

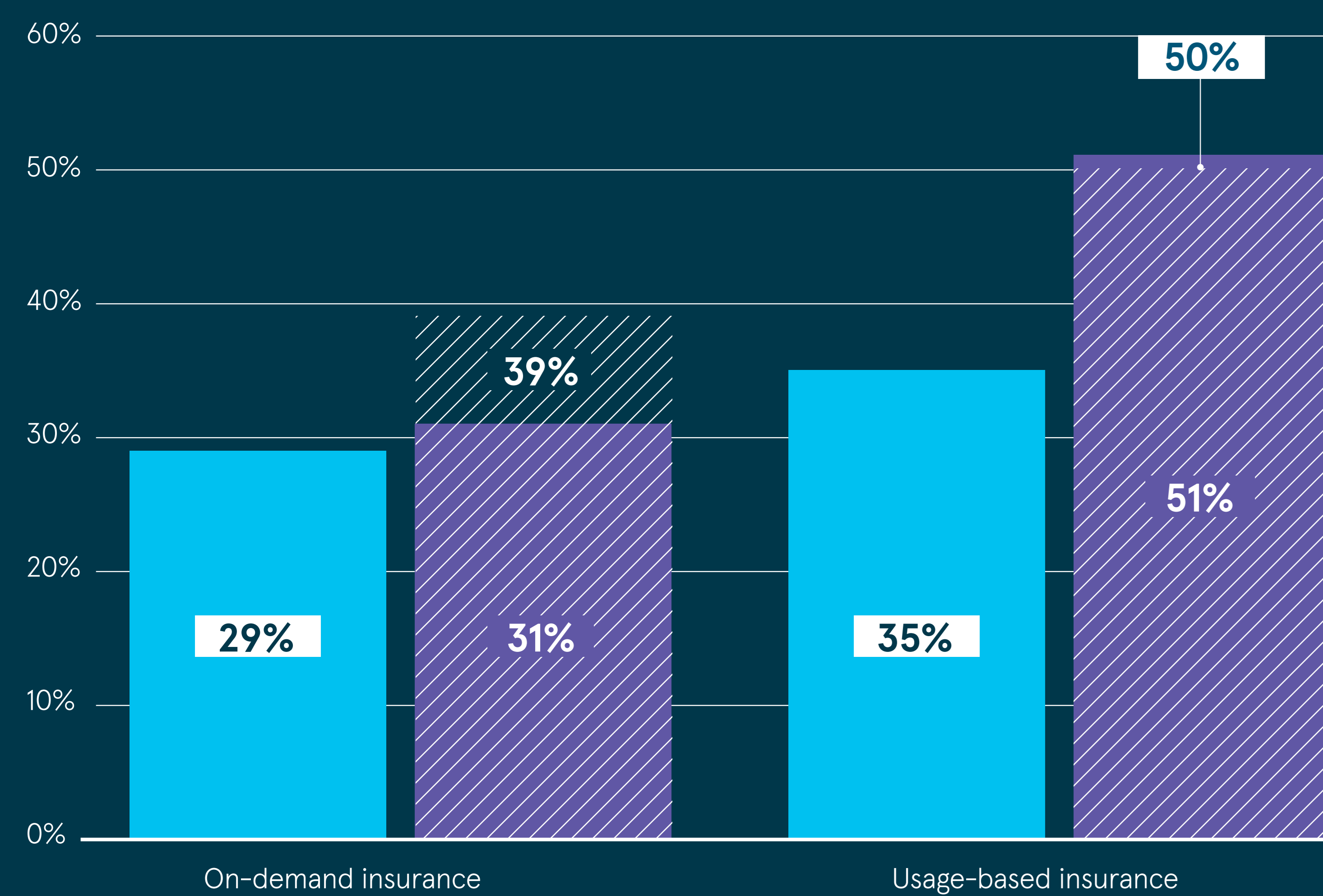
TECH DISRUPTION

How artificial intelligence, automation and greater data insights might impact the insurance sector in the not-too-distant future

USAGE-BASED INSURANCE BECOMES MAINSTREAM

Percentage of customers who want new insurance offerings in 2019 and 2020, and share of insurers offering them

● 2019 ● 2020 ▨ Insurers with offerings already on the market



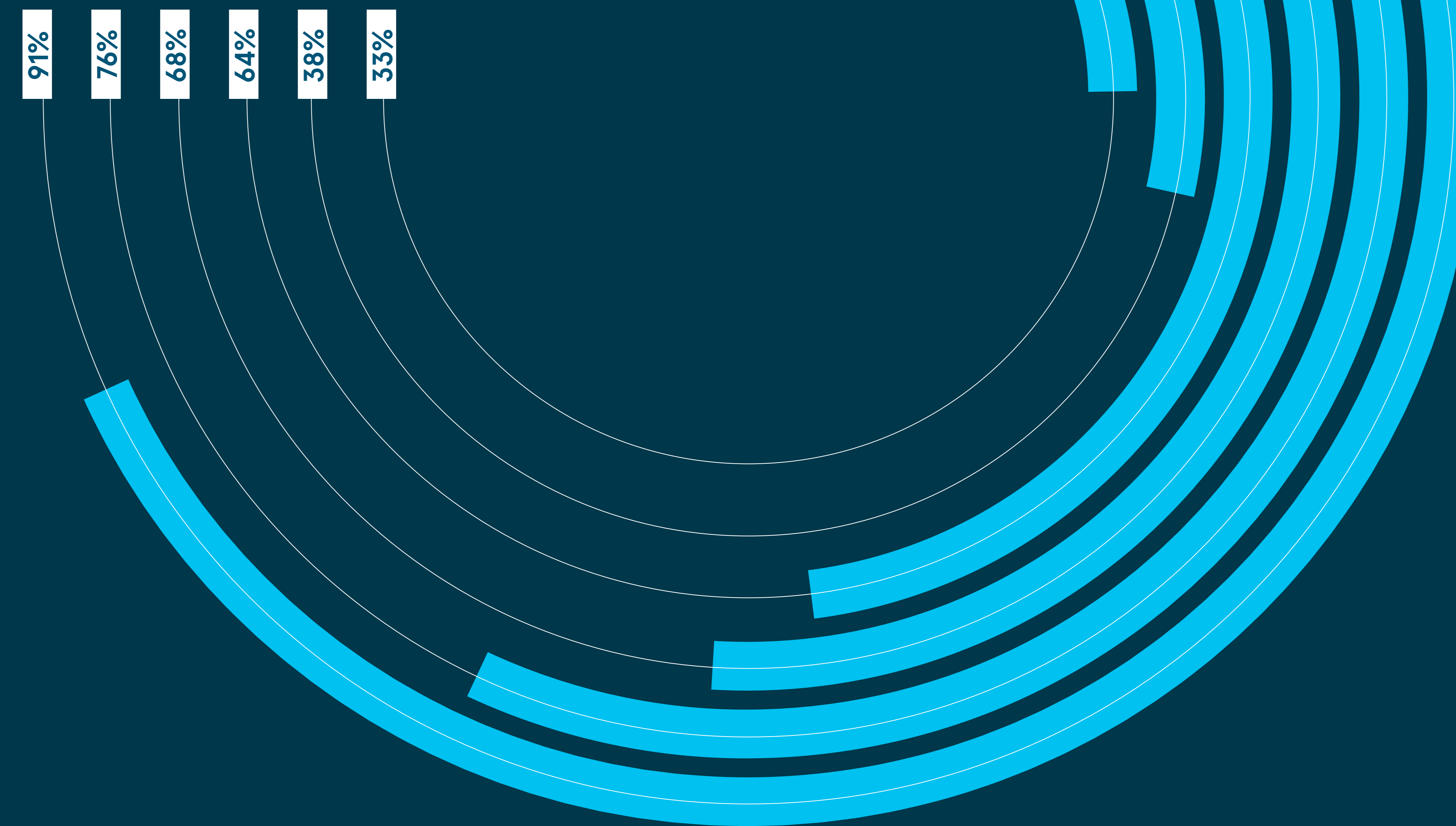
Capgemini 2020

USING TECH TO UNDERSTAND THE CUSTOMER

Percentage of insurers that are using the following tools and techniques to capture customer preferences

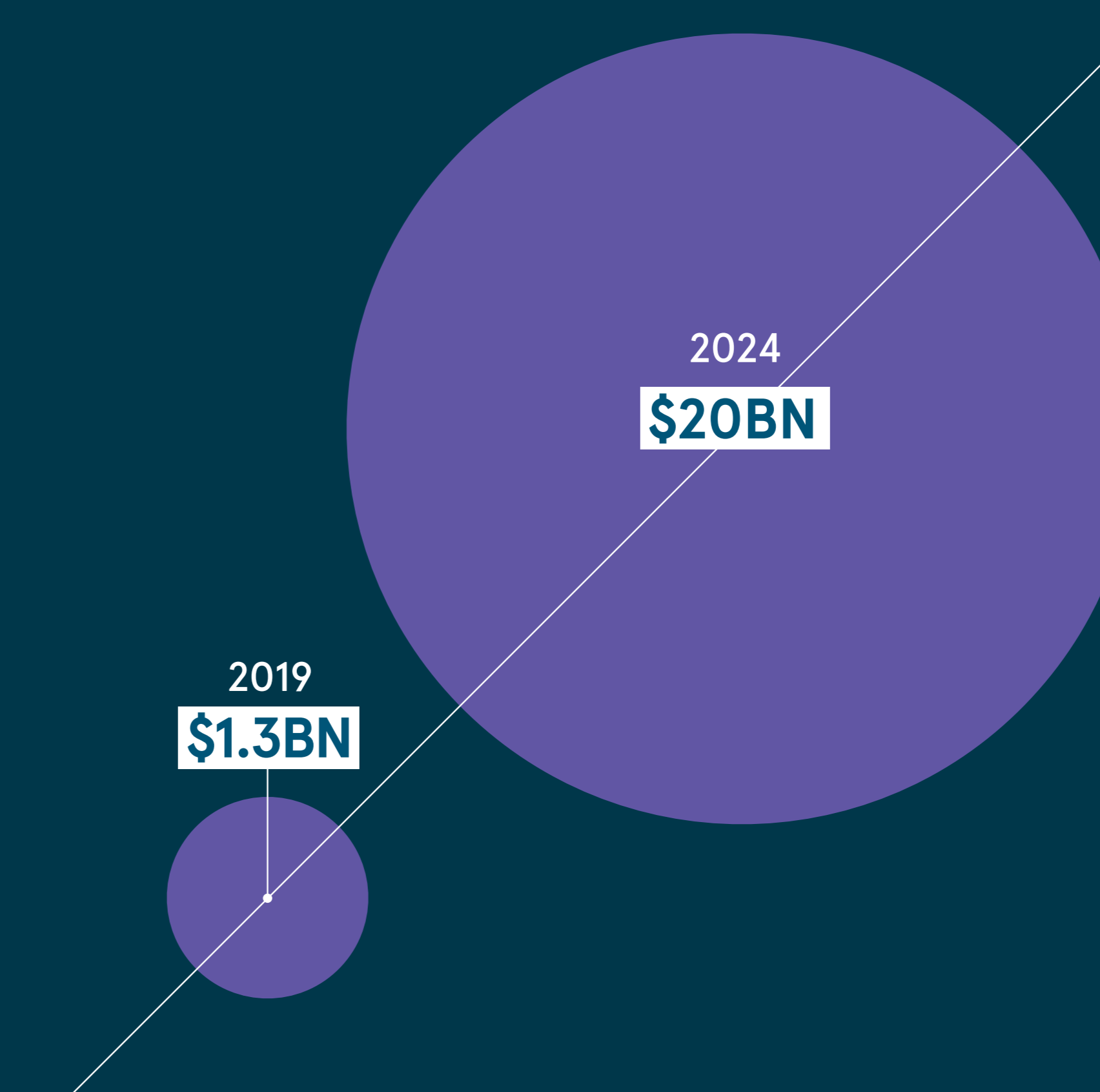
Capgemini 2020

- Automated processes for data transfer
- Advanced data for a 360-degree view of customers
- Advanced analytical techniques for data processing
- Intelligence process automation for data transfer
- Real-time insights from customer IoT devices
- Natural language processing-based support systems such as chatbots



AUTOMATED UNDERWRITING

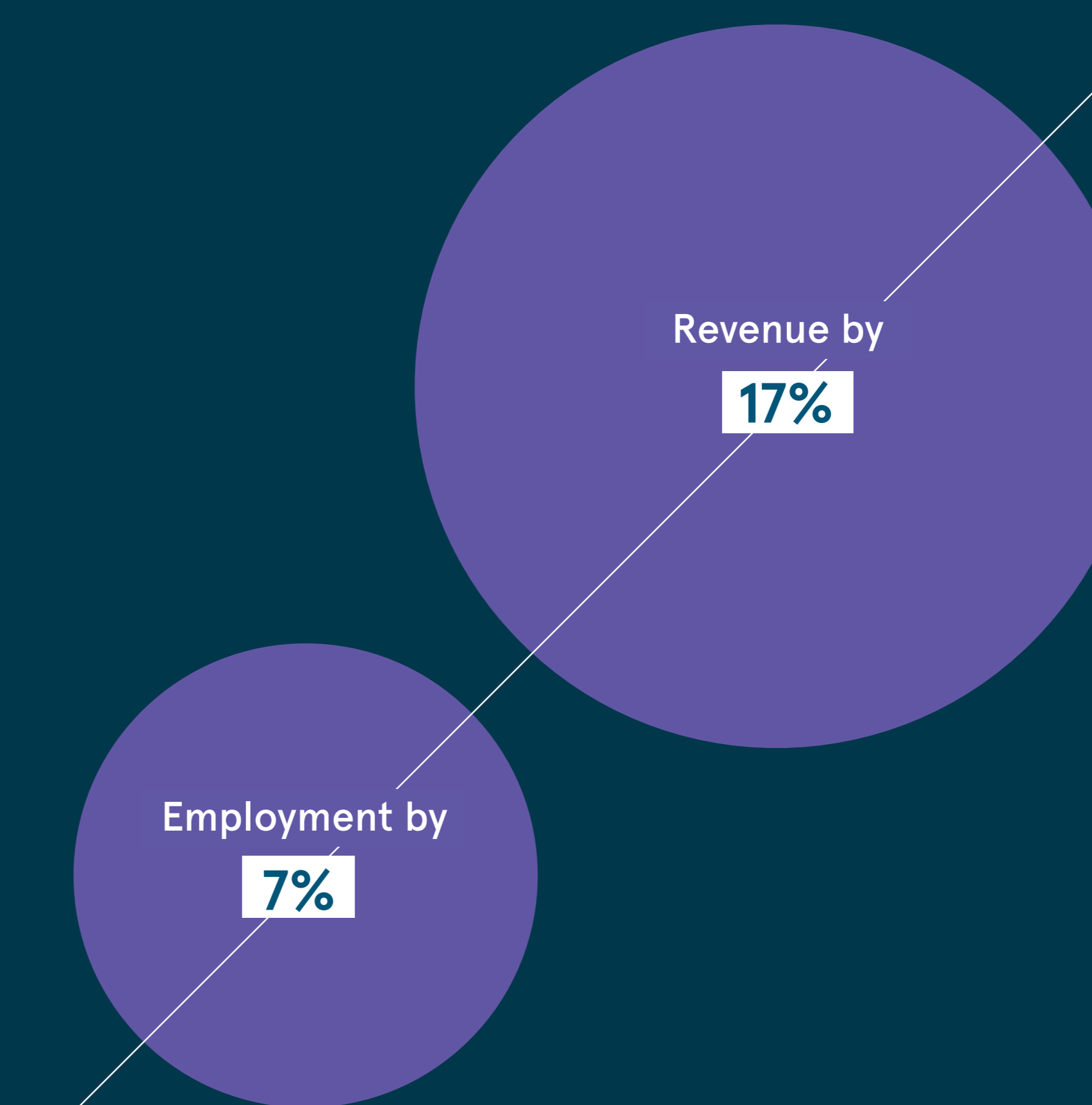
Estimated annual premiums underwritten by artificial intelligence



Juniper Research 2019

BUSINESS BENEFITS OF AI ADOPTION

By 2022, insurers that invest in AI and human-machine collaboration at the same rate as top-performance businesses could boost...



Accenture 2018



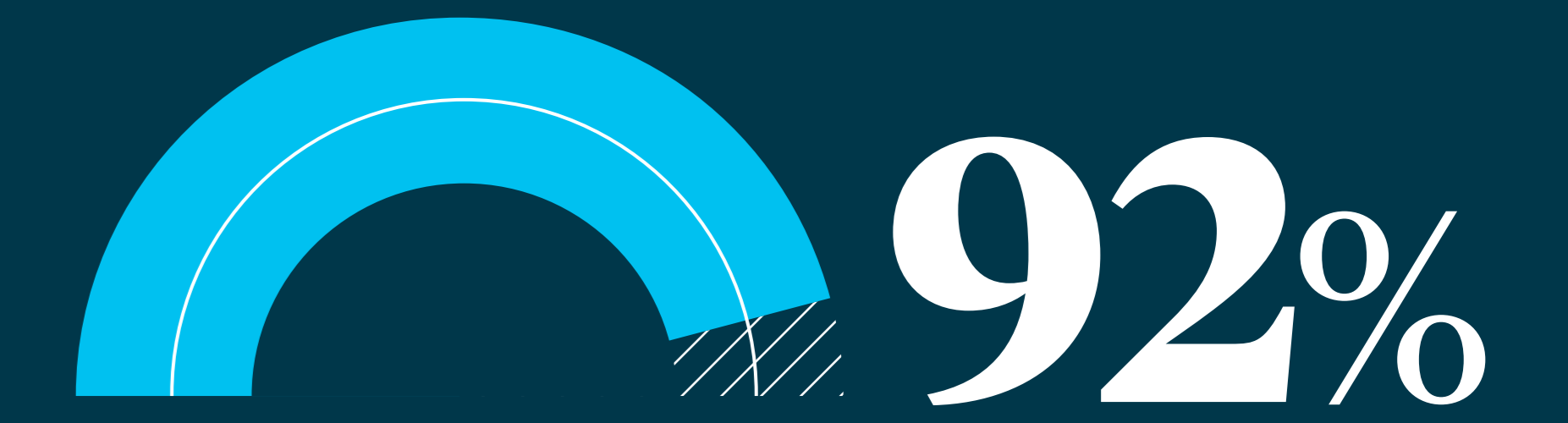
of C-suite insurance executives across EMEA believe the insurance industry is moving fast enough to keep up with technological advancement

Deloitte 2020



expect an increase in the use of advanced analytics over the next three years

Deloitte 2020



of C-suites in financial services say the need to invest in big data and AI is urgent

New Vantage Partners 2019

\$1.3bn

could be saved each year by 2023 by using AI and chatbots in motor, life, property and health claims management, up from \$300 million in 2019

Juniper Research 2019

2020 2020-2030 2030+

FROM 'ASSESS AND SERVICE' TO 'PRESCRIBE AND PREVENT'

McKinsey Insurance Practice has set out its prediction of how life insurance policies and services will evolve over the coming decade and beyond; taken from the consultancy's report entitled Insurance 2030 - The impact of AI on the future of insurance

McKinsey 2018

- Customer data is used to assess risks and provide standard products
- Policies are priced, purchased and serviced in a traditional manner
- Data, collected externally or through devices, is used to proactively assess risk and provide personalised wellness products and suggestions
- Algorithmic platforms take care of most financial planning; human agents advise customers directly
- Algorithms match leads to appropriate channel/advisers
- Pricing becomes more tailored as system sophistication increases, and risk pools become smaller
- Data, insights and transactions are tracked through integrated engagement platforms
- Rise of more dynamic, usage-based insurance products, personalised for individuals
- Life, wealth and health policies begin to integrate
- Automated underwriting takes over 90 per cent of policies; manual underwriting stops for most products
- Smart personal assistants help agents optimise tasks and AI bots recommend deals for clients
- Customer health outcomes can be aided by interventions by agents or digital channels, driven by prescriptive algorithms
- Personalised medicine, tailored to individuals or households, becomes commonplace
- AI-driven engagement channels can show empathy and conversational capabilities, reducing servicing costs and speeding up customer resolutions

RACONTEUR