The Ambitious P&C Insurer's Guide to Future Proofing Your Business

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Future Proof Your Business and Build for Tomorrow

Just a few short years ago, insurers began to grapple with digitalization and the inflexibility of their legacy core systems.

Then, seemingly overnight, the challenges were compounded. Digital assistants ushered in the ecosystem economy, promising to blur traditional industry boundaries and requiring businesses to interconnect flexibly, rapidly, and in new ways. Insurtechs burst onto the scene to take advantage of ecosystems and their enabling technologies: APIs, mobility, AI/ML, IoT, and analytics. And customers and partners of every stripe began to demand the direct, streamlined self-service options and customer experiences they enjoy everywhere else.

As if all of these disruptors weren't enough, the COVID-19 pandemic and climate challenges, like raging wildfires and floods, forever changed our industry. These situations have accelerated demand for direct-to-consumer insurance experiences and heightened imperatives for rapidly responding to fast-moving circumstances.[1]

Getting to new economy success

Studies show that most insurers are abundantly aware they need to innovate (97% on one recent survey) and digitalize (99%) to survive and thrive in the new economy. However, most (60%) believe that insurers are falling short in offering relevant products and services.[2]

Clearly, insurers aren't grappling with whether they need to change but rather how to get it done. How can we shift from the traditional product-centric model to become customer centric? How can we quickly personalize products and experiences in response to customer, market, and profitability needs? How can we support our existing distribution networks while simultaneously offering consumers more direct interactions? And so on.

Although the obvious high-level answer is by adopting technologies and tools that enable you to do all of those things, in this report we'll provide you with specific actions to help you prepare for a future that is unpredictable and arriving sooner than anyone could have expected.

60%

believe that **insurers are falling short** in offering relevant products and services.

1"Innovating from necessity: The business-building imperative in the current crisis," Jason Bello, Shaun Collins, Ralf Dreischmeier, and Ari Libarikian, McKinsey & Company, April 16, 2020
2"The 2020 Insurer Industry Compass," Insurtech Insights, October 2020

Innovate at Speed

After decades of investing in technologies designed to make doing business with customers easier, our industry is now rapidly pivoting to embrace technologies that make it easier for customers to do business with us.

Across all business lines, insurers are reimagining customer journeys and business models to create frictionless customer-centric experiences driven by consumer expectations for fast, simple, personalized interactions whenever they choose. Although insurers have already benefited from early digitalization efforts, creating the ever-richer and more meaningful experiences your policyholders expect requires AI-enhanced customer knowledge and intuitive context-aware workflows.

Like an insurtech, it starts with offering mobility-enabled access across a customer's entire relationship lifecycle, underwriting, to quoting, billing, and claims. In fact, mobility leaders enjoy five times the frequency of interactions with their customers and receive higher Net Promoter® ratings, translating to greater loyalty, multiple product purchases, and increased recommendations to family, friends, and colleagues.

However, as you've likely already discovered, modernizing customer journeys goes beyond mobility. It also involves embracing any technology, platform, or service that helps you know your customer and proactively address their needs through personalized products and experiences.

Supplying these anywhere, anytime, personalized interactions requires realtime integrations with your backend systems as well as those of your partners, other external data providers, and emerging insurance information sources.

To gain the needed ability to ingest, analyze and act on multiple data streams necessitates adopting a core platform that is up to the task.

Fundamental to such a platform are:

- A feature-complete API catalog to support the delivery of rich ecosystem experiences
- Event streaming for data ingestion, real-time analysis, and response
- Rapidly adaptable, full-suite configuration

Tower Insurance in New Zealand adopted EIS Suite as the cornerstone of its digital transformation initiative to simplify business processes and position the company as a digital leader that delivers new products and services tailored to the specific needs of customers.

Within the first year after the new platform go-live, Tower reported:

- 2/3 of new business is through online channels
- approximately 45% of claims are lodged online
- 165k registered customers for My Tower online sales and service
- loss ratio improved from to 46% from 48%
- 31% increase in Tower Direct quotes
- +50% of tasks and transactions completed digitally (NZ)
- 90% of Tower direct customers on new EIS cloud-based platform through online channels
- 70% of workloads moved to cloud

APIs: Building blocks for customer-centricity

An API is a software gateway that serves as a communications intermediary between two technology systems ("applications"), such as your core policy admin system and a policyholder's IoT-connected fitness tracker. In other words, APIs deliver the protocol for system-to-system interactions. Further, as every API handles a specific communications task, complex interactions between technology applications typically necessitate multiple APIs or a means of adapting APIs to the target use case, otherwise known as persona-based APIs.

This makes investing in an open (non-proprietary), API-rich technology platform your first step. Whether you use it to replace your existing core systems or deploy it as an integration layer to give you the real-time flexibility, agility, and upgradability you need, an API-enabled platform is crucial to delivering personalized experiences that are second to none.

Event Streaming: Your superpower for data-rich environments

Knowing your customers requires real-time access to data in order to interpret their actions and intent quickly and respond accurately. As responses can range from suggesting a new product based on current circumstances to providing tips for maximizing existing products, event streaming plays a pivotal role in personalization and the customer experience.

Examples of streams include Medical Information Bureau, Motor Vehicle Records, credit, and prescription databases, or even biometric feedback from wearable devices. With a platform capable of event streaming, all this information can be ingested, analyzed, and acted upon cost-effectively in real time.

Nailing Business Change Management

Successfully completing the transformation of the customer journey requires that insurers establish ownership within internal teams, pay attention to, and continuously adjust their operational models.

Critical steps in the business change management process include:

- Evaluate organizational readiness
- Implement strong governance
- Establish high-impact two-way communications
- Mobilize champions and influencers
- Monitor stakeholder impacts
- Cultivate a continuous improvement mindset
- Train early and often
- Track progress and adjust dynamically

Rapid configuration: Checking for resonance and iterating in response

No matter how carefully you design and focus group products and experiences, they only prove their true worth in the wild. What's more, there's the opportunity cost of the time spent getting products in-market. This makes the benefit of a platform with rapid configuration capabilities self evident.

Tools that can help you customize products, APIs, and user interfaces are vital to iterative development, testing, and refinement of products and experiences. The sooner you can get in front of a customer, the sooner you can either realize the benefit of your investment or pivot based on explicit or implicit customer responses.

Cutting Edge without Complexity

Today an insurer can still win by offering products. Tomorrow, you will only win by providing assistance, prevention, and other adjacent services, as well as by offering the right product to the right customer at the right time. That's what digital insurance ecosystems are all about.

On pace to become the dominant business model, research suggests ecosystems will constitute 30% of global sales by 2025 across industries, generating a whopping $60 trillion in revenue that year.[4] In fact, the very term "ecosystem" occurs at least 13 times more frequently in annual reports now than a few years ago.[5]

Making insurance decisions a snap

Driven by the customer-centric processes and decisions that once took weeks, a digital insurance ecosystem can help consumers make coverage choices in minutes. By understanding the customer, insurance ecosystems present specific options to specific people, significantly simplifying complex decisions and empowering customers with customized products along with immediate responses to their questions and interests.

From the customer's perspective, the experience is thoughtful, inclusive, and anticipatory, as an individual is presented with relevant options that are informed by their personal preferences, customer history, demographics, and other attributes. This makes customers feel confident and valued, which inspires loyalty.

For insurers, ecosystem success requires a keen interest in interacting with new partners, distribution channels, systems, and data sources – ranging from start-up insurtechs to established heavyweights. It also requires technology that is flexible, open, and able to support rapid integrations across your lines of business to drive innovation now and into the future.

In other words, insurers need a new breed of technology platform, one that's capable of quickly connecting, disconnecting, and reconnecting with other systems, platforms, and partners to enable continuously reformulating ecosystems as customer needs, expectations, and preferences evolve.

4"Ecosystems and platforms: How insurers can turn vision into reality," Tanguy Catlin, Ulrike Deetjen, Johannes-Tobias Lorenz, Jahnavi Nandan, and Shirish Sharma, McKinsey & Company, March 12, 2020
5"Do You Need a Business Ecosystem?," Ulrich Pidun, Martin Reeves, and Maximilian Schüssler, Boston Consulting Group (BCG), September 27, 2019

Use Coretech for Interconnecting Everything

While it's no secret that decades-old legacy solutions were designed for yesterday's product-centric approach, even core systems deployed recently – referred to as modern legacy solutions – are being replaced as they're simply not designed to support emerging business models or fast integrations.

Enter coretech, a new category of solutions that takes the fresh approach of using a customer-centric design, similar to an insurtech, but with purpose-built end-to-end insurance functionality and scalability.

As an ecosystem-enabling platform, coretech is architected with the microservices, APIs, and event-based workflows necessary to support easy integration with all types of businesses, whether start-ups or traditional, as well as third-party data and services providers, including aggregators. And, because coretech is cloud native, it fully utilizes the cloud's on-demand, scalable and secure infrastructure. It also leverages agile approaches and DevOps methodologies for the rapid and continuous delivery of new business capabilities.

Customer first by design

A coretech solution is engineered, from the ground up, to put the customer at the center of every interaction, whether it's underwriting, claims, or billing. In addition to allowing customers to interact with you in the manner they choose, coretech also enables you to up sell and cross sell many different types of policies to a single customer across multiple product lines.

The most advanced coretech solutions supply a feature-complete catalog of open APIs across every application in the platform, offering more options for rapid integration with your other existing systems, including legacy, modern legacy, and cloud-hosted, as well as myriad external business, IoT, and other information repositories.
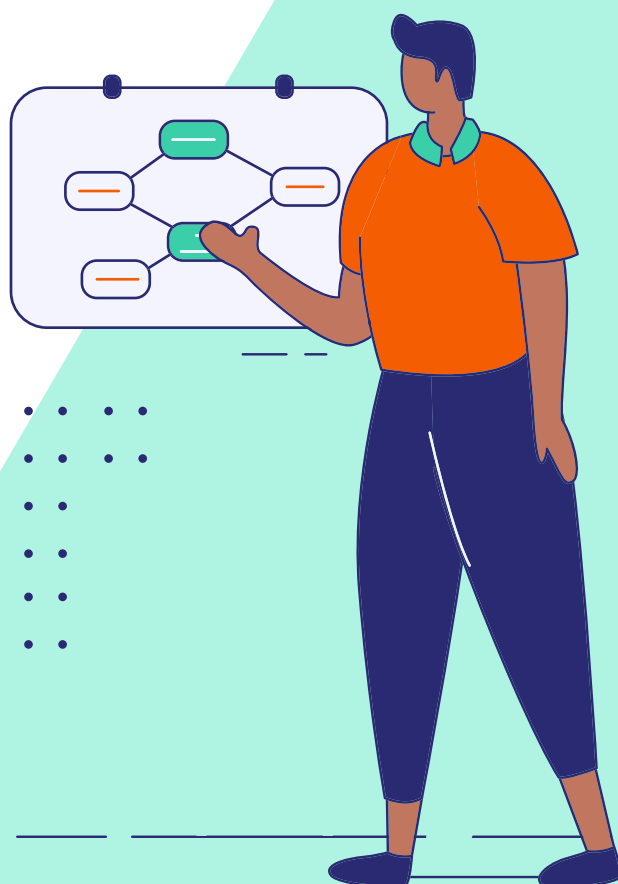
6 Benefits of a Cloud-Native P&C Insurance Platform

Insurance core systems built on cloud-native architectures – aka: coretech – offer ambitious insurers a host of future-focused benefits. Let's take a look.

Open.

A system that enables unfettered, inbound and outbound interactions through APIs and events while being easily adaptable to your business needs.

SaaS delivered.

Empowering you to focus on your core business while leaning on the SaaS provider for performance, reliability, security, and compliance in a package with predictable pricing and the same extensibiity as an owned deployment.

Customer centric.

A multiline platform that permits the introduction of any product, in any channel, and sold to any customer using thousands of open source APIs. It provides low code/no code tools and leverages AI-assisted automation to blend channels into a unified or "channelless" experience, whether B2C, B2B, or B2B2C.

DevOps enabled.

For rapid implementation, innovation, and transformation with fast and low-cost product launches, non-disruptive updates, automated builds, and continuous agile cycles that integrate, deploy and deliver new or updated products. Coretech provides DevOps that reduce your IT training needs and increase management efficiency through cross-platform Infrastructure-as-Code (IaC).

Cloud native.

Purpose built for the cloud, featuring secure microservices architectures, containerization, event-driven capabilities, cloud platform agnostic, rapidly scalable, and natively resilient. Beware modern legacy solutions that have simply been deployed on a cloud platform, called "lift-and-shift," and be sure to read the fine print closely.

Cost effective.

By moving capital expenditures to operating expenses, a leading coretech platform promotes cost predictability and reduces risk, which lowers TCO and generates faster ROI.
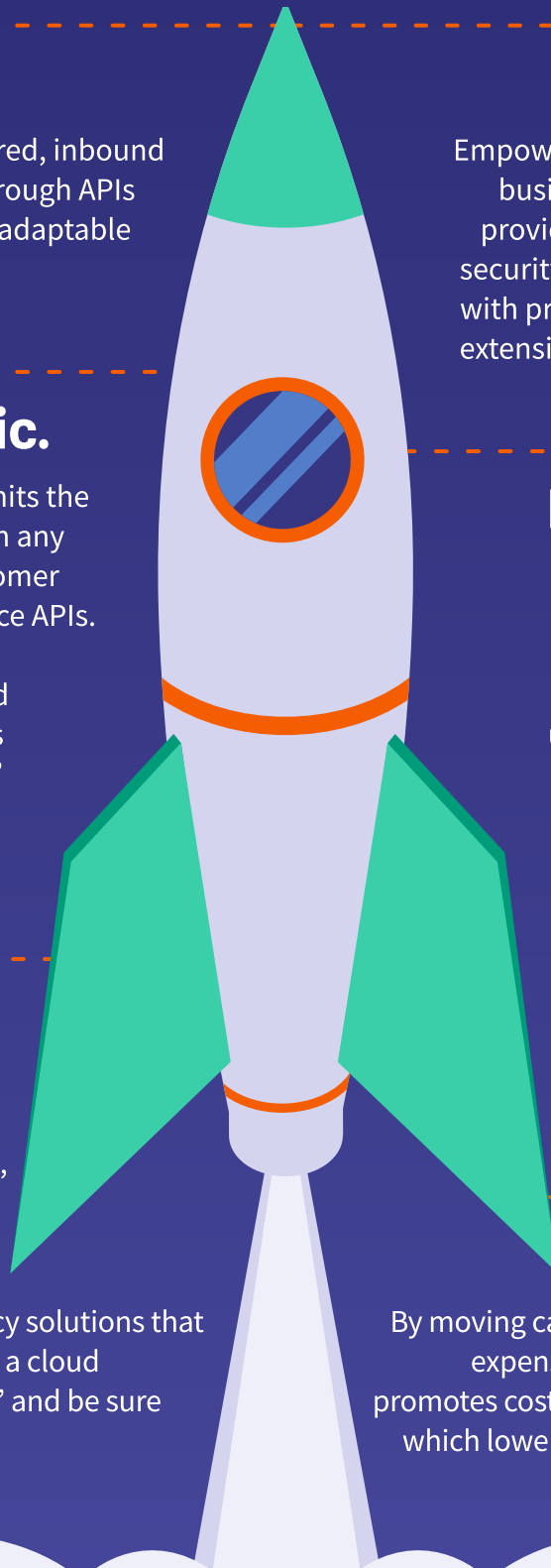
Power Real-time Experiences with Persona-based DXP

Creating seamless, frictionless customer-centric insurance journeys requires a coretech platform that's not only capable of enabling real-time interactions but also supplies intuitive tools for your business users to build customer experiences quickly and efficiently.

That's why digital experience leaders are investing in solutions that include an insurance-focused, persona-based digital experience platform (DXP). Think of DXPs as a translation and presentation layer that composes usecase-specific APIs from the transactional APIs of multiple systems behind a facade that takes care of security and performance considerations.
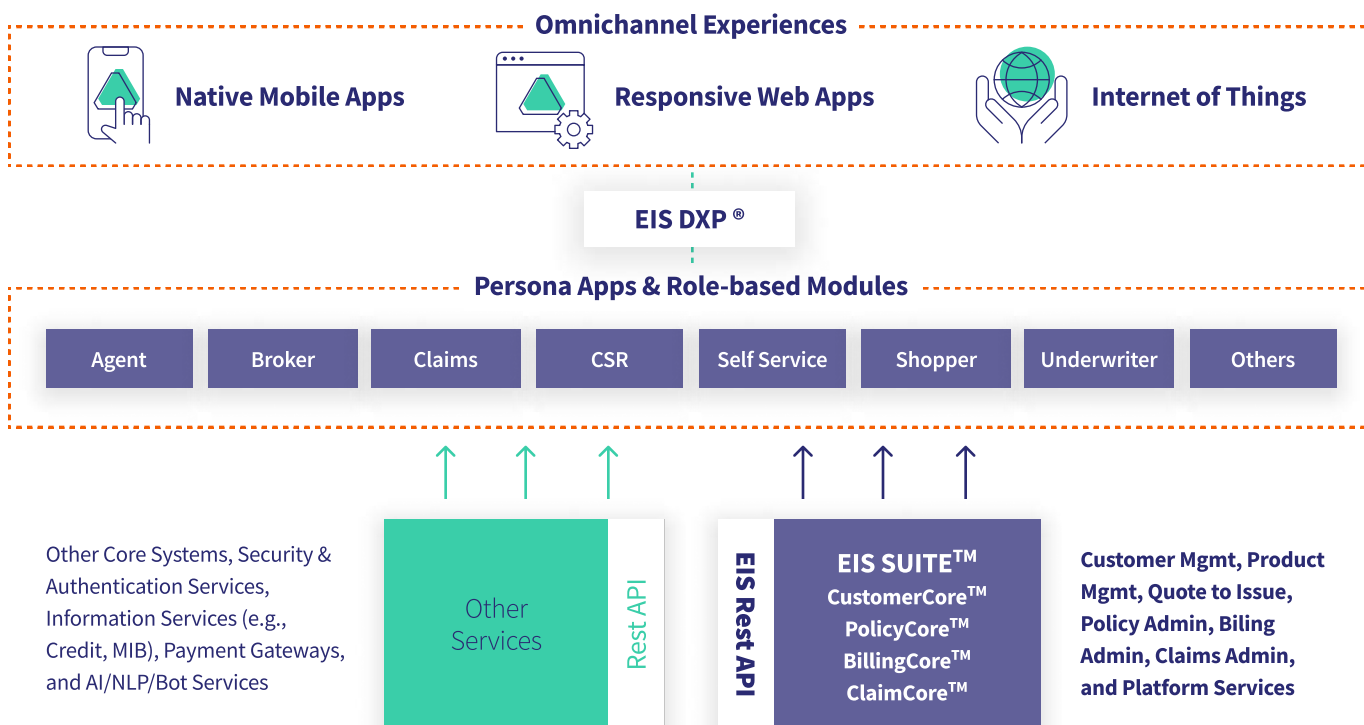
Further, a persona-based DXP streamlines experience creation by offering pre-built "personas" that reflect the common types of insurance users, such as an agent, broker, underwriter, billing agent, and the tasks they often need to complete.

In addition to streamlining processes, personas enable your business users to gain confidence and quickly become more productive.

Another essential insurance DXP capability is diverse ecosystem support for easily integrating with multiple policy admin systems or flexibly incorporating partners, distribution channels, and insurtechs. This requires multiple types of insurance communication protocols as well as open, RESTful APIs.

Overall, an advanced, persona-based DXP within your coretech solution gives you the digital dexterity for delivering more responsive, engaging, and satisfying customer experiences across every channel. With a robust DXP, your customers, producers, and employees have complete, real-time information at their fingertips whenever and wherever they want.

Consumer Persona-based Digital Experience Platform (DXP)

Omnichannel Experiences

Native Mobile Apps — Responsive Web Apps — Internet of Things

EIS DXP ®

Persona Apps & Role-based Modules

| Agent | Broker | Claims | CSR | Self Service | Shopper | Underwriter | Others |

Other Core Systems, Security & Authentication Services, Information Services (e.g., Credit, MIB), Payment Gateways, and AI/NLP/Bot Services

Other Services

Rest API

EIS Rest API

EIS SUITE™
CustomerCore™
PolicyCore™
BillingCore™
ClaimCore™

Customer Mgmt, Product Mgmt, Quote to Issue, Policy Admin, Biling Admin, Claims Admin, and Platform Services

Control without Compromise

Although ubiquitous for accessing applications like collaboration, CRM, and financial management on desktops, laptops, and mobile devices, SaaS only recently became more widely accepted for delivering systems that enable quotes, policy administration, billing, claims, and other insurance core technologies.

Embracing the right SaaS solution empowers you to focus on your core business, freeing your teams to focus on what matters most. It leaves the messy details of running enterprise software to your partner, who knows the platform best.

The right solution also provides the same level of flexibility for customizing it as if you owned the deployment yourself. In addition, it needs to scale seamlessly as your business grows while maintaining the contracted service levels.

Finally, pricing should be predictable. There's no point in outsourcing infrastructure if you face the same variability in infrastructure, human resources, and other expenses as running the solution in your IT shop.

Financial benefits

Manage costs predictably.
With an all-inclusive SaaS platform, your partner takes over application and infrastructure burdens as well as delivering core insurance solutions. You gain predictable subscription pricing, improving your ability to forecast accurately.

Address the IT talent crunch.
With the insurance industry experiencing an unprecedented talent gap resulting from ongoing baby boomer retirements, an all-inclusive solution ensures you always have the right talent at the right time.

Secure and compliant.
Adopting SaaS transfers regulatory and security risks to your provider and supplies you with a platform that evolves continuously to stay ahead of new threats and adhere to new regulations.

Business benefits

Go live sooner.
SaaS eliminates the time and effort of spinning-up a working, tuned environment, as well as the associated IT training and management expenses.

Innovate faster/Test-and-learn.
Integrated full-suite, end-to-end configuration tools and a built-in CI/CD pipeline, with automated deployments, supplies you with faster, iterative product and service development cycles.

Technical benefits

Non-disruptive updates.
Stay current without impacting users or dedicating internal resources to maintenance.

Eliminate technical debt.
Historically, core systems have accumulated technical debt as they age. With an all-inclusive SaaS platform, your partner is responsible for updating technologies and subsystems.

Reduce Risk and Complexity

At last, insurers can say "goodbye" to complex, years-long core systems replacements. By adopting a robust, all-inclusive platform born in the cloud, you can gain rapid core renewals via a combination of coretech insurance technology, proven implementation methodology, and agile delivery principles.
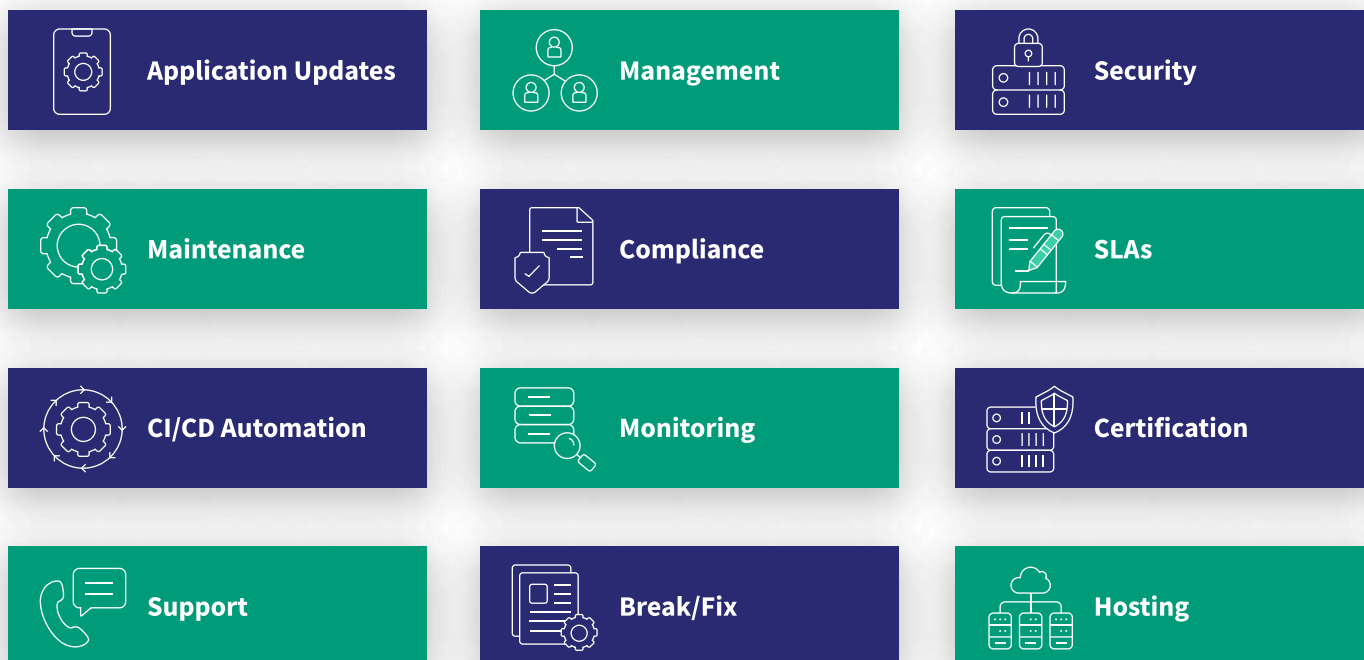
Rather than delaying the decision to replace your core systems due to high implementation costs, lengthy delivery cycles, or risking customer experience disruptions, you can reign in legacy and modern legacy IT run amuck with integrated delivery and maintenance services and without spending many painful years and tens of millions of dollars.

By adopting an all-inclusive coretech platform, you can divide core renewals into manageable projects and enable capabilities one at a time. What's more, a platform provider that offers a proven methodology, an array of advanced development tools, and agile delivery principles can give you a smoother ride with higher-quality output and fast go-lives of six months or less.

Truly global platform providers offer a worldwide implementation network with teams that work around the clock to accelerate your launch.

An All-Inclusive Platform for Ambitious Insurers

By handling the following underlying tech burdens for you, an all-inclusive platform enables your IT department to focus on business innovation, delivering value to customers, and creating the future of insurance by offloading unproductive, resource-intensive infrastructure tasks.

Application Updates	Management	Security
Maintenance	Compliance	SLAs
CI/CD Automation	Monitoring	Certification
Support	Break/Fix	Hosting

Deploy Once, Integrate Endlessly

With fast-paced insurtechs offering customers streamlined digital experiences and personalized coverage, traditional insurers are turning to a modern software development model called continuous integration/continuous delivery (CI/CD) to ensure they can compete.

Also referred to as DevOps, CI/CD is an agile development practice and operating principle that combines software implementation processes with ongoing operations efforts to continuously and reliably evolve a software platform. Multiple teams, often on multiple continents, repeat development steps continually, with automation tools aggregating changes and conducting quality assurance testing.

To gain the most from CI/CD, invest in an all-inclusive coretech platform offering a mature CI/CD model with a proven track record. You'll not only benefit from deep expertise and experienced talent pools but also gain a CI/CD practice specializing in the needs of domestic and global insurers.

Non-disruptive updates & advanced testing keep your team going strong

Look for time-shift testing capabilities, as certain types of insurance events are time-driven. For example, policies are issued throughout the year, but renewals occur annually or at year-end. Advanced time-shift testing enables immediately validating an entire time-based process, like policy issuance through renewal, rather than testing pieces of the process as they occur. This enables you to turbo-charge assessing, adjusting, and optimizing complex business processes with maximum efficiency and minimum cost.

In addition to reducing the risks associated with traditional "big bang" software deployments and updates, CI/CD accelerates time to value by ensuring you can introduce new features to your customers rapidly. This enables you to embrace a strategic leadership mindset for taking advantage of market opportunities rather than the old-school method of responding to threats. What's more, customers and users win because they always have the latest, most advanced, and most personalized experiences.

Overall, an advanced CI/CD practice can lower your total cost of ownership, protect your technology investments, and help you stay focused on today's imperative to be relentlessly customer centric.
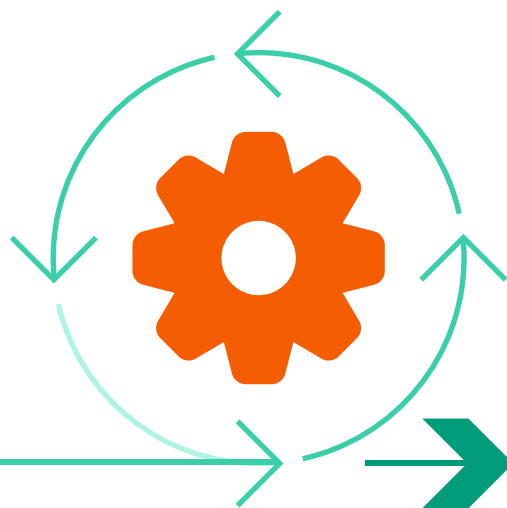
The Choice for Ambitious Insurers

Future proof your business and build for tomorrow

As the ability to reimagine customer journeys quickly and deliver new experiences seamlessly will increasingly determine industry winners and losers, your single most decisive differentiator for today and tomorrow is speed.

That's why it's imperative to slay the competition by becoming fast at everything you do:

Transformation without Barriers.

Go live faster and slash time to business value to weeks from months or years.

Cutting Edge without Complexity.

With an extensive API library and business-friendly tools, you can iterate rapidly based on customer and user feedback.
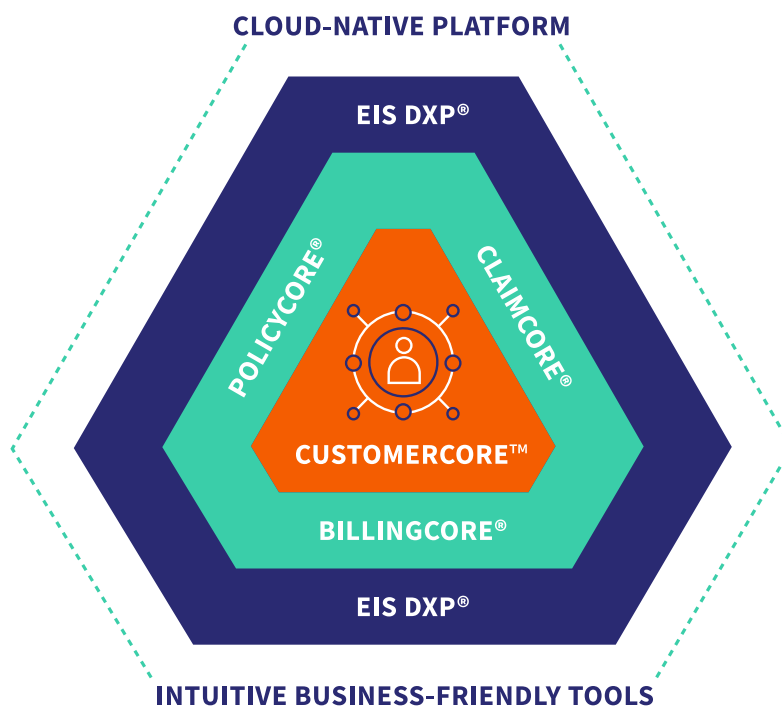
Control without Compromise.

Enable continuous transformation to anticipate opportunities and respond effectively in a constantly evolving marketplace.

The EIS Coretech Manifesto

EIS' cloud-native coretech platform is the first choice for ambitious insurers.

With our high-velocity cloud-native digital insurance platform, global talent pool, proven implementation methodology, and iterative delivery principles, we can get you to success sooner. You benefit from an all-inclusive, ecosystem-ready solution featuring an extensive open API library, persona-based customer experience tools, and CI/CD agility, along with the capability to leverage AI, advanced data analytics, and any intelligence technology that comes next.

EIS Suite™ Lead with Speed

CLOUD-NATIVE PLATFORM

EIS DXP®

POLICYCORE®   CLAIMCORE®

CUSTOMERCORE™

BILLINGCORE®

EIS DXP®

INTUITIVE BUSINESS-FRIENDLY TOOLS

About EIS

EIS is the first choice for ambitious insurers focused on future proofing their businesses and building the customer-centric insurance platforms of tomorrow.

Founded in 2008, EIS provides a digital insurance platform that has been specifically engineered to remove every obstacle and give you the freedom to pursue and achieve your most important strategic goals. Its open, flexible, cloud-native coretech platform liberates insurers to grow market share and enter new markets, develop new products and build engaging experiences, while lowering acquisition costs, boosting retention and delivering greater revenue and profits for the long-term.

Headquartered in San Francisco, EIS powers premium growth for insurers in all lines of business worldwide. For more information, visit EISGroup.com or follow @EISGroupLtd on Twitter and LinkedIn.

> " After decades of building their businesses on policies, insurers need to put customers at the center of everything they do and focus on future proofing their businesses. At EIS, our objective is simple: to offer control without compromise and help ambitious insurers innovate without barriers."

– Anthony Grosso
Head of Marketing & Communications @ EIS

Sound interesting? We should chat.

Learn more about how cloud-native coretech is helping ambitious insurers realize their goals.

Book your call