

A person in a dark pinstriped suit is pointing their right index finger at a glowing, rounded rectangular button labeled "INSURANCE". The background is a light gray with faint binary code (0s and 1s) and several other glowing, semi-transparent buttons of various shapes and sizes, suggesting a digital or interactive environment. The entire scene is framed by a thick orange border.

**INSURANCE**

## Point of View

# The Digital Insurer

Insurance companies are facing much more digitally-savvy customers and employees. Digital customers expect real-time, omni-channel interactions with their carriers and employees expect to work in a digital culture that promotes engagement and informed actions. To meet these expectations insurers are embracing new technologies that allow them to evolve and deliver new business models and experiences – music to the ears of their customers and their workforce.

## Point of View

The Digital Insurer

Digital opportunities are out there. For insurance companies, it happens in sales, customer service and the very products they provide. Making engagements more personal and relevant to both the current and the next generation of consumers is the goal of the digital insurer and leads to closer and more profitable relationships.

Insurers should be looking to digital technology as a way to increase their operational effectiveness and shorten time to market for new products and services. From cloud computing and analytics to social and mobility, insurers are exploiting new and exciting technologies that improve innovation, increase efficiency, and decrease costs.

Insurers should also reevaluate their business model to understand how to achieve their goals in the digital age. Look closely at those areas within the insurance business that have traditionally been siloed or isolated by legacy business processes. Use digital to facilitate collaboration and coordination here to benefit both insurance customers and the insurance company workforce.

Welcome to the age of the digital insurer.

## The Digital Insurer

Changing customer expectations and buying patterns are compelling insurers to look for ways to better align their products, services and interactions with the demands of the market. This presents insurers with the opportunity and the challenge to evaluate new business models, new distribution models and new internal processes.

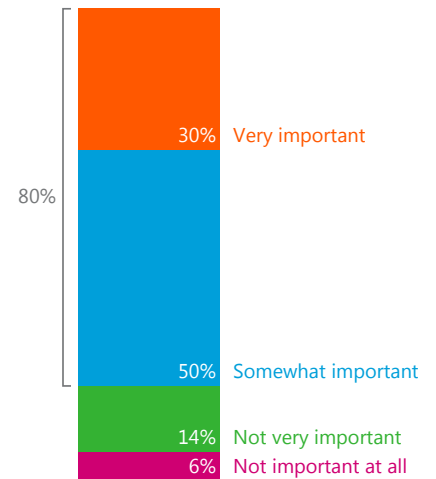
Building personalized communication and greater customer intimacy across all modes of interaction can develop loyalty, retention, profitability and create a more positive customer experience. Modern analytics, CRM, cloud and mobile technology are enabling insurers to transform their business and position themselves as a market leader in a digitally driven economy.

In addition to personalization, the digital insurer will have the opportunity to offer customers a completely new set of experiences and products that focus on addressing their changing expectations.

For example, consider a motor claims process that is able to reconstruct an accident scene using data collected from sensors in the driver's smartphone or car, allowing a more accurate assessment of the cause and giving the driver a semblance of control in a difficult situation.

To take advantage of this new digital world, insurers need to focus on two critical dimensions – engaging the digital customer and enabling a digital workplace.

**Q: How important would a personalized service be in your decision to stop doing business with your current provider or switch to another in the next 12 months?**



**Indicators suggest that personalized service is key in buying/retention decisions**

Source: The Digital Insurer Accenture 2013 Consumer-Driven Innovation Survey

## Engaging the Digital Customer

Changing customer behavior is pushing insurers to look for new ways to communicate with customers, who are expecting personalized, real-time and omni-channel interactions. New technology should be viewed as an enabler, allowing carriers to more cost-effectively interact with and support customers in ever more personalized ways.

“Providing personalized customer experiences is a top three priority for 73 percent of insurers.”<sup>1</sup>

### Omni-channel communication improves customer interaction

In the new digital world, customers are looking to research and purchase insurance products over a range of channels, from mobile to social and beyond. By understanding the details of customer interactions, insurance organizations have the opportunity to develop closer relationships with their customers. Organizations that deliver marketing messages through social media services such as Twitter or Facebook and perform

sentiment analysis on the data streams have a greater opportunity for more meaningful interactions with customers through the increased insights gained.

The rise of tablets and smartphones provides the opportunity to deliver new solutions for both consumers and providers, which will only increase as the ‘Internet of things’ becomes mainstream. Features like touch-based interfaces, augmented reality, HD cameras and GPS enable new ways of gathering information that is contextual and new ways of communicating back to the insured or even communicating with the insured’s connected surroundings. For example, imagine renting a smart car downtown for an impromptu overnight trip away from the city. However, taking the car outside the city limits may require the driver to first purchase a just-in-time travel policy which can be handled over the phone. Once this is done, a signal is sent to the rental car that allows the engine to be started and programs in turn-by-turn navigation.

### Seamless view of customer information

The ability to understand and make intelligent decisions quickly and accurately about the products and services that

customers need will become a key differentiator for insurance organizations. By exploiting new computational models, organizations now have the opportunity to mine and infer customer needs and trends at speed, allowing them to make decisions that drive profit and reduce losses ahead of the competition.

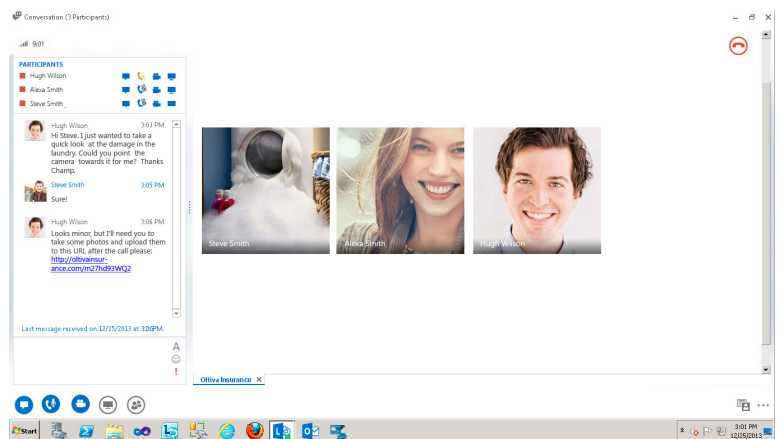
To accomplish this, digital insurers must look to combining public and private data in ways that will help them make intelligent decisions with accuracy and speed. For example, today it is possible to combine data provided by the customer, such as a zip code or postcode, with publicly available land registry information to provide rapid quotes for house insurance – accelerating and simplifying the buying process.

An intelligent customer platform will provide insurers with a seamless view of customer information, acting as the link between the distribution and communication channels and the core processing platforms. It can be used to create a complete picture of the customer to inform marketing campaigns, better understand sales opportunities, make customer communications more effective and relevant and support product portfolio decisions.

## The Digital Customer in Action

As part of one of Europe’s leading insurance providers, this Italian company realized early on that their customer base was becoming increasingly digitally-savvy and they would have to meet these new and diverse customer needs with the appropriate technology.

With AvanaDe, they developed an app that is available for free download from the major app stores and usable on smartphones and tablets. The app enables users to initiate and complete the accident report online. It also allows customers to check their insurance status and track payments and deadlines. The app is considered among the most complete and innovative in the Italian market and garnered a significant presence in the major app stores within ten months of its launch.



Online Customer Engagement

<sup>1</sup> “Digital Insurance Era: Stretch Your Boundaries.” Accenture Technology Vision for Insurance 2015.

## Enabling the Digital Workplace

Insurance as we know it is indeed changing and nowhere more so than in the environs of the insurance company workplace. A modern digital work environment is necessary if employees are to make better decisions and achieve greater results more quickly. A modern workplace enables insurance companies to be more nimble, responsive, effective and efficient.

“More than 80 percent of insurance leaders believe digital disruption will transform not only how they interact with their customers but also how they manage their traditional processes and operations.”<sup>2</sup>

## A more viable, energized workforce

With disruptions coming from both inside and outside the industry, insurance companies are looking at all ways to become more efficient and effective. Invigorating the workforce is an obvious approach but many insurance company workers are hampered by out of date and inefficient platforms and systems, siloed information and high colleague turnover. Legacy systems need to be upgraded to accommodate social collaboration and the sensibilities of today’s digitally-inclined workforce, creating a user-friendly, secure working environment that allows flexibility and ease of access.

## Turning data into business insights

According to Forbes, the rate at which data is generated and captured is doubling every 90 days and that “the value of big data comes from the knowledge gained from it and what you do with it”<sup>3</sup>.

But often the framework just isn’t there to take advantage of static and streaming data from both inside and outside the organization.

Data is a highly effective way for the insurer to create a sustainable competitive advantage and big data and analytics have extended well beyond the underwriting function. By managing the way data is captured, stored and handled, enterprises can drive more effective engagement with clients, deliver better products and services and develop a more effective and engaged workforce.

## The Digital Workplace in Action

Finding people and information was a problem for this global insurance carrier. Their collaboration and data management systems were outdated and they realized that their corporate intranet would never allow them to meet even their current needs, much less prepare them for the future. Their employees wanted and needed a centralized data collection platform that would allow common editing, data search and document sharing.

With Avanade’s help, this carrier completely overhauled their collaboration platform, resulting in a more transparent and supportive work environment that increased employee engagement and boosted efficiency across the organization, saving time and increasing productivity.



Sentiment Analysis

<sup>2</sup> “The Insurance Workforce of the Future.” Accenture 2015.

<sup>3</sup> “Big Data: Big Hype?” Forbes 2013.

## The Way Forward: How to Become a Digital Insurer

Insurers should look to digital as a way to expand relationships with their customers, improve employee engagement and performance, and grow their business. To become digital insurers, insurance organizations need to:

**1. Be ready for change.** This requires a thorough self-evaluation and understanding of the specific set of goals, priorities and expectations for the enterprise. It is important to determine the order in which technology investments should be made.

**2. Update and enhance core systems.** Systems equipped with digital capabilities provide the ability to connect resources across business units and streamline IT services, something legacy systems are struggling to do now.

**3. Use digital to enhance customer communication.** Today's digitally aware insurance customers expect personalized, real-time interactions with their carriers. New digital technology and social media services help insurers meet those expectations and make their touchpoints with customers more relevant and engaging.

**4. Become a workplace where employees with digital skills will want to work.** This requires an ongoing commitment to develop a digital workplace – a social, mobile, always-on and data-driven environment that focuses on maximizing employee and process effectiveness, efficiency, performance and innovation.

**5. Learn to love data.** The data deluge can seem overwhelming. But there are significant advantages to be gained from turning that data into knowledge about customers and processes.

To learn more about digital customers and digital workplace in insurance visit [www.avanade.com](http://www.avanade.com)



### About Avanade

Avanade leads in providing innovative digital services, business solutions and design-led experiences for its clients, delivered through the power of people and the Microsoft ecosystem. Our professionals combine technology, business and industry expertise to build and deploy solutions to realize results for clients and their customers. Avanade has 27,000 digitally connected people across 23 countries, bringing clients the best thinking through a collaborative culture that honors diversity and reflects the communities in which we operate. Majority owned by Accenture, Avanade was founded in 2000 by Accenture LLP and Microsoft Corporation. Learn more at [www.avanade.com](http://www.avanade.com)

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