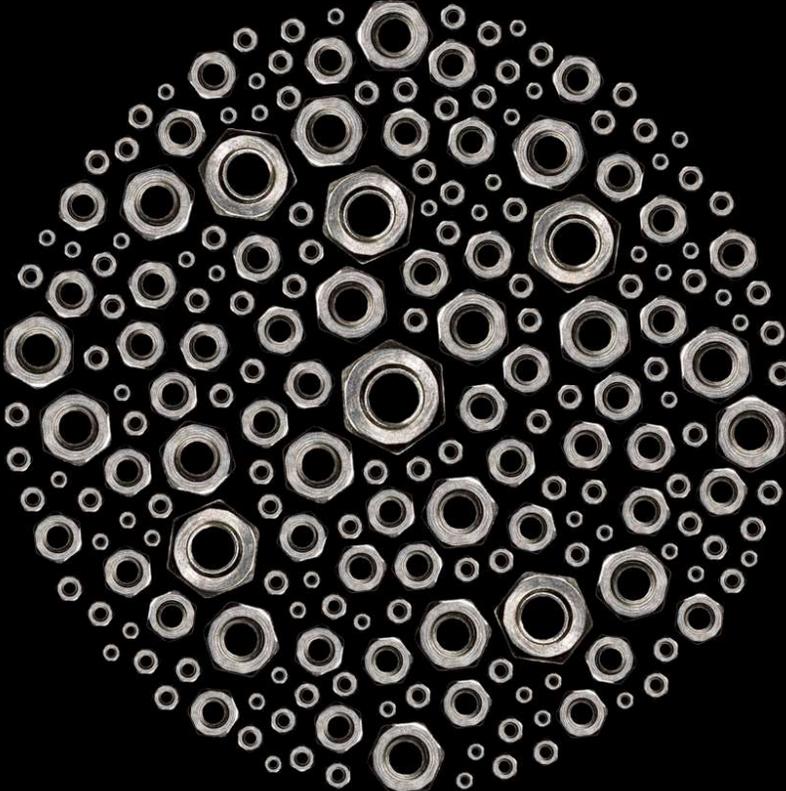


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# Transforming the insurance value chain

November 2021



## Introduction to your presenters

Your presenters for today's session are as follows.

Aly Jamal



- UK qualified actuary
- Member of IFoA (UK), SAA (Switzerland) and SAS (Singapore)
- Experience across UK, Mainland Europe and SEA
- Focused on multi-disciplinary insurance initiatives

Rishabh Gupta



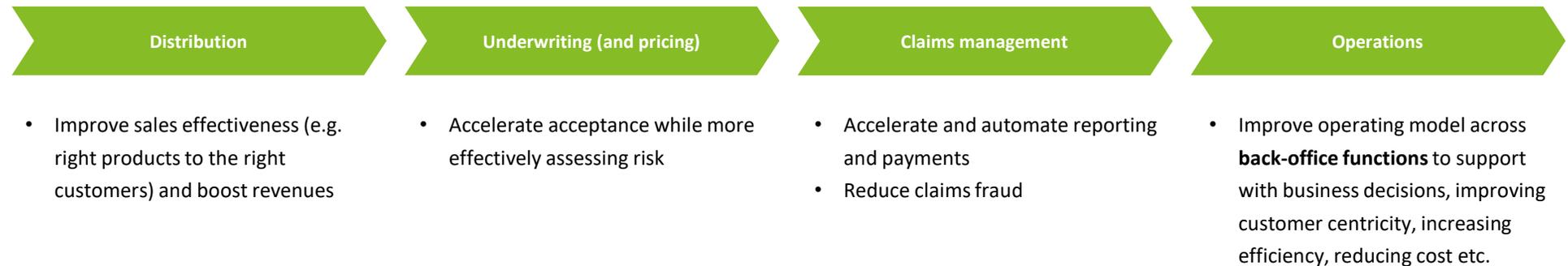
- UK qualified actuary
- Member of IFoA (UK) and SAS (Singapore)
- Experience across UK, Mainland Europe, South America and SEA
- Focused on multi-disciplinary insurance initiatives
- Chair of PI claims working party, Member of SAS GI committee

## Setting the scene: Actuaries as a strategic business partner in the transformation journey

Customer centricity and cost optimisation are just a couple of reasons why insurers are transforming their business operations. Actuaries have the knowledge and expertise to actively contribute to transformation initiatives and create value for the business.

### Why insurers are prioritising transformation

- **Customers have changed** their habits and many traditional insurers have not kept up
- Failure to integrate new technology and transform operations will **impact profitability**
- Improved customer journey requires **changes** to several aspects of the **insurance value chain**

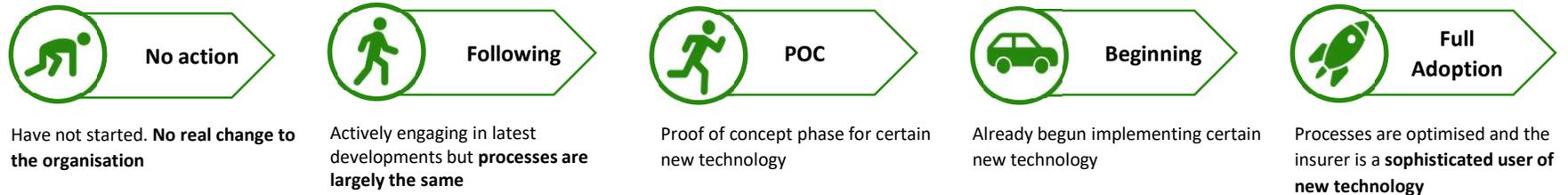


### How and why actuaries can help

- Break the misconception
- Contribute to value add through our broad skillset (particularly data analytics)
- Actuaries must become **strategic business partners** – key individuals in the transformation journey and not just reserving / pricing experts

# Where are insurers in their journey of adopting new technology?

Currently, many insurers have not started the journey of adopting new technology to improve processes and services to stakeholders. For those who have started, the experience has been varied.

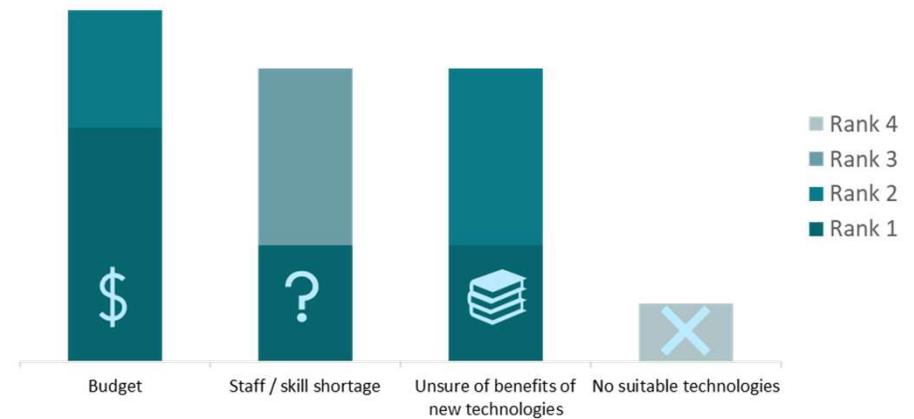


Business Size	Insurer Progress*				
Life Insurers	27%	48%	12%	12%	0%
General Insurers	33%	44%	22%	0%	0%

**\*NOTE: Since the survey, insurers have progressed with their transformation journeys and moved closer to full adoption**

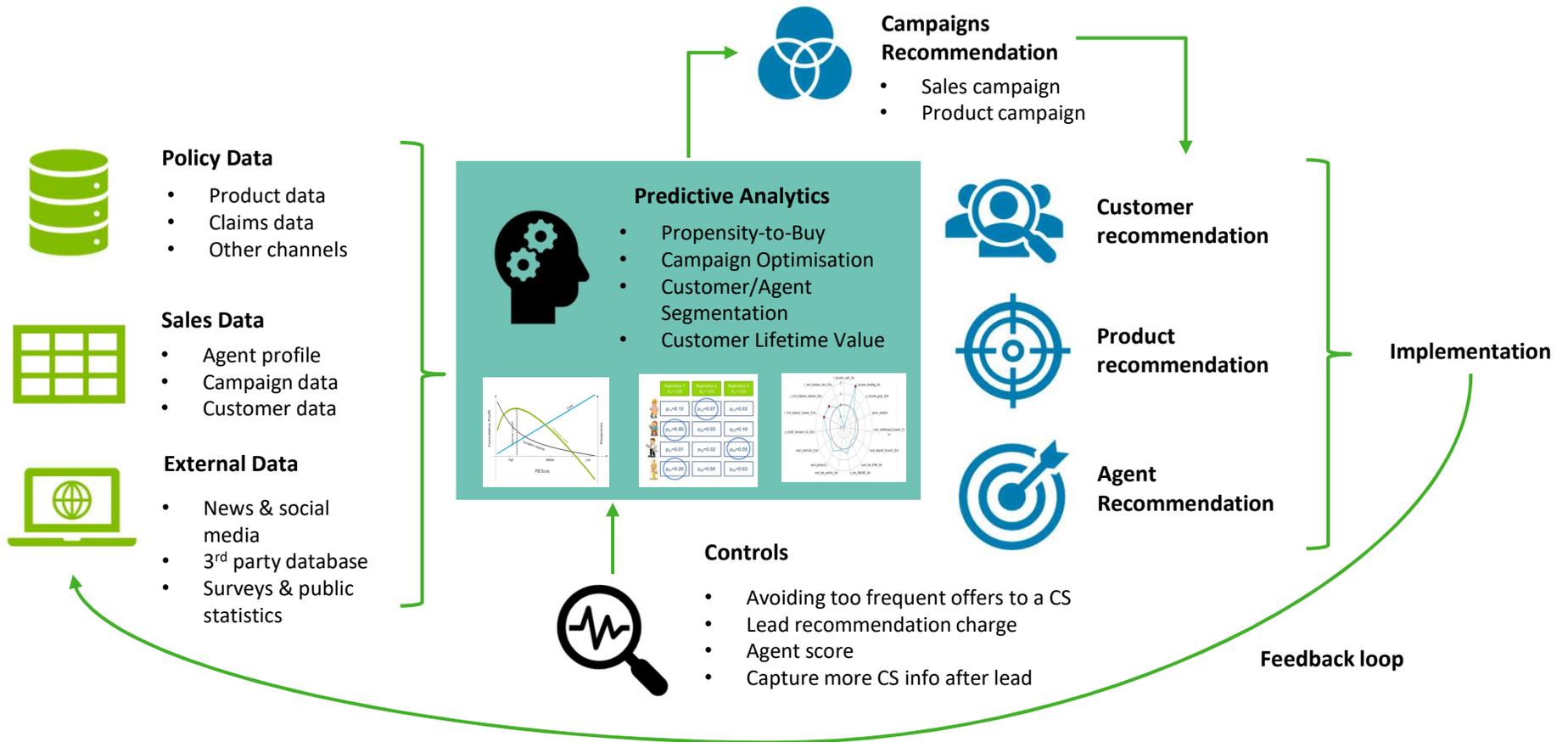
- Most respondents have not started their journey of implementing any new technology
- Those that are in the POC and beginning stage have experienced **various degrees of success**
- Insurers who have found success in their journey indicated that **adopting and implementing the “correct” technology**, rather than simply the “newest”, and a focus on technology that prioritises the users needs have been contributors to their success
- Very few respondents have been **following the development of new technology**
- Of these, some of them have indicated the transformation journey has had **moderate success**

## Barriers to implementing new technologies



# Distribution

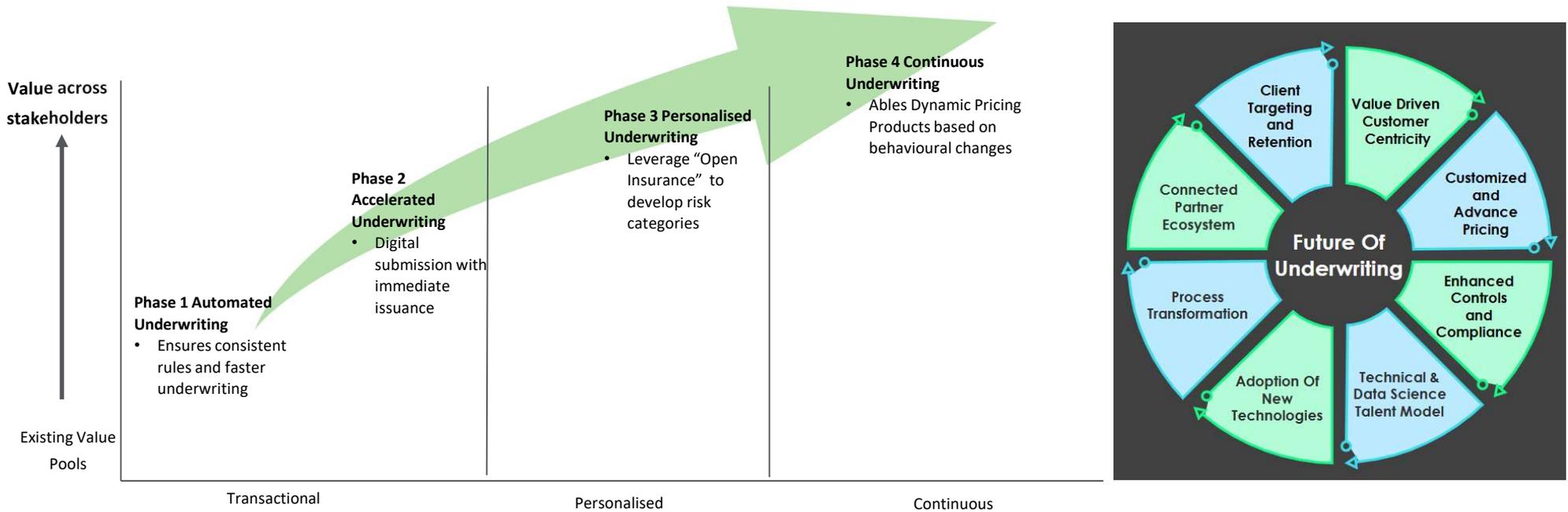
With big data, predictive analytics capabilities and the actuarial skillsets and domain knowledge, actuaries are able to transform insights into actionable strategies that is relevant to the Distribution function.



# Digital underwriting – An example of what good looks like

Driven by the need for efficiency and evolving customer expectations, most insurers have been moving steadily towards greater digitisation within the underwriting function. Most insurers have actively been upgrading their underwriting capabilities with more advanced technology and expanded data sources to more effectively assess risk in an accelerated manner while improving the customer experience.

## Customer and eco-system centric underwriting - with implications on product and pricing technology at the core



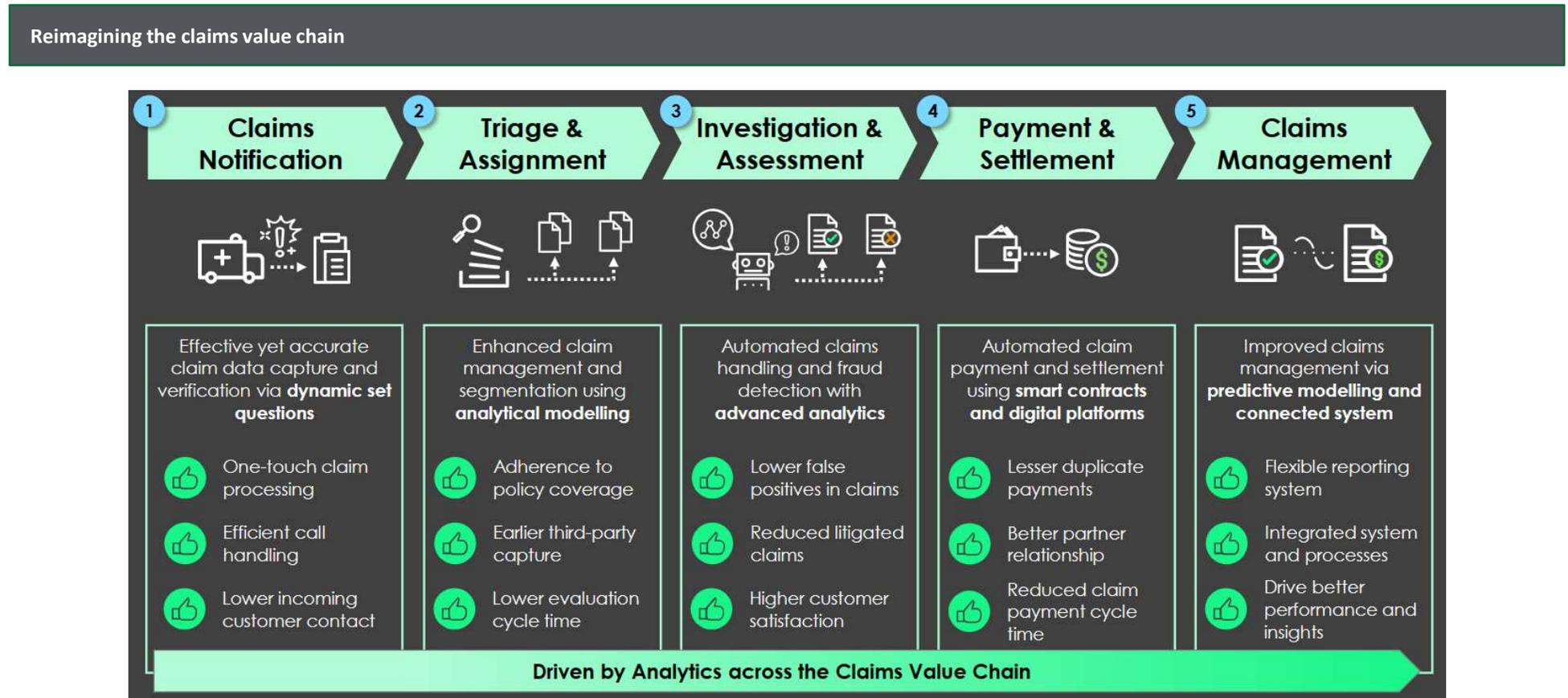
### Reimagining underwriting value chain



# Claims management

A main driver for retention and loyalty is the direct interaction policyholders have with insurers. One of these few touchpoints is upon making a claim – therefore, effective claims management should be high up on the agenda of transformation programmes.

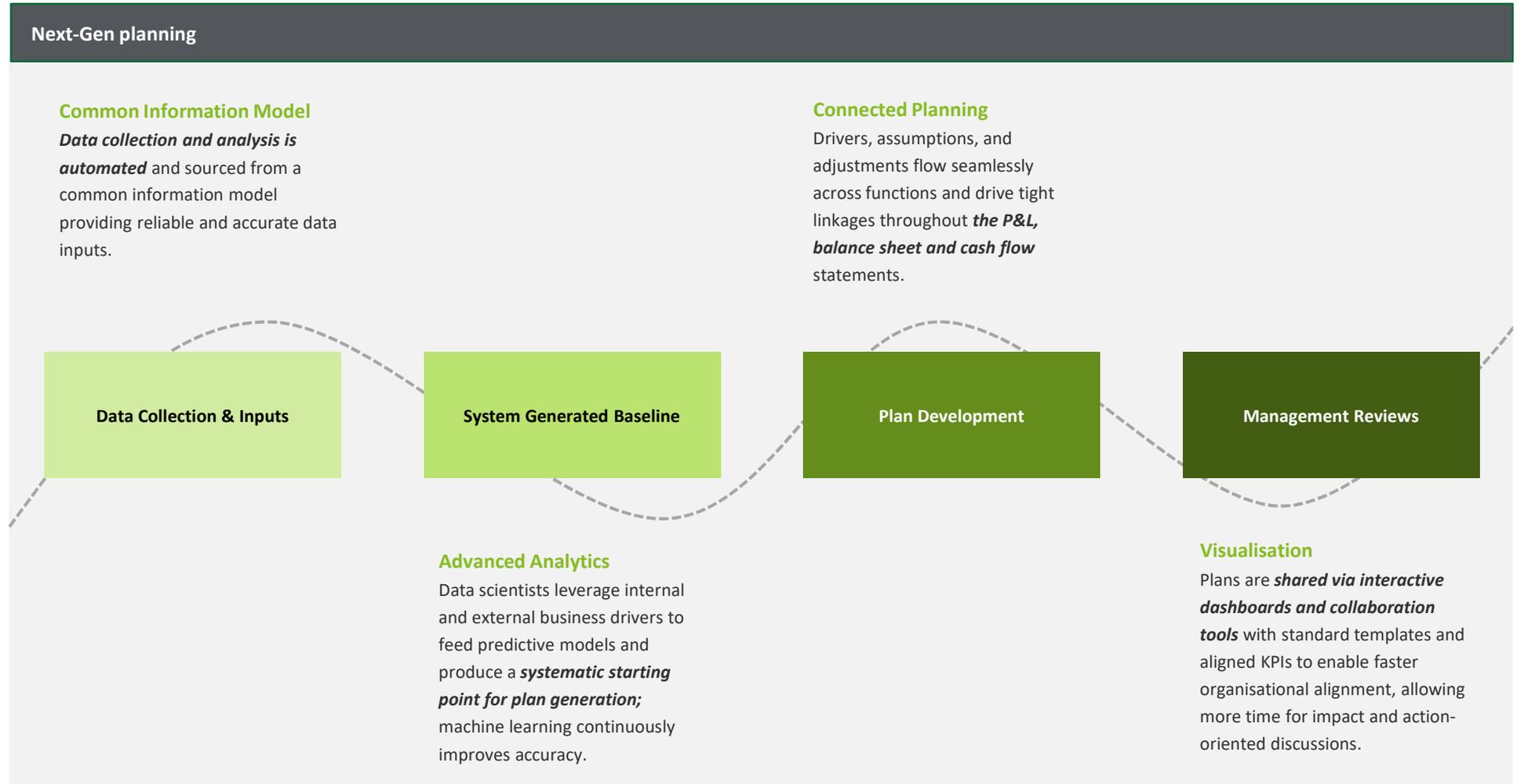
**Typical challenges:** Manual processes increasing time to process and pay, core systems acting as a barrier to an enhanced digital experience



**Future capabilities:** Predictive modelling to support point-of-claim fraud identification, enhanced claim segmentation using analytical modelling, automated claims handling with robotics and cognitive automation and advanced analytics, on-demand billing / payment management

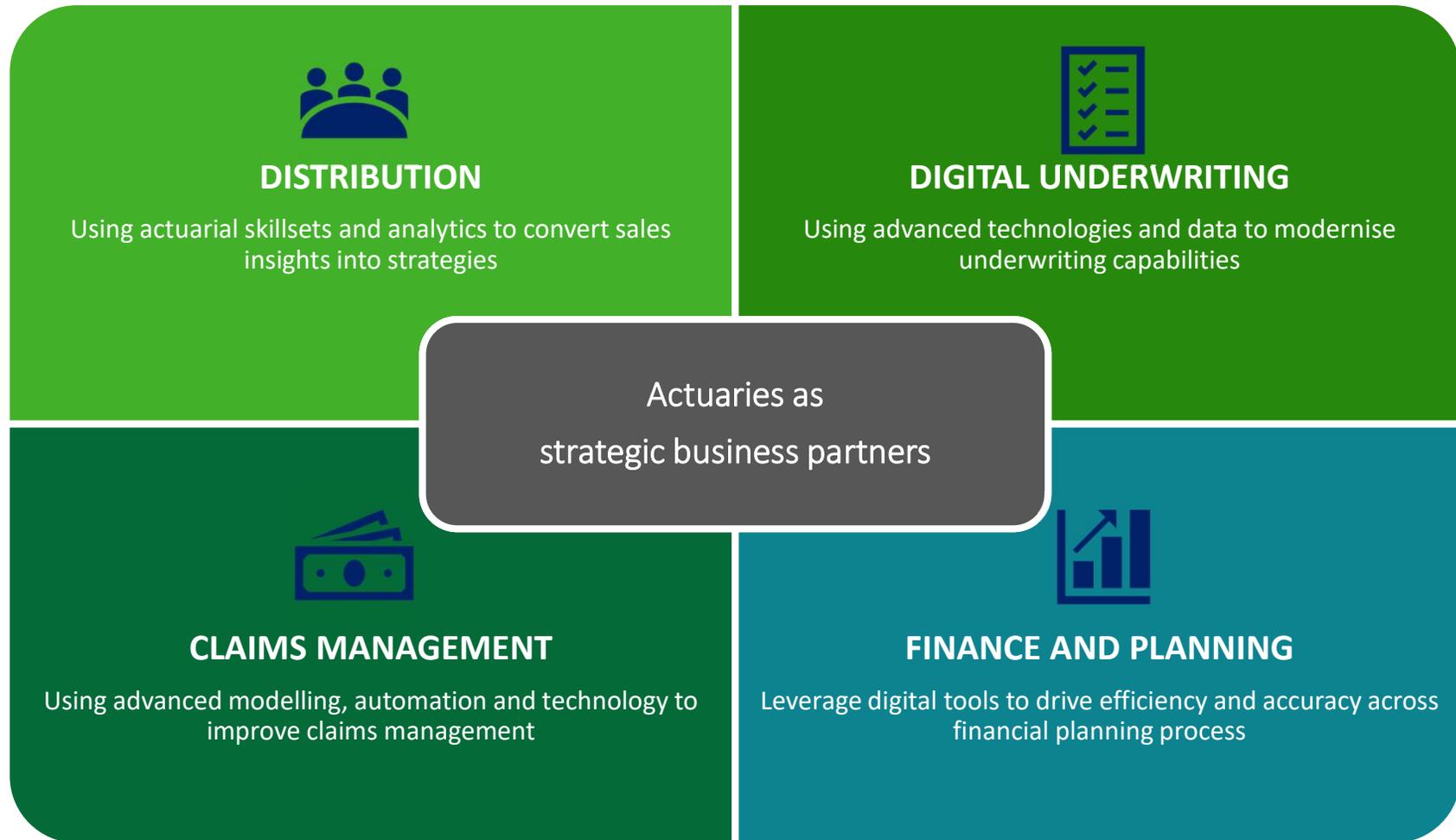
## Finance and planning

The future will require insurers to leverage digital tools to drive efficiency and accuracy throughout planning execution via process automation and systematic linkage of drivers and assumptions across the P&L, balance sheet and cash flow statements. Dynamic tools and dashboard environments will facilitate sharing, adjusting and reviewing plans in an effective manner.



## Conclusion

Actuaries can act as true business partners by leveraging the use of advanced technologies and modelling skillsets to transform different parts of the business value chain for the insurance of the future.



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