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Accenture  
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*Technology Evolution : The game changer in insurance business*

**17<sup>th</sup> Hydra meeting**

September 25<sup>th</sup>, 2015



High performance. Delivered.

# Agenda

## **Digital Innovation in insurance**

Beyond insurance : Innovative examples



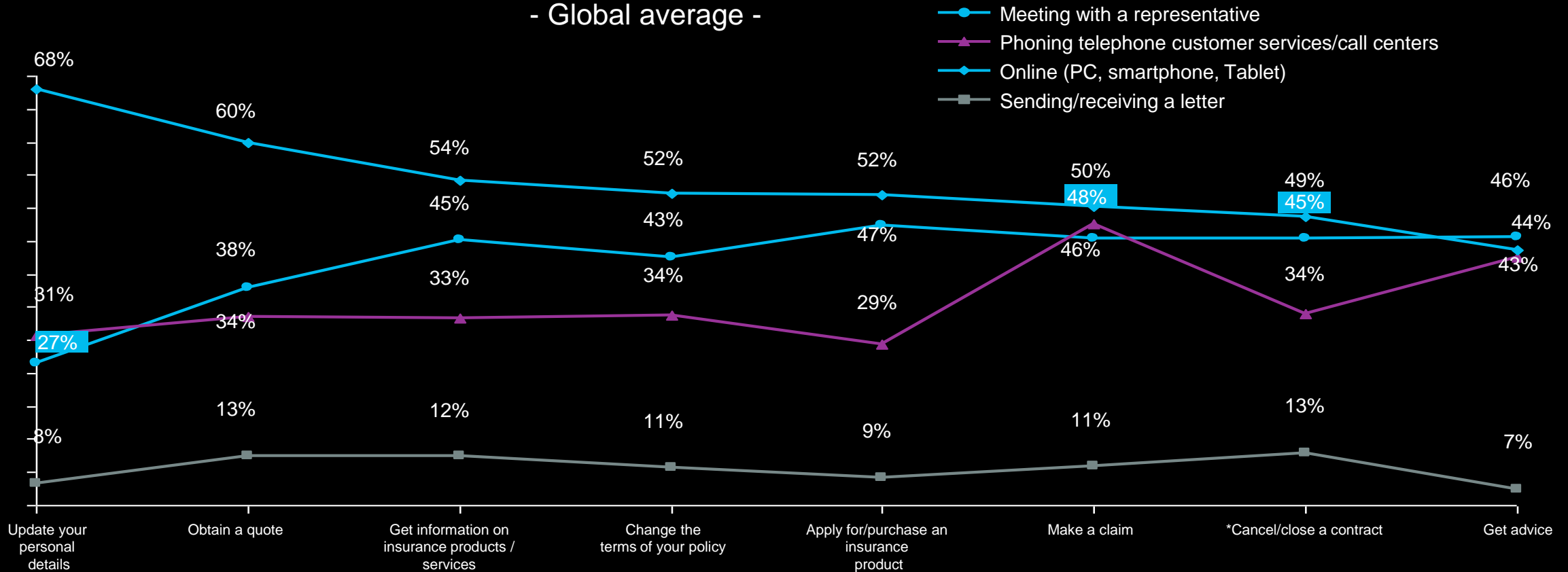
**It all starts from the New Insurance customer** : behavior and expectations are becoming liquid and driven by experiences from other industries



# The New Insurance Customer expects to have access to multiple channels depending on their needs

How would you prefer dealing with your Auto/ Home/ Life insurance provider(s) for each of the following if these options were proposed to you?  
(Multiple response)

- Global average -



\*Only for Life Insurance

# The New Insurance customer : Every Customer Is a different Digital Customer

The challenge for Insurers is to create differentiating customer experiences to meet the expectations of their multispeed customer base



## Know me

predict their behavior one step ahead



## Show Me You Know Me

create a new approach to intimacy for all



## Delight Me

glue it all together, avoid breaking the flow



## Enable Me

go and surprise them where they are



## Value Me

ensure they want you to be with them

Customer relevance

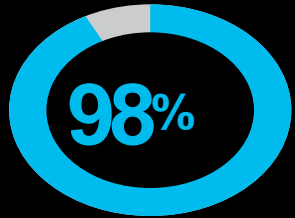
Relationships at scale

Seamless experience

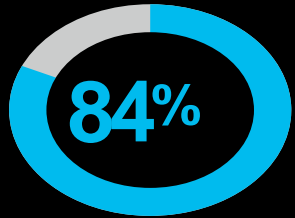
Inherently mobile

Naturally social

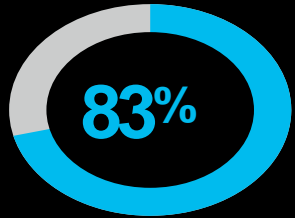
# As a results Digital transformation will be insurers' top priority for the next 5 years



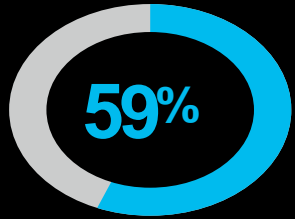
Expect a complete **transformation of the insurance value chain** within the next 5 years



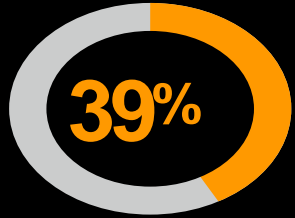
Feel that digitalization is changing **customer expectations** (84%) and that **new technologies** will radically change traditional practices (80%)



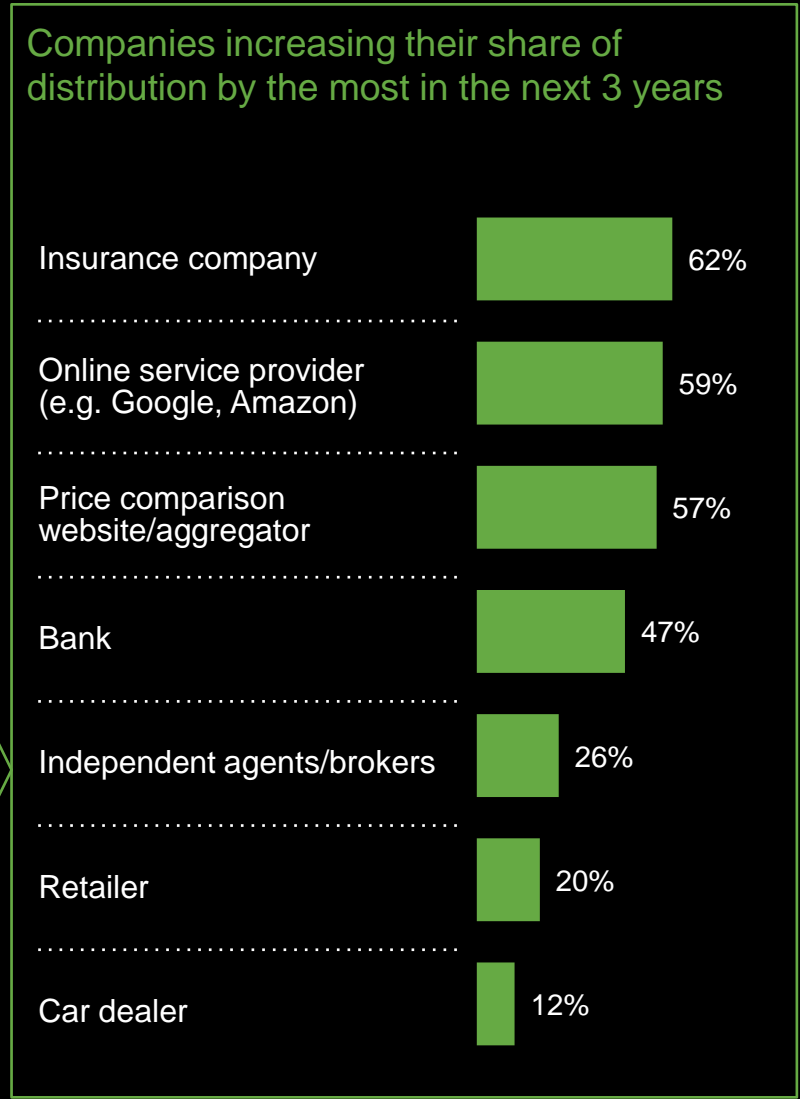
Agree that digital technologies will transform the way they interact with their **customers** (83%) and use their **channels** (72%)



Believe they will be challenged by online service providers such as **Google or Amazon** (59%) and aggregators (57%) in the distribution space

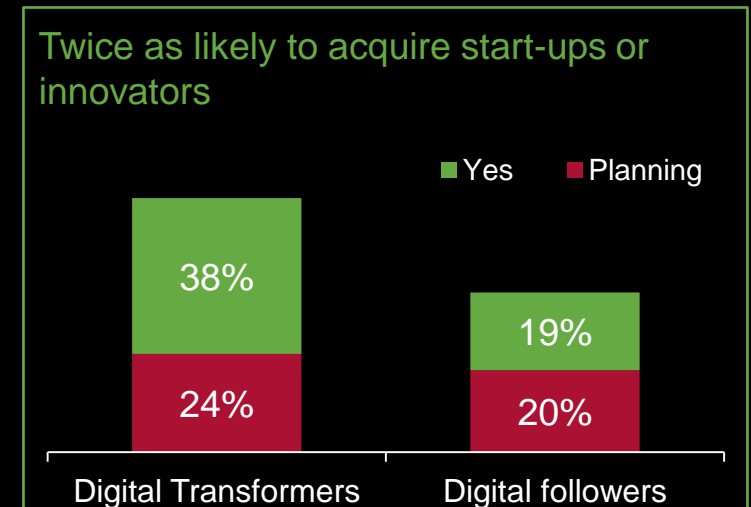
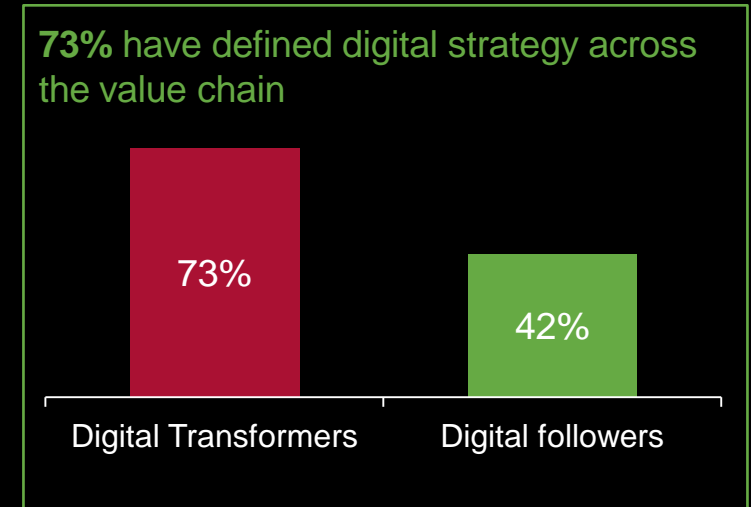


Think existing insurers will **lose some margin** as a result of digital technologies



# One in four insurers are Digital Transformers who see themselves poised to gain a competitive advantage

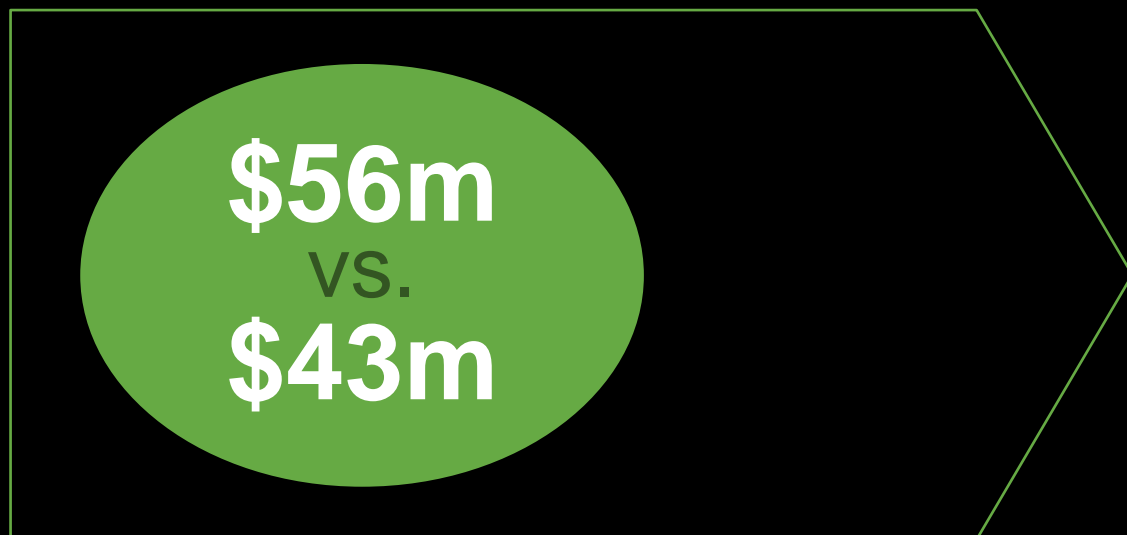
Digital Transformers have the following attributes:





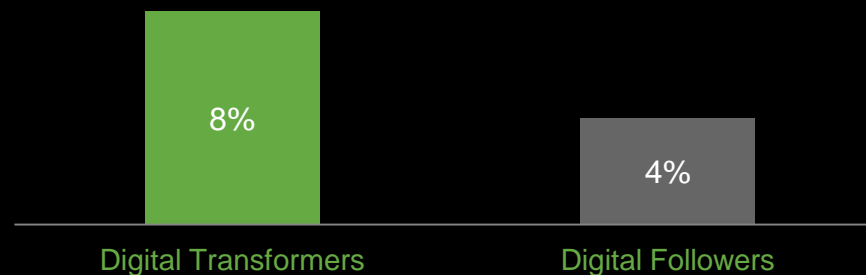
# Digital Transformers understand how to use digital initiatives to create greater value

Digital Transformers will invest slightly more in digital initiatives over the next 3 years than other insurers:



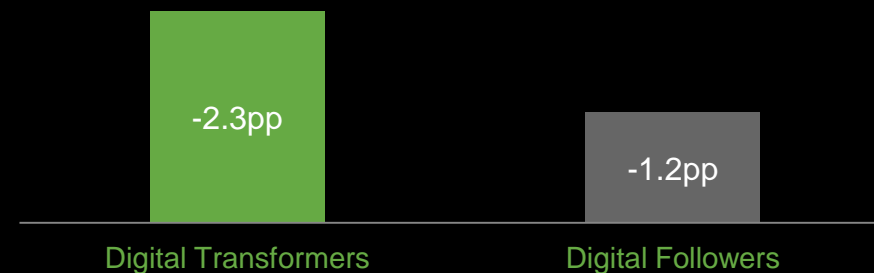
They want to achieve **double the premium growth...**

P&C premium growth over the next 3 years



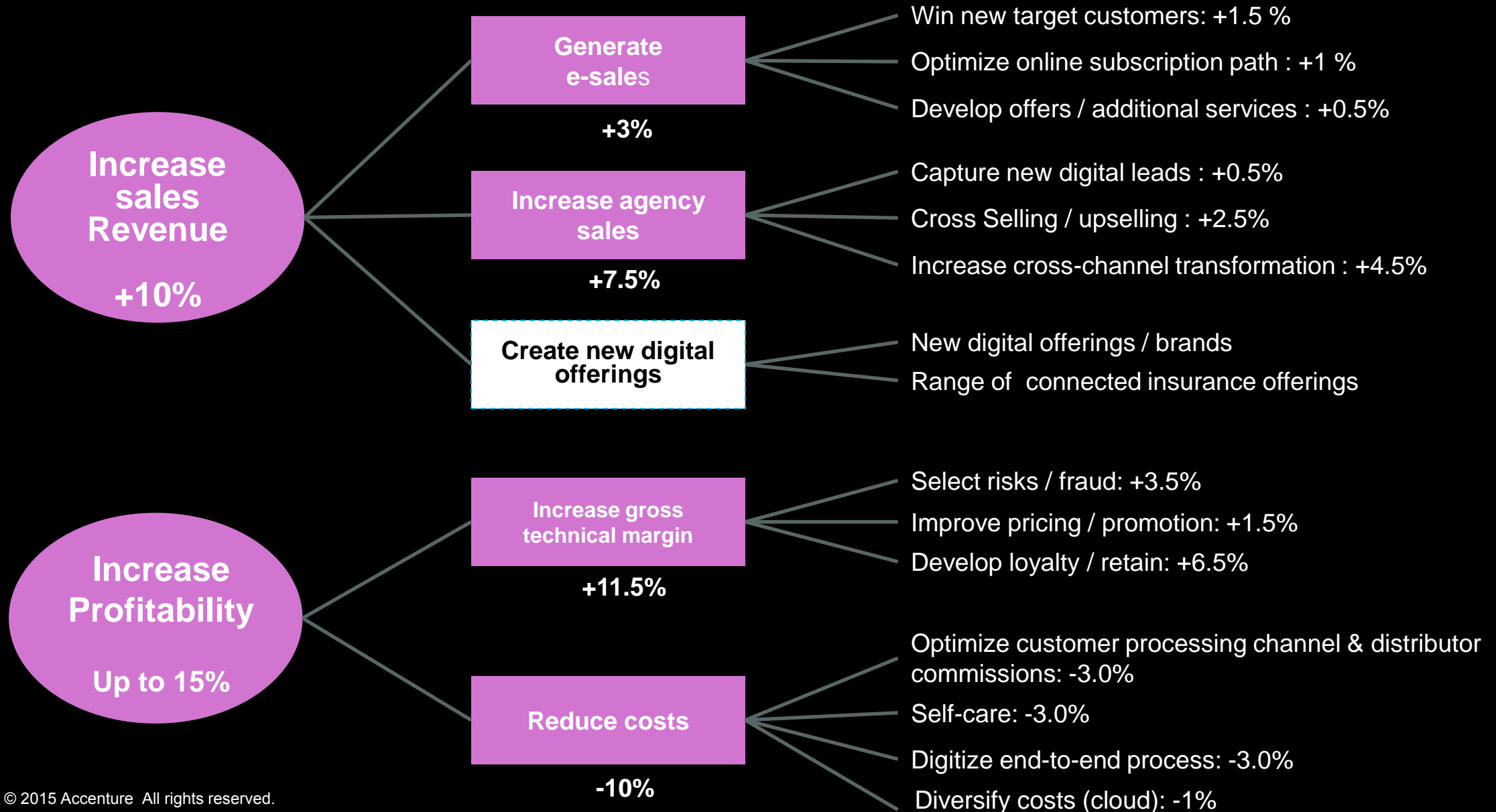
...and **double the improvement in the combined ratio**

Impact on P&C combined ratio



Note: The sample size of front-running life insurers was too small to admit a similar analysis

# However even Digital Transformers have value creation ambitions significantly below best practices



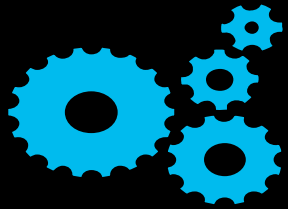
# Agenda

The New insurance customer

**Beyond insurance : Innovative examples**

# Beyond insurance

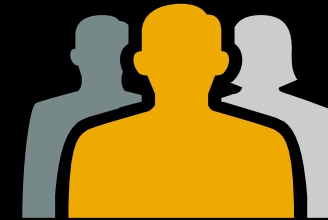
Insurers are being confronted by a crucial dilemma



## Become a utility

Low cost – Industrialized – Ultra-efficient

- Focus on Core insurance products & services
- Specialized manufacturing approach – give up on distribution
- Process industrialization & optimization (digitization)
- Low cost / low-price proposition, ease to work with and capital availability with as competitive advantage



## Beyond Insurance :

Reinvent the model to create the customer experience of the future

- Aim to meet more of customers' needs & aspirations : “One stop shopping”
- Develop and leverage an eco-system of partners to offer a comprehensive experience and
- Differentiate on customer experience while optimizing cost-to-serve
- Real-time analytics & Multiple interactions with customers

# Inshared : developing a fully digital direct model in the Netherland



- Customers can notify their claims online and get an **immediate feedback** on coverage
- **Continuous claims status tracking** throughout the whole claims process
- **Full integration** and digital data exchange with **repair network**
- Customers can **consult the agenda of the repair shops**, make the **appointment** and on arrival all details are known and a replacement is ready (e.g. courtesy car)
- **All services** are provided **online on mobile devices**

**STP & no hands involved for 50% of Claims processing**

**Customers satisfaction increased significantly**



# Vitality : developing a shared value model to become an everyday insurer



Discovery is a South African Life & Health insurer that created Vitality a wellness program, now being rolled out globally with partners in each major geographies (US, Asia and Europe)

## VALUE PROPOSITION

- Vitality helps you to get healthier by giving you the knowledge, tools, personalized wellness programs and motivation to improve your health
- Apart from the fact that a healthy lifestyle is more rewarding, it's been clinically proven that **Vitality members live longer and have lower healthcare costs** than non-Vitality members
- Allowing Discovery and its partners to **propose very attractive pricing** and client value proposition



## HOW DOES IT WORK?

- **Know your health:** Client discovery their **Vitality Age** through various health assessments that help you understand their health status and how to improve it
- **Improve your health:** Vitality makes living a healthy lifestyle easier. Members can benefit from up to 25% cash back on their premiums
- **Enjoy the rewards:** Get great **discounts and cash backs** with Vitality. The higher your Vitality status, the better your travel, lifestyle and shopping rewards

# Tokio Marine & Nichido Fire Insurance : ‘How My Body Feels’ a Highly personal risk prevention approach



With the “*How my body feels*” product, TMNF are delivering a moving from an offer that pays at time of loss (indemnity) to real risk prevention.:

- Developed in partnership with **Docomo Healthcare**, “How My Body Feels” uses the capabilities of a mobile phone to deliver continuous preventive health monitoring and to enhance the health and well-being of its users.
- The target user of the service is **young to middle-aged women** who use Docomo’s smartphones.
- The service is **designed to promote mental and physical wellness of the female users**. Also the service aims to provide **preventive medical care for women’s specific diseases such as breast cancer**.
- TMNF participated in designing the data analysis and judgment logic of **female’s disease early warning system** (when and how the system should give a warning), risk and revenue analysis, and payment scheme of the diagnosis fee
- How My Body Feels is a sophisticated digital service **combining an insurance product with digital technology** with the objective of achieving significant societal benefit

## On going monitoring



## Lifestyle Suggestions



Source: TMNF

# USAA : personalizing all aspects of the client relationship



**Start a family tradition of savings.**

USAA Auto Insurance – Legendary service and member only rates.

[Learn More](#) [Watch "Mine was Earned"](#)

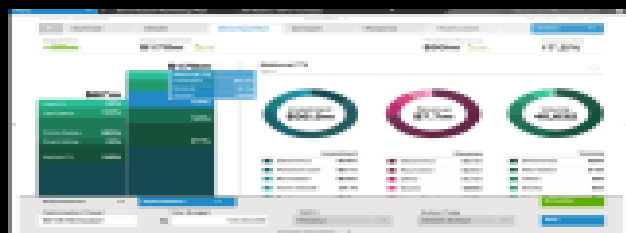
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## Lifecycle advice & Personal financial planning tool

- Supports Member Lifecycle Strategy
- Personalization & customization capabilities
- Social media enabled
- Optimize channel and device capabilities

## Intensive use of social media, customer centric & digital analytics



## Biometric authentication & Siri like voice support

- Earlier this year, USAA was the first financial institution in the U.S. to roll out voice, facial and thumbprint recognition to all its members.





# Banca Intesa : a leading insurer of things in the Italian market

With the “A Casa Con me” product, Banca Intesa has introduced a completely new value proposition on the Italian market seducing 30% of its new home insurance clients

- An innovative home protection solution (safety and security systems), offered through the bancassurance and web channels (loan for use or direct sale model), proposed with an insurance policy or stand-alone,
- **Highly customizable** (number and type of detectors) and scalable (from home to health protection)
- A prime example of how an insurance company can leverage on **technological innovation to develop “best in class” and distinctive solutions based on value-added services for Customer**



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