



A WHITEPAPER ON

Top 10 Digital Transformation trends in the Insurance sector

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EXECUTIVE SUMMARY

Digital transformation is never fluid. Among the top trends in vogue, omni-channel engagement is now the norm, self-service dashboards have seen a surge in acceptance, and automation in claims processing has now become the gold standard. The latest technological developments are also entering the insurance space fast. Artificial Intelligence infuses dynamism to insurance policies, IoT facilitates proactive and accurate Insurance, blockchain makes the whole process more robust and secure, and the use of drones and satellites heralds hyper-efficiency. These developments also facilitate a new Insurance-As-A-Service (IaaS) model. Insurers are also applying Big Data analytics in a huge way to drive personalization, and detect fraud.

CONCLUSION

Insurance companies have no option but to embrace these emerging concepts on an immediate basis, or risk being swept away in the relentless wave of technological advancements. Early adopters, who embed these red-hot digital capabilities into their products and offerings can generate top value for their customers, and reap a huge competitive advantage.

WHITEPAPER

Here are the top ten trends which reshape Digital Transformation. Insurance companies who take cognizance of such trends and step in would get a valuable early-mover advantage, in a highly competitive age.

Trend #1: OMNI-CHANNEL ENGAGEMENT BECOMES THE NORM

Many companies underestimate the technical and organizational challenges involved in creating omni-channel capabilities. For instance, forcing the customer to enter their password and other login credentials, and repeat the information already entered at each touch point is a jarring aberration and degrades the customer experience considerably.



TECH TIP #1

Apply Voice Biometrics to Identify Customer

Many insurance companies use voice biometrics to identify customers. Some have gone a step ahead, converting analogue voice data from call centers to digital formats, to analyze customer emotions and position their services accordingly.

Trend #2: SELF-SERVICE DASHBOARDS SOAR IN POPULARITY

Self-service and related digital channels, such as self-service kiosks, mobile apps, and intuitive websites:

- Improve transparency. Customers may compare policies from different providers, and select the most appropriate product, without being influenced by an agent.

- Make transactions faster and easier. Customers may now avail policies and make claims with the click of a button, from anywhere, anytime.

Trend #3: AUTOMATION IS NOW THE HOLY GRAIL OF PROCESSING

Automation speeds up the workflow, and improves accuracy.

Consider a vehicle accident. Earlier, if the vehicle was rear-ended, the customer had to pull over the curb, take out the insurance card, and make many calls before the claim could be properly recorded. Enabling self-service automated processes allows the customer to file a claim online immediately and easily, in just a few minutes.



TECH TIP #1

Offer Fully Automated Claims Processing facility

With a fully automated claims process in place:

- Telematics data registers the accident and triggers the first notice of loss (FNOL) entry, automatically.
- The system updates the claims information through text-based notification, to all relevant stakeholders
- Telemetric data identifies the impact of the accident and the severity of the medical condition, and calculates the claim automatically. For instance, the photo and connected data allow the system to take an instant decision to make a total write-off of the vehicle, or determine if repairs are in order.
- Claimants may close claims or make changes to the system generated data, within a set time-frame.

Trend #4: ARTIFICIAL INTELLIGENCE INFUSES DYNAMISM

Artificial Intelligence facilitates “touchless” claims processing, which makes use of machine learning algorithms and other advanced technology to capture damage, process the claim, audit the system, and communicate with the customer, all without human intervention. The customer is able to cut through red-tape, and the insurance company reaps huge savings in administrative costs.



TECH TIP #1

Roll Out Intelligent Chatbots

Chatbots leverage natural language processing and sentiment analysis to understand what exactly customers seek, and their emotional state, to deliver appropriate responses.

Trend #5: IOT FACILITATES PROACTIVE AND ACCURATE INSURANCE

Data from IoT sensors and telematics devices enable a wide range of application.

Among other things, IoT enables “proactive insurance”. Wearable health trackers monitor the user’s alcohol levels on a real-time basis, and prevent the car from starting when the driver is under the influence.

IoT-enabled smart homes have intelligent sensors that monitor the flow of water running through pipes, to

protect against losses caused by a broken water pipe; smoke detectors to trigger automatic alarms to the fire station and preempt fire losses; and smart security alarms and motion sensors to detect thieves and trespassers.

TECH TIP #1

Roll Out Intelligent Chatbots

Deploying scores of low-cost miniature sensors, in combination with sensor fusion technology, enables identifying both the trends and the context of the data. Such data streams reveal crucial insights, such as when foodstuff inside a truck are likely to expire, enabling the responsible stakeholders to take preemptive action.

Trend #6:

THE EMERGENCE OF INSURANCE-AS-A-SERVICE (IAAS)

Insurance as a Service (IaaS) brings flexibility into insurance, allowing customers to insure items at will. “Pay-as-you-drive” or “pay-as-you-live” forms of usage-based insurance involve the application of advanced algorithms to telemetric data, to offer premium pricing based on actual usage and driving habits. At the other end of the pane, “the All-in-One insurance policy” allows customers to establish a relationship with one insurer and have “everything” covered, rather than take separate insurance for their vehicles, for health, for travel, for life, and so on.



TECH TIP #1

Strike an “all-in-one” relationship with customers

The combination of “all-in-one” usage-based policies offers a win-win situation for both parties. Customers may easily insure their belongings as needed, by a simple click on their smartphone, for the required duration.

Trend #7: DRONES AND SATELLITES DELIVER HYPER-EFFICIENCY AND ACCURACY

Early-adopters of technology already use drones and satellites in a big way, to better insurance underwriting and claims processing. The use of drone and satellites improve the efficiency and accuracy of underwriting and claims information by about 40%, on average.



TECH TIP #1

Use drones to make comprehensive site inspections

Using drones and satellite imagery for site inspections saves time and effort, and also offers a comprehensive bird's-eye view of the facility, including thermal imagery. Drones identify critical factors such as roof cracks, damaged boilers, and other defects, almost impossible to detect manually, but posing significant claim risks.

Trend #8: BLOCKCHAIN IS THE FUTURE

Blockchains offer a peer-to-peer transaction model, which improves transparency and accuracy manifold, besides improving the security of the transaction. With blockchain's spread out public ledgers, fraudulent activities can easily be identified, and errors preempted.



TECH TIP #1

Leverage Peer-to-Peer to Launch New Business Models

The peer-to-peer model of Blockchain heralds new distribution and payment models and new product offerings. Blockchains spawn e-aggregators, who offer better pricing, owing to reduced commissions compared to a traditional agent-based distribution model.

Trend #9:

BIG DATA ANALYTICS FACILITATES ACCURATE PREMIUMS

The application of advanced analytical techniques to the ever-expanding data sets at the hands of insurers offers endless possibilities. For instance, a historic analysis of data makes it possible to predict the likelihood of an event with far greater certainty, and fix premiums accordingly.



TECH TIP #1

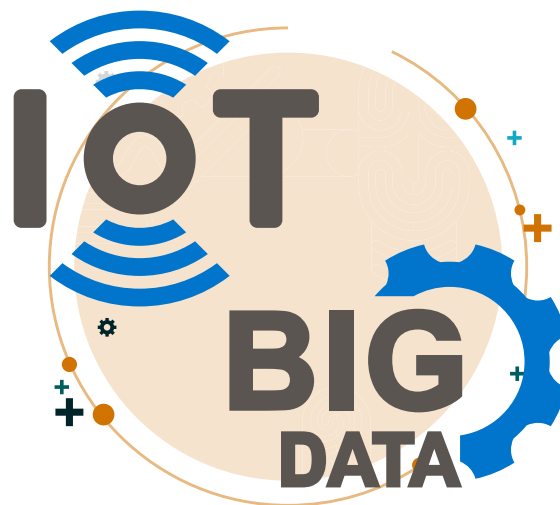
Apply Big Data to detect frauds

Many insurers now use Big Data to identify fraudulent claims. Fraudulent claims account for about 10% of all claims, offering a potential savings of about \$40 billion in the US alone.

Trend #9:

BIG DATA AND IOT DRIVES PERSONALIZATION IN A BIG WAY

Deep analytics of data gathered from multiple sources throw up a wealth of personalization opportunities. The insurer can easily identify the best distribution channels, mode of engagement, and time of engagement for each customer. Predictive analytics identify suitable products for customers in specific regions and demographics.



TECH TIP #1

Offer Behavior Based Vehicle Insurance

Many insurers now use Big Data to identify fraudulent claims. Fraudulent claims account for about 10% of all claims, offering a potential savings of about \$40 billion in the US alone.



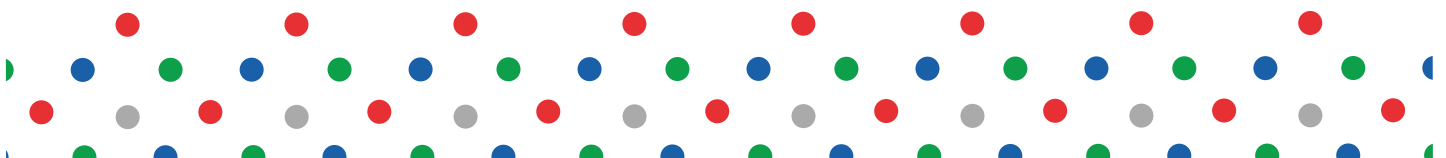
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Our three-phase approach to implementing digital transformation for you ensures that you win stakeholder support, secure early wins through competitive advantage, and transform your business for future growth. And our tailor-made platform, Mekanate, helps you discover your business DNA from your passive and active data, and use it to initiate, integrate and accelerate your DT implementation.

With our niche and rich expertise in a wide range of technologies and services - CMS, CRM, e-commerce, Cloud, IoT, Data Analytics, and Product Engineering - we help companies across the globe leverage their best on web/cloud/mobile platforms.

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