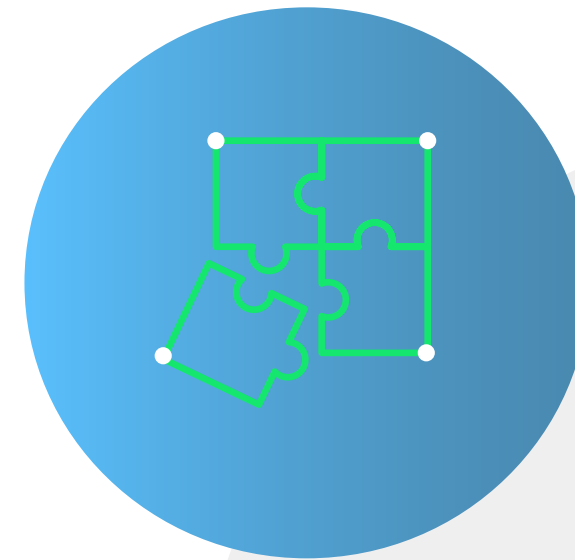


Lack of technological and data maturity

“Carriers have yet to fully realize the potential of their data assets—for example, claims histories and distribution interactions.”

- McKinsey

Poor quality data combined with legacy technology that is not integrated or unable to scale hinders the growth opportunity for insurers. It also obscures a true digital view of customer behaviors, making it difficult to quickly make decisions that will prevent churn.



Complex & fragmented data landscape

“For all the talk of acquiring a single view of the customer, most insurers are some way off this ideal.”

- Deloitte

Disparate and fragmented datasets prevent insurers from gaining a 360-degree view of their customers. This is due to siloed data, businesses being organized around products and brands rather than the customer, and the increasing availability of internal, external and alternative data.



High operating costs

“From 2012 to 2020, technology’s average share of operating costs rose by 36% (for P&C) and 10% (for Life).”

- McKinsey

A continued strain on operating costs is forcing insurance organizations to rethink their business and operating models to improve productivity and performance at the back end and deliver an enhanced customer experience at the front end.



Capitalize on Evolving Market Conditions

Insurers are continuing to be faced with an intense variety of market pressures and conditions. These include **increased competition, mounting regulatory costs, low interest rates and changes in social and climate risk.** Managing these requires insurers to be more customer centric and data driven in their ability to better target product conversion and risk selection to protect both their top and bottom-line financials.

As well as this, four key trends look set to continue to change the shape of the insurance market now and into the future.

To ensure success, the insurers of tomorrow must generate increased value from digital transformation and personalization.



Customer expectations

Customers increasingly expect seamless experiences – especially in personal lines and SME markets. This includes joined up omni-channel interactions and smooth verification and servicing processes – including mid-term adjustments and claims. Evolving customer expectations have been flagged as the biggest challenge facing the insurance industry.



Insurance ecosystems

The digital ecosystem of technologies, services and available data is driving a shift from legacy tools and processes. Whether it be the future of embedded insurance or the evolving concept of open insurance, being able to integrate as part of this ecosystem in an agile and scalable way, without over-complicating customer experience, presents significant opportunities.



Product variety

Reimagining the insurance value-chain should include assessment of the mix between core and commoditized products of the past, and diversified and innovative bundled offerings of the future. The ability to tailor to customer needs which are influenced by data-driven insights and on-demand actions will drive deeper relationships with customers and provide additional revenue streams.

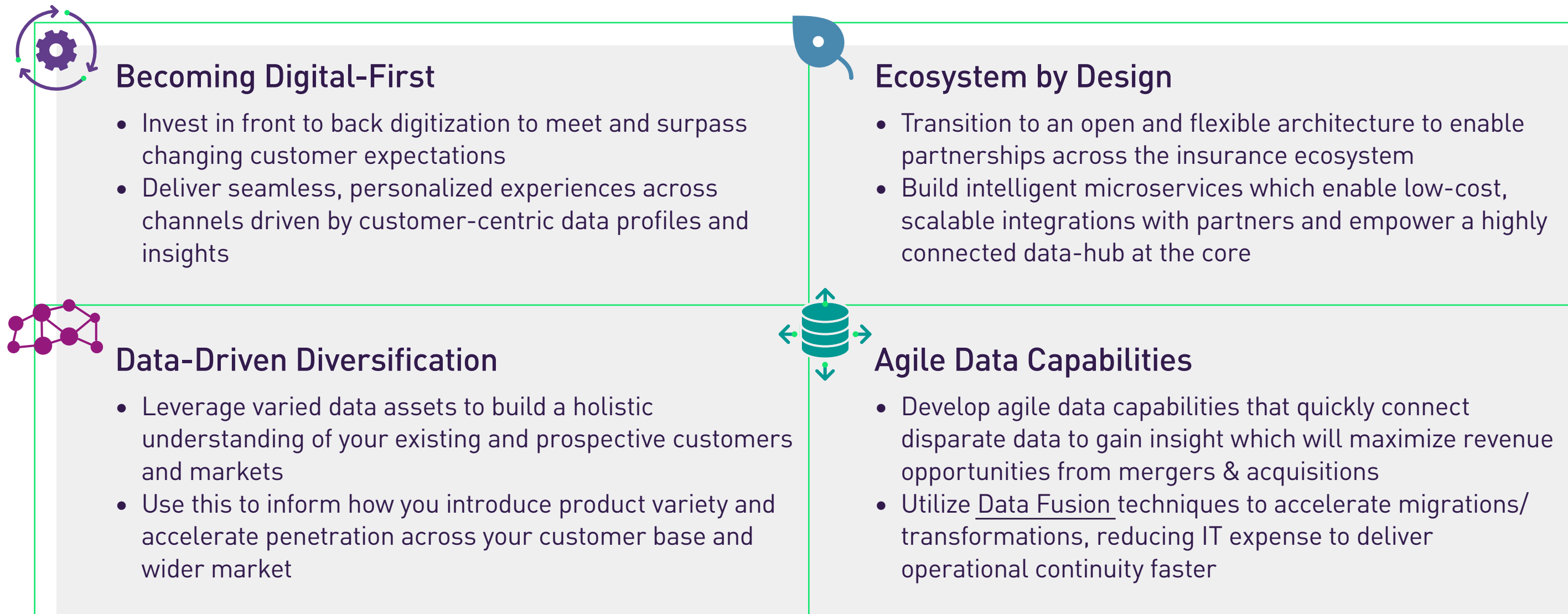


Mergers & acquisitions

Activity of the past two years and anticipated market consolidation serves as a route to acquire new portfolios/ customer segments as well as creating the potential for increased technology complexity, siloed operations and a fragmented view of the customer. Consolidating data assets quickly in order to deliver to data-driven personalized insights to both existing and new customer bases is crucial to maximizing the value upside.

Thriving in Times of Change

Amid the headwinds, these changing market conditions can create huge opportunities which play to the advantage of data-savvy insurance organizations. Investing to stay out in front and lead the way in data-driven, customer-centric decisions enables you to build an intelligent, truly digital insurance organization - one that delivers personalization to drive increased customer value.

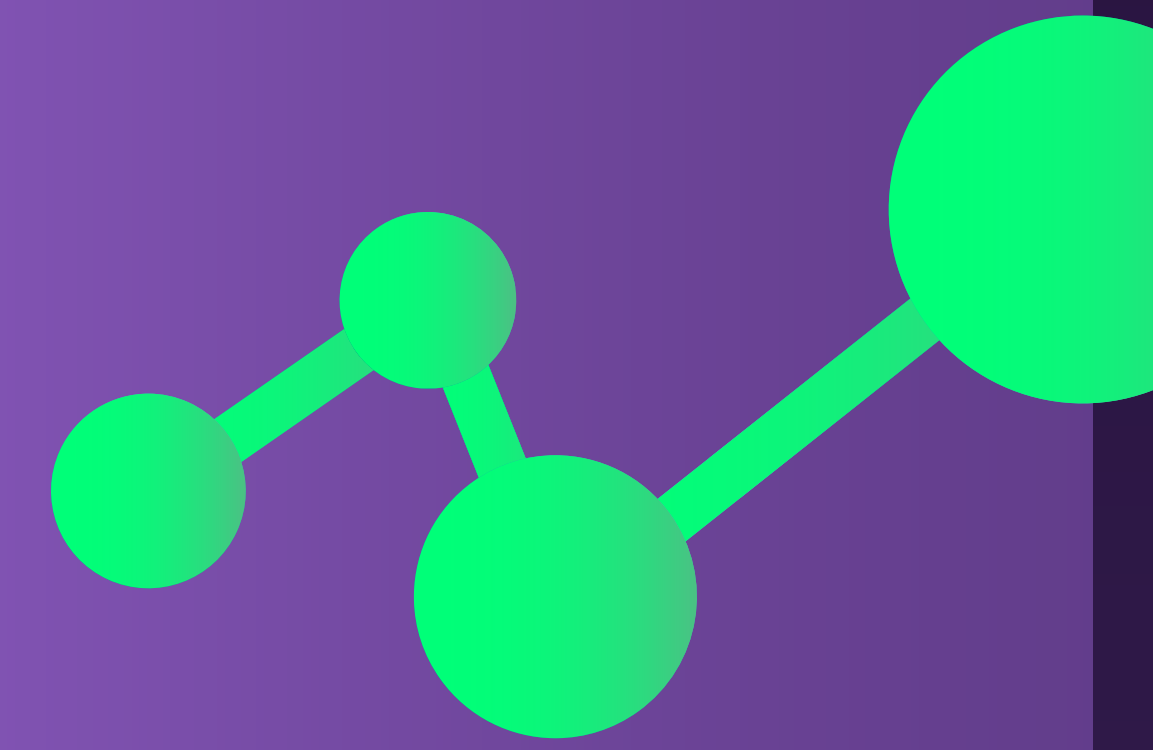


Insurers must invest in digital transformation to meet increasing customer demands, reduce operational costs and optimize risk management. Organizations that will succeed in the future will be savvy in their current investments.

This means:

- Not simply being digital but generating value from digital
- Delivering transformational change to build a data-driven enterprise that focuses on operational and analytical utilities built around customer-centricity
- Making effective use of data and technology across the enterprise - from underwriting to customer service and claims

Insurers who **embrace digital transformation** and harness the power of data to deliver the best experiences for customers will win.



3

Leverage the Power of AI & Advanced Analytics

Evolving customer needs and expectations have been identified as the biggest issue facing the industry over the next three years.

Customers expect smooth digital experiences, instant fulfilment, and personalized engagement - but few insurers are meeting these expectations today.

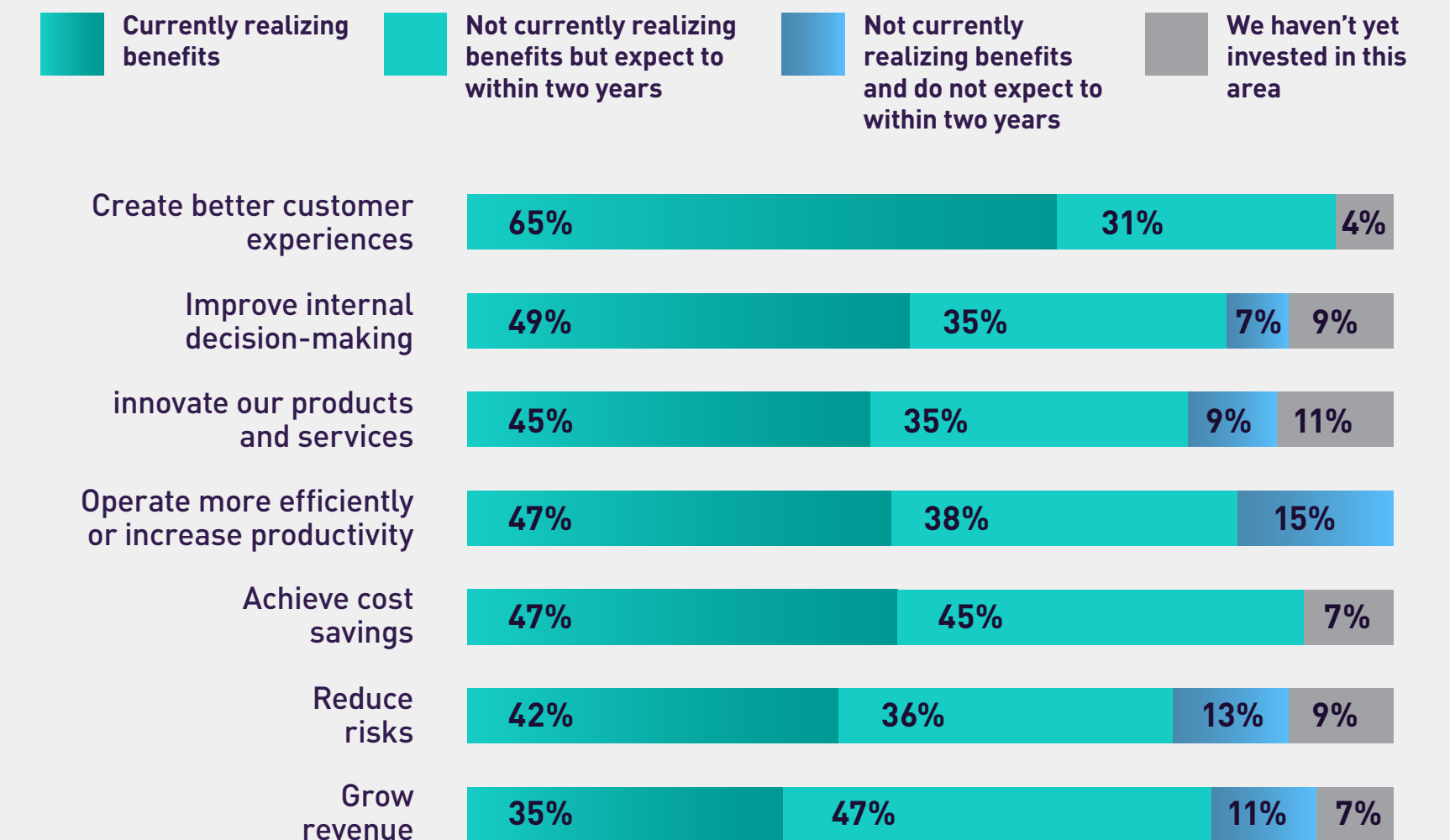
As customer expectations continue to evolve, insurers need to ensure the gap between expectation and reality does not widen further.

Managing Changing Customer Expectations Through Artificial Intelligence (AI) and Advanced Analytics

A truly data-driven digital transformation strategy needs to combine the availability of innovative technology that drives richer insights and creates a greater understanding of customer behaviors. Artificial Intelligence (AI) and advanced predictive analytics is being leveraged to better understand the customer needs and provide insurers with accurate insights to make critical decisions at the right time.

To have this information readily available enables insurers to quickly pivot, become a disruptor and have the capability to build customer-centric business models at scale.

Where AI investment are paying off for insurance companies



- PWC

Accelerate the pace of digital transformation and the adoption of advanced analytics to power personalized, dynamic and relevant engagement.

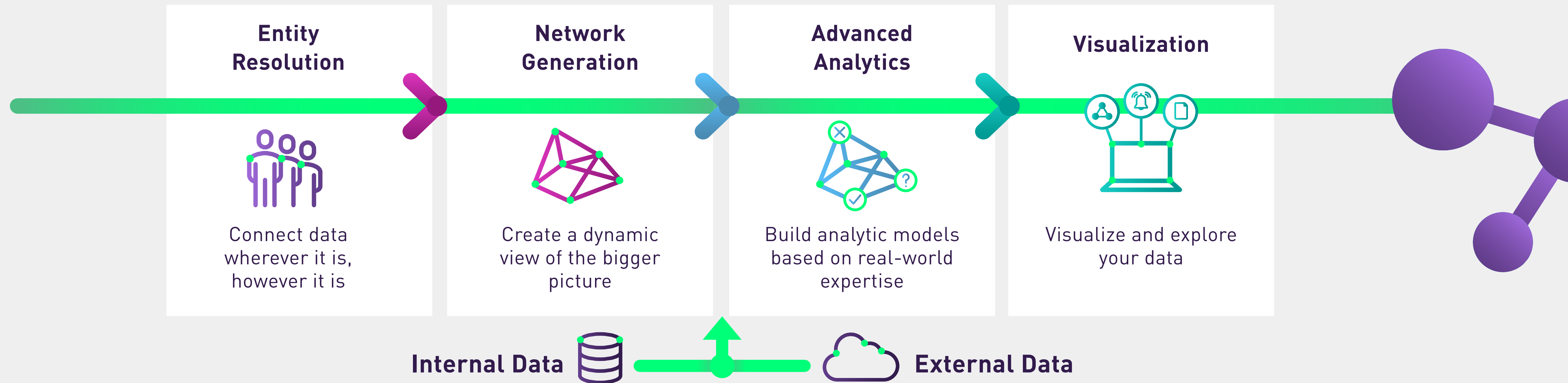


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Lead with Contextual Decision Intelligence Technology to Realize True Transformational Change

A new breed of technology called Contextual Decision Intelligence (CDI) enables the connection of disparate data sets, the generation of a trusted view of all parties from disjointed systems, the building of context around customers using relevant graphs and networks, and the operationalization of analytical models to drive decision-making across multiple use cases.

How the CDI platform works:



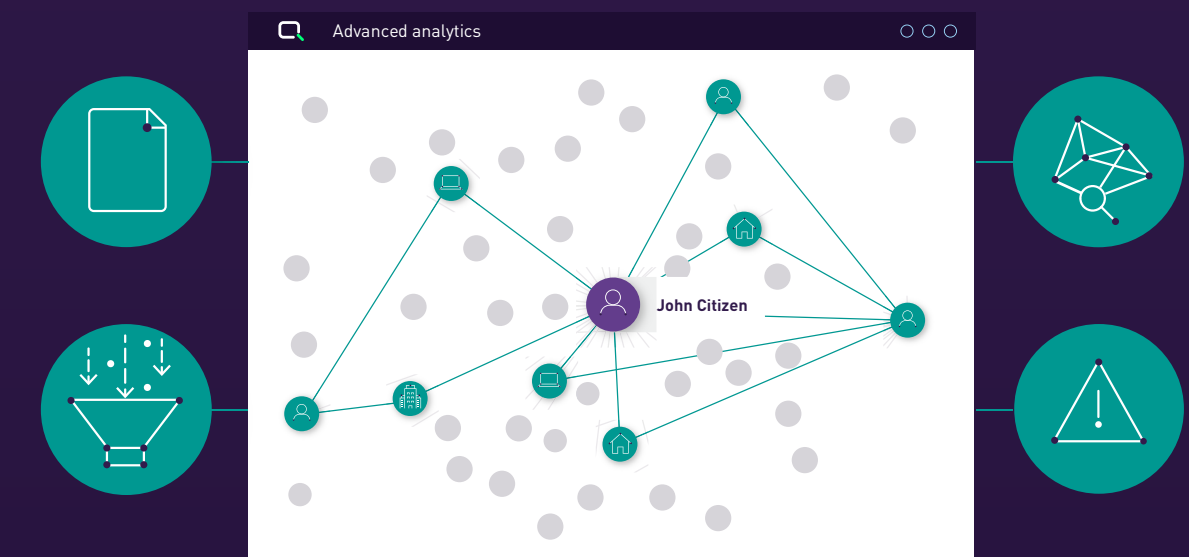
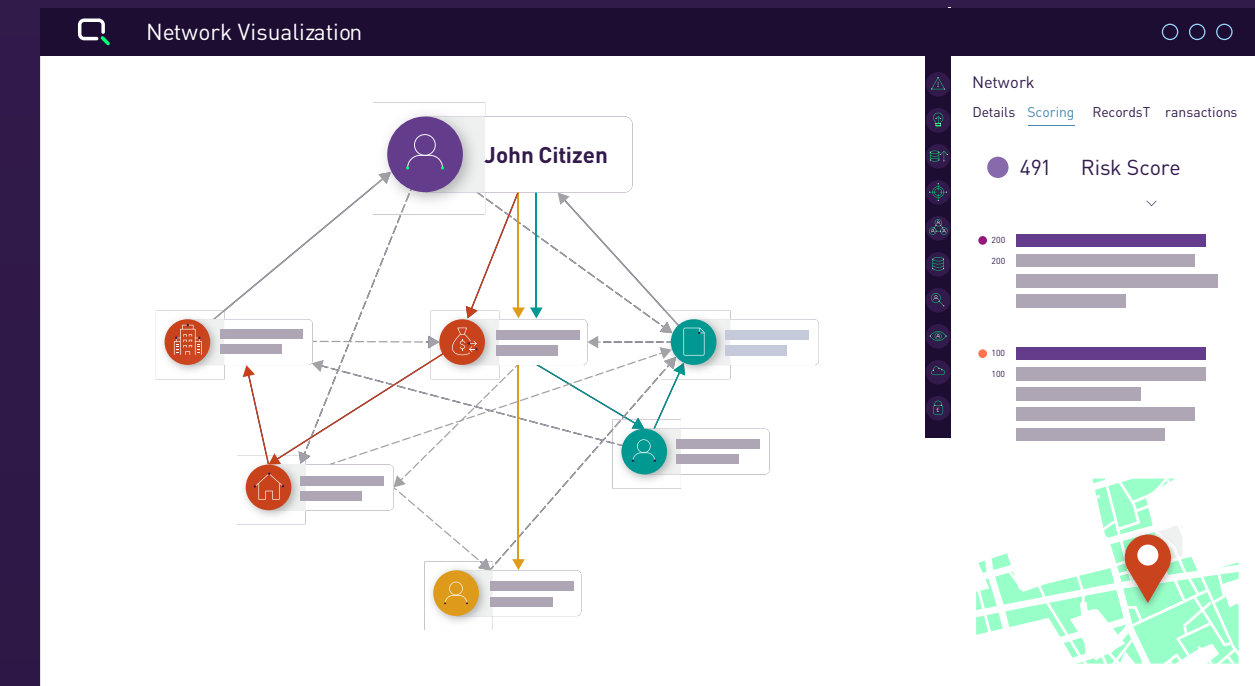


Invest In Digital Transformation To Stay Ahead

- Connect disparate data across internal and external sources to provide a holistic, contextual view of a customer (individual or business)
- Provide both a deterministic (golden record) and a probabilistic (analytical) view
- Flexibly support multiple use cases – from underwriting to customer service and claims insight
- Support for advanced analytics and machine learning – including graph and network analytics
- Support for real-time data processing
- Enable seamless integration with existing technology estate
- Become cloud-native



This type of platform provides a single view that pulls together disparate data from across the organization and distributes information and insights to users and systems to inform human decisions and drive automation.



➤ **This intelligence layer is key to any successful digital transformation and enables a more dynamic and personalized approach to customer engagement through digital channels.**

Keeping Pace with Digital Transformation

While many carriers are experimenting with AI, few have truly scaled their capabilities across the enterprise. As AI becomes more prevalent and algorithm creation becomes commoditized, carriers will be able to fundamentally reengineer core processes and become predictive in nature.

AI will disrupt distribution, underwriting, claims, and service as core processes become AI-enabled. This will create a “human in the loop” model that increases productivity and allows for higher-quality touchpoints with customers. Carriers have yet to fully realize the potential of their data assets.

In addition to reengineering core processes, leading carriers and ecosystem players will use the advent of AI to create products and services based on data and analytics.

Insurers need to move quickly and transform data and analytics capabilities to support digital transformation and keep up with consumer demand and competitive pressures



New technologies such as **Contextual Decision Intelligence (CDI)** provide an agile and scalable solution that enables insurers to drive their digital transformation journey to expedite customer-centric products and services to win market share.

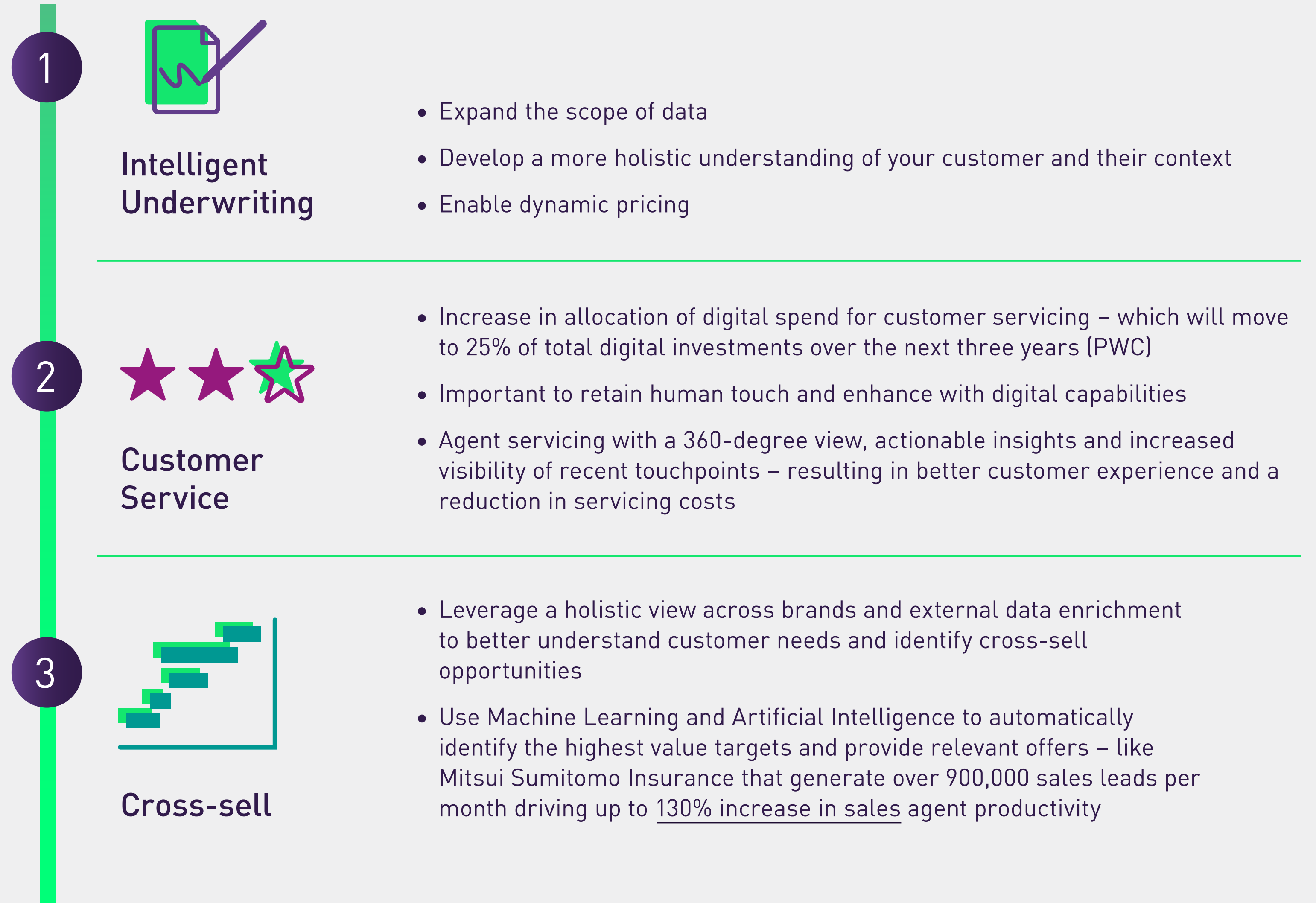


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Maximize ROI With Key Areas of Focus

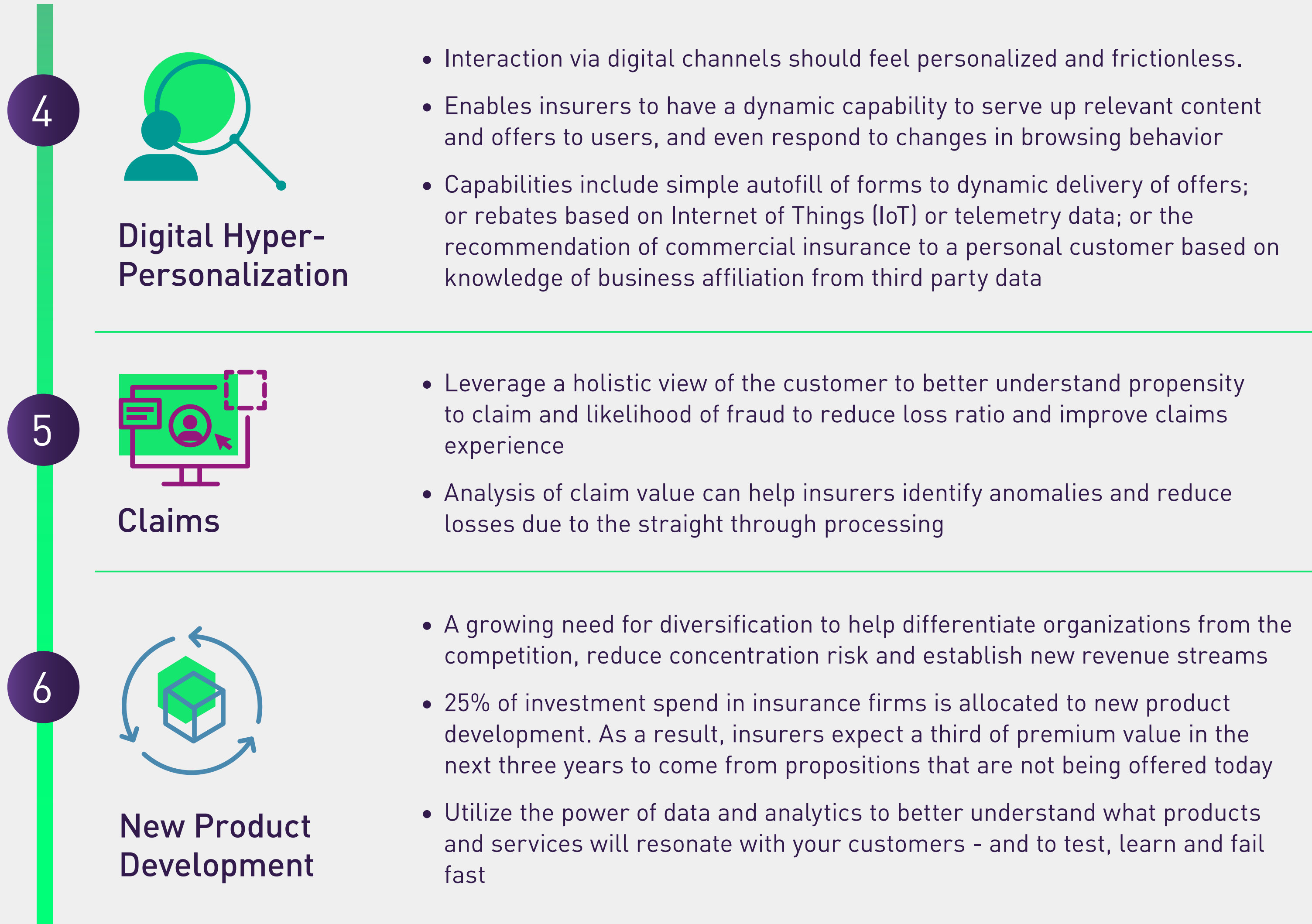
Having invested in a new data and analytics platform, and to maximize return on investment and impact for customers, insurers should focus on the six key areas:





“Leading carriers and ecosystem players will use the advent of AI to create products and services based on data and analytics.”

- McKinsey





How Investing in New Technology Helps Insurers

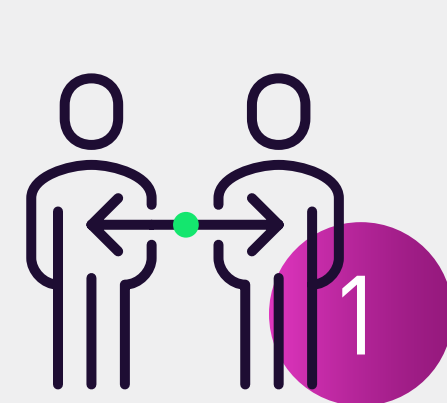
In every area of focus for insurers – whether it’s about pricing risk correctly, determining which offering is most relevant, or what new product would hold the most appeal – the key to success is having a 360-degree view of their customers.

Data will play a huge role in this transformation - from product development, to customer servicing right through to automated operations.

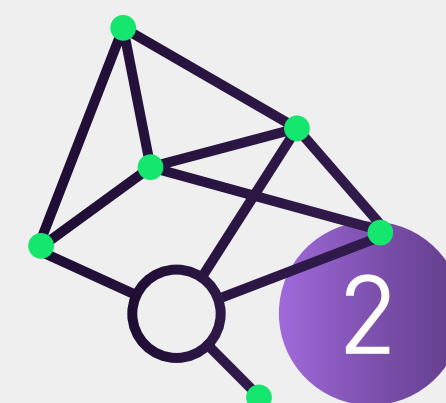
Leveraging new technologies can enable insurers to overcome these challenges and become more data-driven.

- ✓ Changing customer expectations are here to stay
- ✓ Digital transformation will continue to accelerate
- ✓ Advanced analytics and new technology will be the key to unlocking value from data to drive value-added services and build customer loyalty

Four elements of a high-performing digital insurance organization



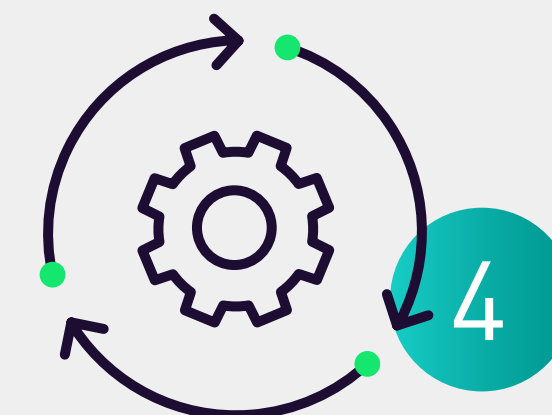
Digital portfolio of products & services with an ecosystem of partners



Advanced Analytics



An omnichannel customer experience



Automated Operations

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Start your
journey to
**creating digital
personalized
services today.**

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