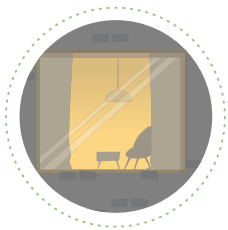
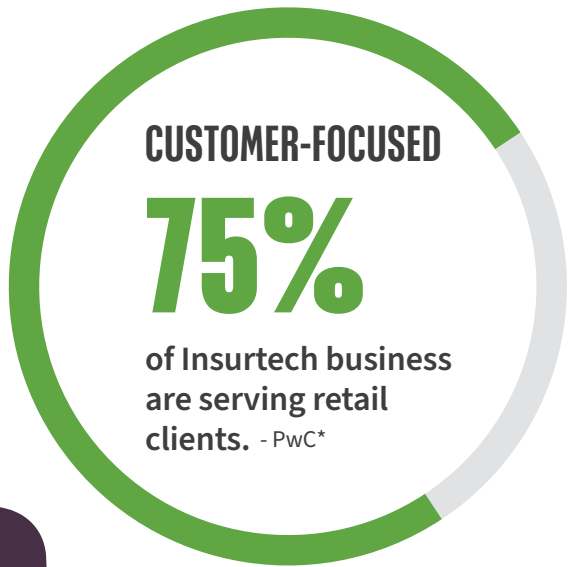


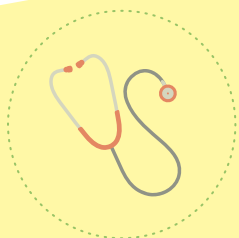
**When
Insurtech
Meets Coretech,
the Customer Wins**

There's something new happening in the insurance industry. After a decade spent buying technology to make it easier to do business with customers, insurers now are focusing on technology to make it easier for customers to do business with them.

Consumer technology, in all its forms, is shaping peoples' patience and expectations for when and how they communicate and do business. These evolving expectations are prompting insurers to reconsider their business models as well as their technology investments. You can see insurers adopt this outside-in perspective as they consider how to engage their customers, as they launch consumer-direct businesses, and join digital insurance ecosystems.



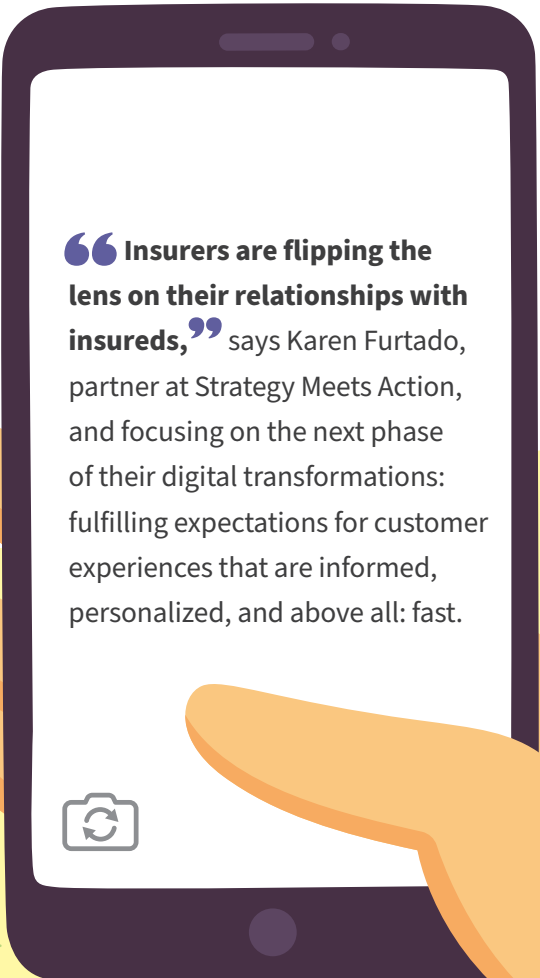
Renters Insurance



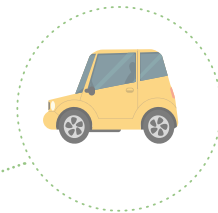
Health Insurance



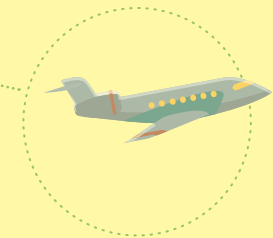
Life Insurance



“ Insurers are flipping the lens on their relationships with insureds,” says Karen Furtado, partner at Strategy Meets Action, and focusing on the next phase of their digital transformations: fulfilling expectations for customer experiences that are informed, personalized, and above all: fast.



Car Insurance

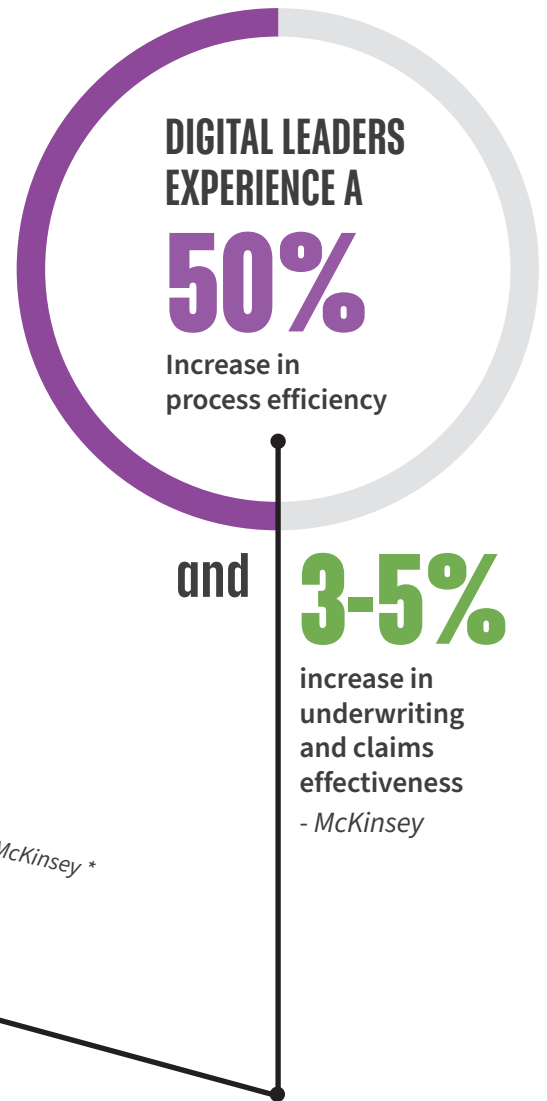


Travel Insurance

Customer Centricity vs. Insurtech and its Dependencies

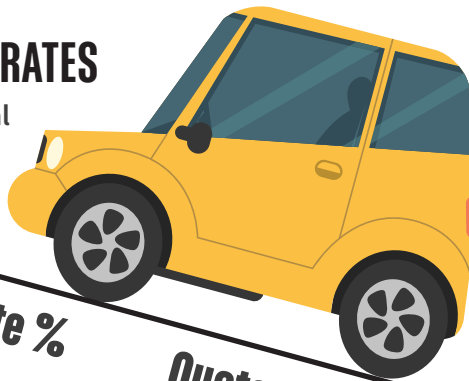
Insurers have benefited greatly from their digitization efforts, McKinsey & Co. says, and some have experienced process efficiency increases of up to 50%, as well as 3-to-5% increases in underwriting and claims effectiveness. All of which was necessary but foundational to delivering on customers' increasingly sophisticated expectations.

To create these richer and more meaningful customer experiences, insurers need the AI-enhanced customer knowledge and intuitive context-aware workflows that characterize insurtech.



HIGHER CONVERSION RATES

Typical traditional insurer vs digital attacker practice



Contact-to-quote %
~5 vs 10-20

Quote-to-policy %
2-3 vs >10

Indeed, the promise of insurtech is that it will support innovation through contemporary customer experiences and emerging business models, which is a driving factor behind the insurtech startup phenomena.

Insurtech Can't Go it Alone

The truth, however, is that few insurtechs are legitimately standalone. An insurtech is just one part of a diverse insurance ecosystem, and they rely on integrations to insurance core systems to fulfill their potential.

But it's not that easy.

* Live from DIA Amsterdam 2019: The three megatrends and one global shift driving insurtech innovation

Customer Centricity and the Integrations Challenge

Insurance core systems put into production even three years ago are limited in their ability to connect to insurtechs and digital insurance ecosystems.

While the customer experience obviously benefited from digitalization, portals, and mobile, the focus was on internal efficiencies and reducing call center costs.

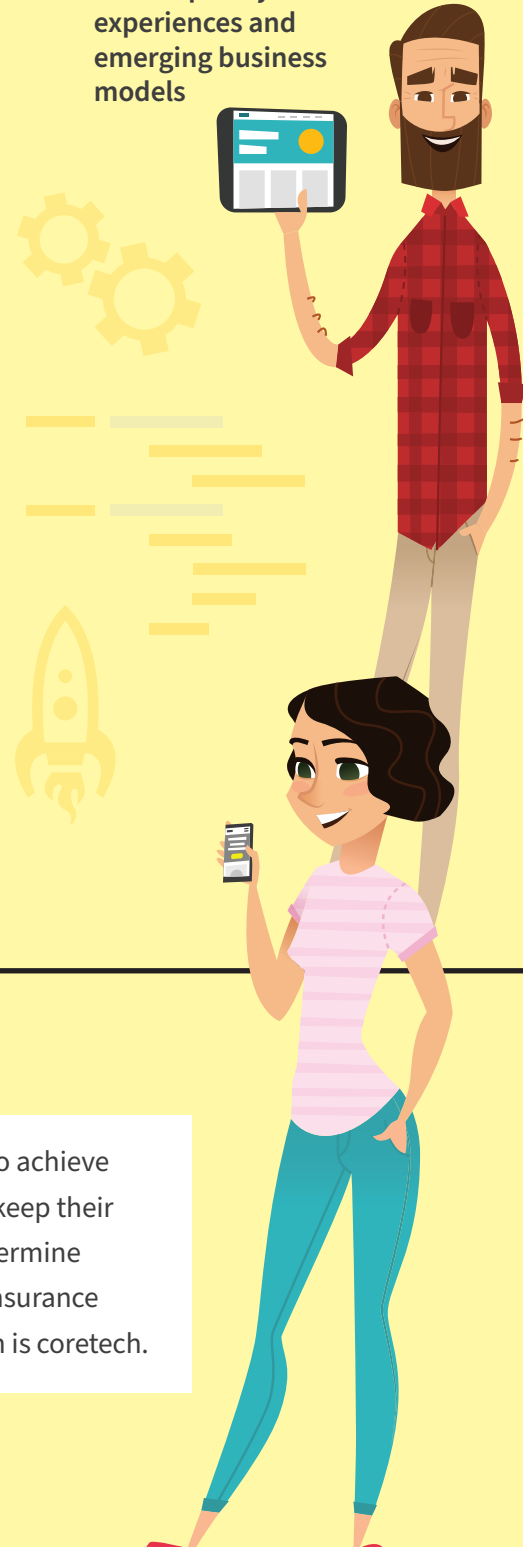
Consider that the “beating heart” of most insurers’ core platforms is policy administration—not the customer or customer record—and that until recently customer relationships largely were initiated, owned, and maintained by external agents and brokers, and that those interactions were infrequent. Consequently, insurers’ ability to become customer-centric is limited by the very architecture of their insurance core systems.

Can you have core strength and insurtech innovation?

In 2020 and beyond, determining where to invest their technology budgets presents a conundrum for many insurers. Should they shore up their incumbent core systems with expensive updates, or invest in insurtechs? Either decision entails a commitment to creating and maintaining a growing number of complex integrations to systems and data to maximize the value of those investments.

THE PROMISE OF INSURTECH

is that it will support innovation through contemporary customer experiences and emerging business models



INSURTECH CLOSURES

MORE THAN
184

recorded in the last 3 years but the number could be much higher.

- Willis Towers Watson 2020

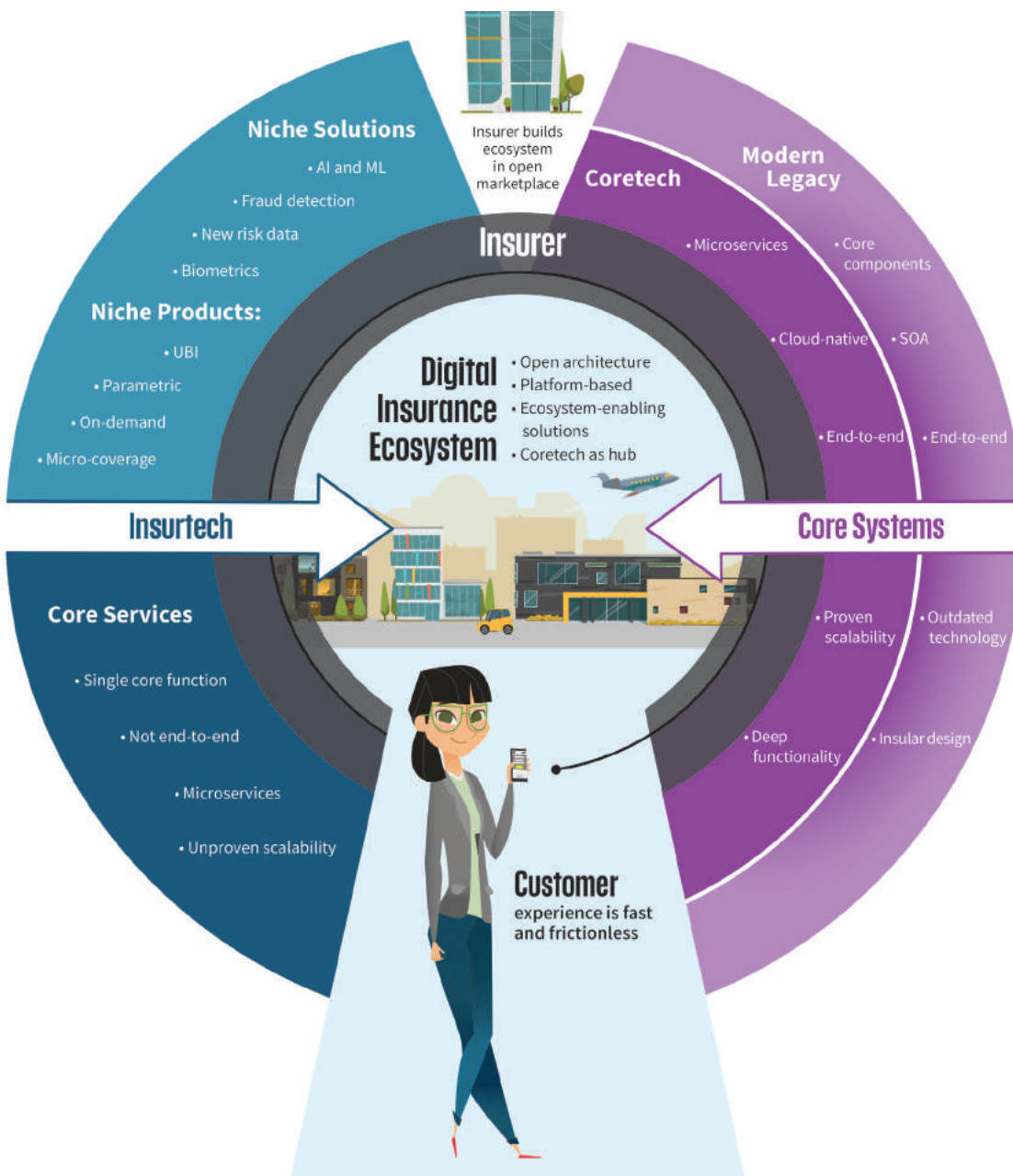
But for insurers looking to achieve customer-centricity and keep their options open as they determine their place in emerging insurance ecosystems—the solution is coretech.

What is Coretech?

Coretech is a new category of insurance software that is designed to support an insurance future that is customer-focused. It has all the characteristics of insurtech but with more end-to-end capability and ability to scale than off-the-shelf insurtech applications. Like the modern legacy systems, coretech is functionally rich. But because of its open, cloud-native architecture, it's continuously updated and laden with the microservices and open APIs (application programming interfaces) necessary to readily consume internal and external data and connect with insurtechs.

Most importantly, with the customer record at its center, coretech is designed—from the ground up—to serve as the hub for digital insurance ecosystems and deliver excellent customer experiences, even as customer expectations continue to evolve. Coretech allows insurers to take greater advantage of insurtech and data partners to deliver benefits to customers and prospects.

A New Digital Insurance Ecosystem



Insurtech and Coretech Solutions Move to the Center to Create New Digital Insurance Ecosystems

The evolution of insurance technology toward a next-generation, open and flexible architecture is well underway. From one direction, insurtech in its many forms—from niche to core functionality—is providing microservices-based solutions. From the other, some core system platform vendors are breaking free of the limitations of modern-legacy solutions and recomposing their offerings as microservices-based solutions—a new category we call “Coretech.” The two mirror each other, different only—at this evolutionary stage—in the ability of coretech to provide proven scalability and deep functionality in contrast to the less complete functionality and scalability of insurtech solutions.

Customer Experience Depends on Knowing the Customer and Acting Like it

Customer knowledge is key to the customer experience challenge. Magnifying the challenge is that many aspects of the customer experience are new for insurers. Not long ago, the idea that the insured would use the internet to access and update their own customer information was implausible. To do it on a mobile device was radical. For multi-line insurers, it's not unusual for a single customer's data to be spread across multiple policy administration systems, adding to the difficulty.

Consequently, many insurers don't know their customers, necessitating customer analytics, data lakes, and the like. Many are not able to act on the customer data that they do have, and so they add CRM—and more integrations and layers—into the mix.

And yet, there's a real opportunity for insurers. Customers with connected devices interact with their insurers 19 times per year—more than four times the frequency of customers who don't use connected devices.¹ And they tend to be more loyal and own more insurance products.

Customers with connected devices interact with their insurers **19X** per year



Getting real about real-time

To shorten sales cycles, increase their share of customer spending, and make it easier for customers to buy and self-service, insurers need access to systems and data, which means integrations. But to fulfill customer expectations for informed, personalized, and fast interactions, means real-time integrations.

That can raise the urgency and importance of the “omnichannel,” “non-linear,” or “multi-modal” customer experiences by orders of magnitude. Because, across generations, research shows customers prefer combinations of human and automated interactions, and batch processing won't suffice.



That means insurers are racing to convert historical customer and product data into actionable and accessible customer knowledge. There's a lot riding on it. Until insurers get it right, undifferentiated customers are enduring undifferentiated customer experiences. That is until they shop for a better customer experience elsewhere.

Truly open cloud-native systems offer the only reasonable response to this challenge.

¹ Bain & Co, “Insurers: How to Lead in the New Era of Connectivity, Customer Behavior and Loyalty in Insurance: Global Edition 2018.”

Re-architecting Modern Legacy Systems

To be sure, re-architecting legacy core systems to support contemporary customer experiences is proving to be difficult, expensive, and time-consuming for many vendors and insurers. Simply put, they designed and implemented systems that perfectly reflected the insurance industry of yesterday: product-centric; focused on internal processing efficiencies; and siloed.

Core systems, even those deployed as recently as three years ago, though functionally rich, are being replaced. They simply were not designed to be easily upgradeable or to support emerging business models. Nor do they have the APIs necessary to support quick and easy integration with third-party services providers in the cloud and participate in digital insurance ecosystems.

API: An application program interface (API) is a set of routines, protocols, and tools for building software applications. An API specifies how software components should interact. Additionally, APIs are used when programming graphical user interface (GUI) components. A good API makes it easier to develop a program by providing all the building blocks. A programmer then puts the blocks together. ~ *Webopedia*

Open architecture or limited marketplaces?

For vendors of insurance core systems, the path to insurance ecosystems and customer-centricity has been to market their insurtech partnerships and libraries of pre-integration while they re-architect their core systems.

But that approach is short-sighted given the limited number of partners that those core systems vendors can effectively manage compared to the huge and growing number of insurtech options available.

Consider this: The Insurtech sector received \$6.37 billion in funding commitments in 2019, according to Willis Towers Watson's "Quarterly InsurTech Briefing." In Q419 alone, investments totaled a record-breaking \$1.99 billion in 75 projects.

This marketplace approach simply is too restrictive given the pace of change and the ever-growing number of channels, vendors, possibilities, and, most important: emerging competitors.



THE INSURTECH SECTOR RECEIVED
\$6.37 BILLION
IN FUNDING COMMITMENTS IN 2019

\$1.99 BILLION IN Q419

Why wait for cloud-native?

That many insurance core systems now operate in the cloud is great. But that doesn't change the fact that many cannot yet take full advantage of cloud-native benefits. That's unsettling for many insurers, and it should be.

Many vendors now market themselves as "SaaS solutions providers" to mask the effort required to maintain what is, in fact, a cloud-hosted modern-legacy architecture. While this approach does alleviate some of the friction of maintenance and security, it does not change the fact the carrier will still be challenged by update cycles and continue to be limited by the architecture in all the ways previously described.

Why implement a system that's already falling behind? What's the roadmap and the update path? And what's the cost of waiting, only to put your business on a new and unproven platform?

The truth is that many insurers face an update path so onerous that wholesale replacement seems preferable, especially given that customer-experience needs and expectations continue to evolve. To capitalize on new markets and other opportunities, some insurers are establishing test-and-learn environments and even new companies. We explored this trend separately in the eBook, [The Greenfield Field Guide for Insurers](#). Be sure to check it out.



Coretech: The Ecosystem-Enabling Platform

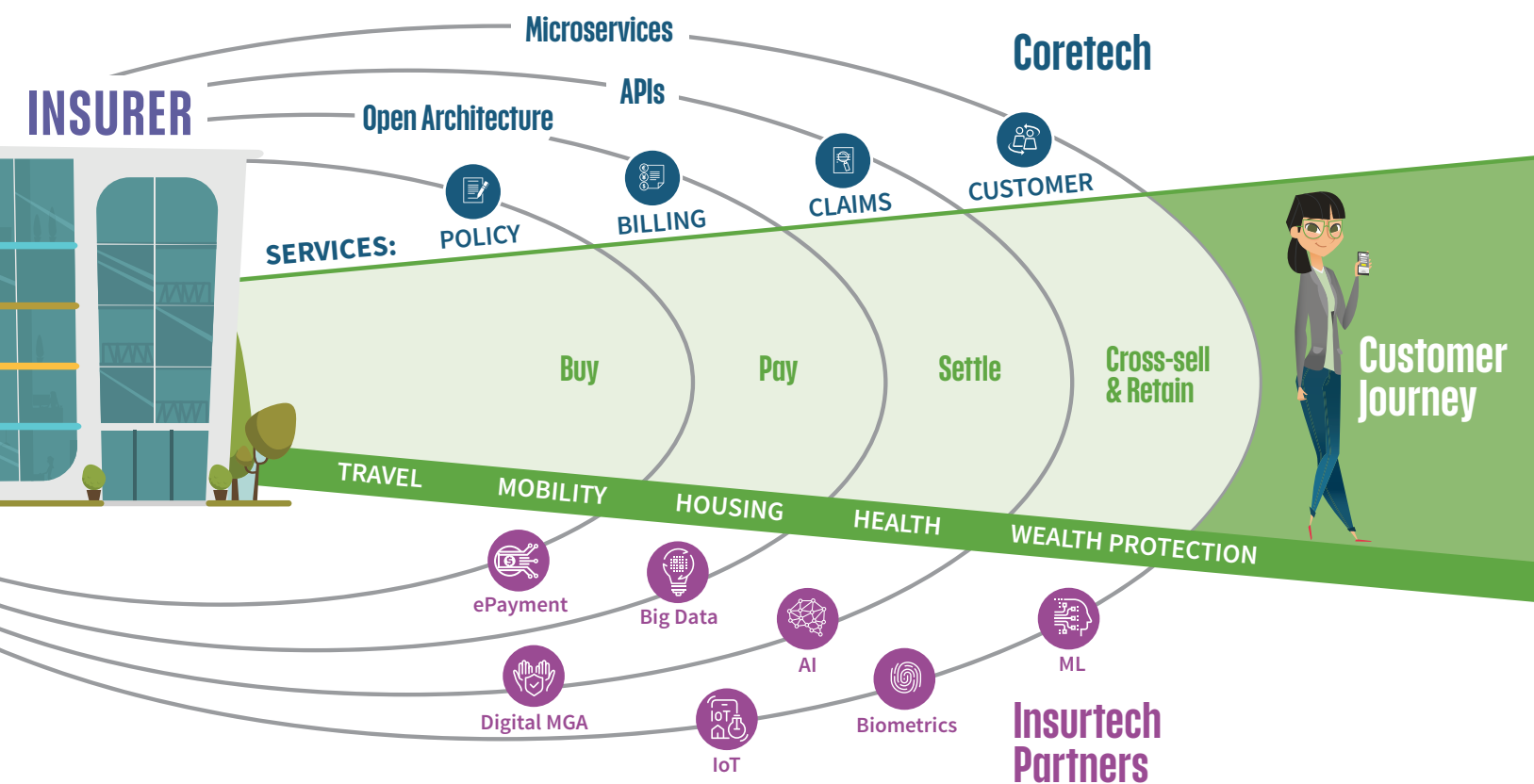
In order to join digital insurance ecosystems and truly become customer-centric, insurers need to bridge the gap not only between systems but generations of software. To do all that, insurers need something different.

They need coretech.

Coretech is an ecosystem-enabling platform. It's exceedingly open and designed to support diverse insurance ecosystems. It shares the DNA of insurtech with open APIs, microservices, and event-based transactions and workflows to simplify integrations and accelerate speed-to-value.

In its design and delivery, coretech is different from modern legacy core systems. It's the logical and evolutionary combination of next-generation technologies, methodologies, and insurance core systems that easily connects with insurtech, data, and customers—in all their forms. It acts as a hub to digital insurance ecosystems. And it offers the rapid and continuous delivery of new business capabilities using Agile approaches and DevOps methodologies, and the on-demand, scalable, and secure infrastructure of the cloud.

Converging for Customer Centricity



Insurtech and Coretech Collaborate for a Customer-Centric Ecosystem. Customer-centricity is realized as innovative insurtech and core capabilities converge within an open ecosystem. Insurers rethink their traditional roles and offer superior and value-added services. At the same time, insurers gain an iterative, test-and-learn approach to innovation, a quicker path to market, and distribution within new and emerging B2C and B2B ecosystems.

Coretech helps both insurers and insurtechs deliver on their promise of customer-centricity, join insurance ecosystems, and become unbeatably fast at everything you do.

Delivering the Future of Insurance: Fast, Simple, and Agile

The industry is awash in stories about transformation projects dragging on for years, with cost overruns in the millions or even 10s of millions of dollars. Coretech is critical to speedy delivery and performance of new insurance capabilities.

That brings us to another essential element of a successful project: the ability to deliver on both functionality and scalability.

It's no secret that creating a functional test-and-learn environment can be challenging for some vendors and insurers. It takes vision, effort, strategy, and planning. And then, when your project is successful, the next logical requirement is taking it beyond the innovation group. Because, remember, the goal is eventually to run a business on it, not just a pilot, which can mean scaling up literally by orders of magnitude. But ramping up production volumes can be an issue for insurtech, as well as for services teams that don't have a track record of managing to enterprise-level requirements.



That's not an issue with coretech.

In the digital insurance ecosystem, everything — from solutions and capabilities to services and product offerings — needs to be interconnected to support the customer experience. And coretech makes that possible with speed, simplicity, and agility.

Why EIS and Coretech?

There's a lot to it. But our coretech provides a digital insurance platform that allows insurers to:

- Leverage cloud-native capabilities for unlimited scalability
- Understand what makes each customer unique via CustomerCore™
- Act on that knowledge via rich and built-in CRM capabilities in EIS Suite™
- Deliver persona-based customer experiences via EIS DXP™—our digital experience platform
- Join new and emerging B2B and B2C ecosystems through our open architecture and thousands of APIs
- Use a hub to gather insurtech and data capabilities into new digital ecosystems



- McKinsey, “Insurance beyond digital: The rise of ecosystems and platforms”

“ At EIS, our objective is simple: to help insurers operate like tech companies so they can deliver exceptional customer experiences and join digital insurance ecosystems. To solve the integration pain that insurtechs, incumbents, and vendors encounter, our coretech solutions are designed with integration in mind, and to support your needs for speed, agility, and simplicity. ”

And that's the EIS coretech manifesto.



Anthony Grosso
Head of Marketing & Communications
EIS

About EIS

At EIS, we provide a next-gen insurance platform for future-focused carriers looking to launch new digital offerings with insurtech capabilities. Our modern, cloud-based, infrastructure and product platform stands independent from your legacy systems but also offers a transformation path for integrating with legacy functions and extracting customer data. Its digital experience management, using open architecture, the industry's richest set of APIs, and integrated AI/ML, delivers a rich user experience across its full insurance lifecycle capabilities. It is the most complete, next-generation platform for insurance innovation available today.

Let's connect.

✉ info@eisgroup.com

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