



# Insurance's digital journey to openness



# Introduction

Capgemini Research Institute and EFMA conducted a comprehensive survey of global insurance executives, building a picture of insurance distribution through 2021 and beyond. The findings, shared in the World Insurance Report 2021 by Capgemini and Efma, present some undeniable trends, including a spike in digital demand due to the pandemic and a growing investment in embedded insurance, along with a continued reliance on more traditional channels for personalized advice.

One of the key take-aways of the report is the necessity of what Capgemini calls digi-intermediation – the need to power up all channels so customers can seamlessly switch between physical and digital channels at any stage of their lifecycle. At Amazon Web Services (AWS), we are seeing this new paradigm come to life, as the cloud is enabling omnichannel distribution models and the ability to build customer 360 views to deliver personalized, timely recommendations at every touchpoint.

The following infographic outlines the key insights detailed within report, along with clear solutions from Capgemini that leverage AWS services to support omnichannel delivery and hyper-personalized engagement. As you will read in the next few pages, these imperatives are becoming increasingly important to ensure the success of the insurer of the future.

**– Shaughn McCluskey**  
**Insurance Specialist, AWS**



# Digital and Technology for a seamless customer engagement and enhanced experience.

Customers agree that websites and mobile apps are their go to channels for 24/7 availability, ease of access and search capabilities. However, they are not top choice when researching complex products like retirement plans, annuities and commercial line offerings.



When it comes to personalized advice, customers trust agents and brokers more than other channels although they rate them low on convenience because getting in touch with them is increasingly more difficult, especially since the pandemic. At the same time, when it comes to explaining something complex, personalized advice is critical.

< 1/3

of insurers believe their digital channels are effective sales closers because, unlike agents and brokers, they can't provide policy holders with truly individual advice.

30%

of customers said they are beginning to trust digital channels for their research and purchase requirements. Customers use more than one channel to research and purchase.

64%

of SMBs also use digital channels to research coverage options.

32%

of insurers believe digital channels are effective in closing sales because they lack personalized advice capabilities.

However:

> 80%

of customer interaction with insurance firms is digital – via website or mobile app – and 87% of insurers say they will invest in digital enhancements.

Channels that master digital and focus on the **CARE** equation (convenience, advice, reach) provide a CX Wow factor. Embracing digital includes building consumer and advisor trust: offering 360-degree customer data, robo-advisor support and self-service options as both sides of the CX equation adjust to the new normal.

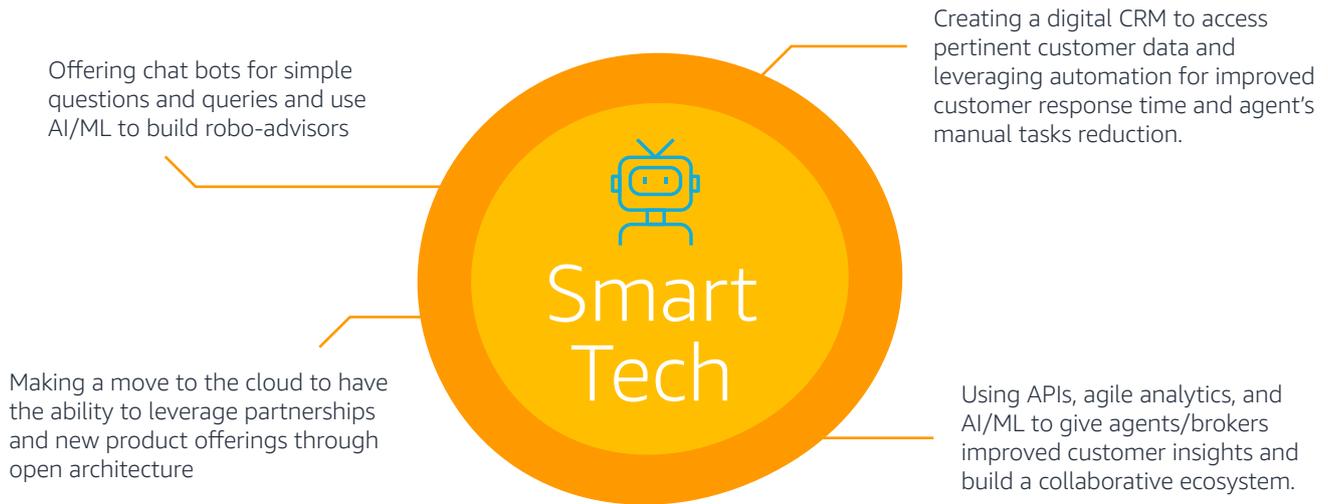
Advisors and brokers have their own concerns about what support they need to deliver a great customer experience through the **CARE** equation:

- They have a lack of understanding of customers and their requirements in a barrier to convert leads into sales
- With ineffective analytical tools and lack of deep insights, agents cannot pitch the right product to the right customer at the right time and are unable to meet expectations and response time.
- Less than 40% of insurers said their digital channel was robust enough for customers to switch channels seamlessly during their purchase journey.
- A significant portion of their bandwidth is consumed by post-sales support, impacting the time that should be spent on their core strength – Personalized advice.



# Smart Technology tools adoption

The introduction of several elevated tools using smart technology has given the freedom back to advisors and brokers to streamline their workload to focus on their core activity: personalized service.



# 95%

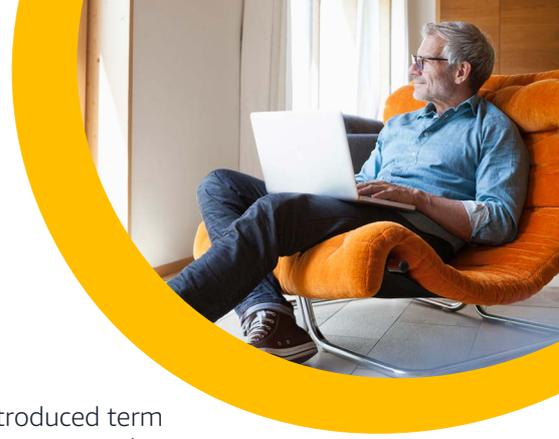


The future of insurance services is going to be AI-driven, with **95%** of customer interactions expected to be AI-enabled by 2025. Despite this, only **28%** of insurers said they had implemented digital channel robo-advisory to make personalized product recommendations.

To fix this, insurance companies can (and should) leverage open architecture, which will tie distribution channels together by enabling insurers to connect with ecosystem partners and redefine their operating models seamlessly. Open insurers will prioritize the shift from product-centric distribution to assembling insurance services that best serve policyholders. And they will effectively build partnerships to cross-leverage their offerings and customer base.



# The Future: Digi-intermediation



Moving into the digital future of insurance requires leaning heavily on a newly introduced term **digi-intermediation**. The digi-intermediation future will feature a seamless environment where sophisticated, on-demand digital features empower and augment direct channels (agents/brokers/call centres). Simultaneously, advanced data analytics and insights will humanize virtual engagement channels to enable more individualization. Digi-intermediation will allow insurers to fill in distribution gaps, enhance customer satisfaction and maximize delivered value.

The future is competitive. The competitive landscape is shifting with new competitors from product manufacturers to BigTechs capturing prospect mindshare through compelling and original engagement channels (and with 50% of customers saying they would buy insurance from BigTechs and other non-traditional players). [This was reflected in the report, as >70% of customers said they expect a multi-channel experience for policy research and purpose. Agents and brokers, however, remain pivotal to the industry, with 77% of insurance executives saying they are their most prominent distribution channel.](#)

According to the report, there are two ways for insurers to stay competitive as we move into a digitized future. Some insurers will need to join new-age distribution platforms, while others will augment their distribution ecosystem through partnerships with everyday business providers and embed insurance products into their offering.

## The Aggregators

compare plans from different insurers, simplify policy purchases, educate customers and extend offerings to individuals and small businesses.

## The Placement platforms (PPLs):

quickly process quotes from multiple carriers. They target SaaS-based platform offerings for independent agents and brokers or for carriers to build agent sales portals. PPL is London market's electronic placing platform that enables brokers and insurers to quote, negotiate, bind and endorse business digitally.

## The Exchanges or marketplaces

send or receive leads to and from agents and brokers, who also constitute their customer base.

## The digital managing general agents (MGAs)

tailor traditional carriers' digital products through streamlined and automated customer touchpoints. They target individuals and small businesses.

# Capgemini and AWS- Empowering insurers

## Open Insurance - Open Insurers can ace the long game

Front runners of the future will adopt an open insurer mindset and prioritize the shift from product-centric distribution to embed insurance services in customer's everyday life and best serve policy holders.

Seamless communication and data flow between distribution channels and ecosystem partners will be critical in the inevitable digi-intermediated world. Enabling an open API ecosystem and embracing an Open Insurer mindset are the first steps. Open insurers will prioritize the shift from product-centric distribution to assembling insurance services that best serve policyholders. And they will effectively build partnerships to cross-leverage their offerings and customer base.

Open architecture will tie distribution channels together by enabling insurers to connect with ecosystem partners and redefine their operating models seamlessly. Ecosystem partnerships help carriers create innovative products and set new business foundations with a range of unique offerings. Open architecture can drive such business models forward.



Future  
proofed  
business



Business  
agility



Revved up  
business  
transformation



Enhanced  
customer  
experience



Lower  
operational costs



Accelerated  
reach to more  
customers

**Capgemini's Open Insurance Transformation** provides an accelerated and risk mitigated transformation with a robust operating model and an industrial development approach. The offering provides insurers with a cloud-based, agile, open insurance platform enabling them to seamlessly connect with an ecosystem of partners to create tailored products and services. It enables external and cross-industry collaboration with multi-dimensional security to ensure tight Security & Authentication, Threat Protection and Compliance to industry standards and regulations. Capgemini's Open Insurance Transformation is helping insurers to scale up on their digital maturity and become inventive insurers and thus be a part of the future insurance marketplace, in a very agile manner.



"The industry must extend beyond core products and services to retain customer base. The traditional protective products sales approach is nowhere near enough for the insurer of the future. Growth will come from new service-based models, innovative products, and a greater focus on prevention."

### Katrien Buys

Director Strategy, Innovation & Sustainability,  
Grupo Ageas Portugal

## Digital First Notice of Loss (DFNOL) – The customer expects a seamless, hybrid physical and digital experience

80%

of agents and brokers say they support customers after a sale – including claims processing.

*This can be a costly stat for insurers since we know that agents and brokers should be spending their time on their core service: personalized advice to drive new sales.*

COVID-19 changed consumer shopping behavior and made them more comfortable with a digital first approach to consumption and research: and that includes shopping for insurance. The customers now expect a digital first approach, supported by agents and brokers who can provide personalized service in support of a seamless digital experience.

Other human-touch direct channels – call centres and branch offices – are effective providers of individualized advice. Yet, restricted working hours, long wait times etc. limit accessibility. Digital improvements are the way forward to enhance relevance for all distribution channels.

**Capgemini's Digital FNOL Utility solution** for personal auto and small commercial segments transforms claim intake by providing an end-to-end digital omnichannel claims experience, thereby enabling carriers to cut costs and settle claims quicker.

Digital FNOL leverages artificial intelligence, machine learning and robotic process automation, as well as bring in pre-integrated InsurTech partner capabilities, to enable automated damage estimation, fraud detection and claim validation.

Customers are provided self-service capabilities through multiple channel options, while call centre agents receive a modern interaction management platform.

By offering customers a digital first solution to claim submissions, you are saving agents and brokers time that could be better spent making sales than supporting the claim process, and providing customers with a seamless, hybrid, physical and digital experience – complete with the human support they need alongside a digital, no hassle alternative.



## Amazon Connect for Insurance – Connecting agents' needs with insurers offerings

Covid-19 forced and then convinced customers to adopt to virtual interaction – but agents and brokers don't have the tools to adapt the services they offer accordingly: 50%+ of agents and brokers said they need tools to empower them to transform the way they deliver customer service – such as screen sharing platforms and digital document signing tools. The same proportion of agents and brokers said that customer convenience improved when they could visually explain product offerings via digital illustrations and single-screen comparison tools.

Unfortunately, less than 1/3 currently have these tools at their disposal and for insurers that do offer these tools, only 41% of agents and brokers say that the automated data capture and pre-fill tools they use are efficient and customer friendly. Overall, 40% of agents and brokers said they could not consistently meet policyholder expectations for convenience and response time.

Knowing that there is a disconnect between what tools agents and brokers need to best serve customers and what insurance companies offer or understand, Amazon Connect is an omni-channel, AI/ML-enabled Customer Experience transformation tool.



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Designed from the ground up to be omnichannel, Amazon Connect provides a seamless experience across voice and chat for your customers and agents. This includes one set of tools for skills-based routing, task management, powerful real-time and historical analytics, and intuitive management tools. Amazon Connect simplifies contact centre operations, improves agent efficiency, and lowers costs.

It is easy to scale for unpredictable demand, make changes quickly as customer behaviour and expectations change and insurers can save 80% compared to traditional contact centre solutions because of Amazon Connect's flexibility. Capabilities include: omnichannel customer service, easy self-service management, built-in intelligence, unified customer data, automated agent assist and easy task management.



## Guidewire on AWS (Managed Services) – the unlimited benefits of the cloud



Throughout the report we saw the importance of offering open architecture to act as a strong competitor in the future of the insurance industry. In order to successfully offer open architecture, insurance firms need to be set up on the cloud.

With the current shift in the competitive landscape, and growing trust in new competitors for insurers like product manufacturers and BigTechs, embracing the cloud is the only option to stay competitive.

Capgemini's Guidewire on Cloud offering helps set up the claims, policy, and billing platform provided by Guidewire on AWS along with a seamless integration to all the ancillary systems.

Capgemini's offering will enable real time data analytics and insights about the ecosystem (e.g., status of a change, claims filed, credit enquiries, previous status of builds, and downtime) by capturing Guidewire events and reducing system response times with vertical and horizontal scaling and edge-use-cases support (e.g., claims modelling for weather).

**Capgemini's Guidewire on Cloud provides a well-tested, highly secure, and fully integrated offering for insurance companies to move from expensive on-premises Policy Administration Systems (PAS), claims, and billing subsystems to a cloud environment.**

## Find out more about Capgemini Open Insurance solution with AWS

Contact us today for an assessment or a demo

### About Amazon Web Services

For over 15 years, Amazon Web Services has been the world's most comprehensive and broadly adopted cloud offering. AWS has been continually expanding its services to support virtually any cloud workload, and it now has more than 200 fully featured services for compute, storage, databases, networking, analytics, machine learning and artificial intelligence (AI), Internet of Things (IoT), mobile, security, hybrid, virtual and augmented reality (VR and AR), media, and application development, deployment, and management from 81 Availability Zones within 25 geographic regions, with announced plans for 21 more Availability Zones and seven more AWS Regions in Australia, India, Indonesia, Israel, Spain, Switzerland, and the United Arab Emirates. Millions of customers – including the fastest-growing start-ups, largest enterprises, and leading government agencies – trust AWS to power their infrastructure, become more agile, and lower costs.

### About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of 290,000 team members in nearly 50 countries. With its strong 50-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fuelled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering, and platforms. The Group reported in 2020 global revenues of €16 billion.