

THE STATE OF DIGITAL INSURANCE 2016



The epoch of digitalization is currently reshaping the insurance sector

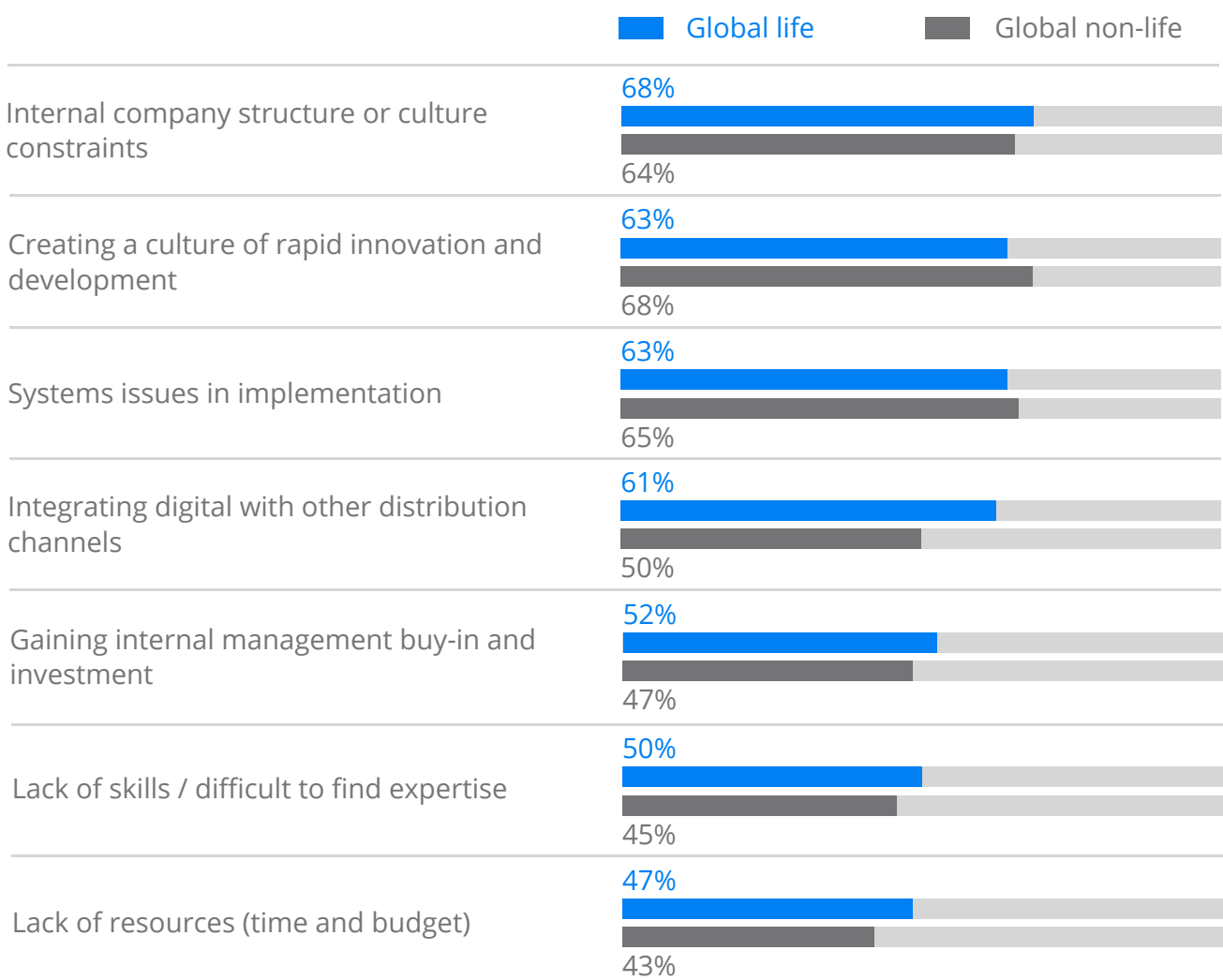
New digital technologies are irrevocably changing the way consumers engage and interact with insurers. Traditional operating structures are being disrupted, driving insurance executives to reassess their business model. It is time for insurers to re-evaluate their future direction and make the digital agenda a high priority.

79% say they are “not setting the baseline” for digital or are “still learning.”

Key challenges faced by companies in delivering digital strategy

Stepping on the road to optimization insurers face obstacles that block the way to improvement. For example, **68%** of life insurance companies say internal structure or culture constraints are the key challenge they face while delivering the digital strategy. Above that, **57%** of insurance companies have operating models that do not facilitate digital.

Here is a closer look at the key challenges:



Key Drivers to implement a digital strategy

Digital service models become more common in various industries, thus insurance companies will need to align with the rising expectations of a consumer and commercial customers.

Digital technologies, such as mobility, social media, and telematics will continue to disrupt all parts of insurance value chain — from client acquisition to claims and servicing.

Trying to develop digital strategies that enhance customer experience, extract efficiencies and drive future growth, some companies hope to find an all-included and comprehensive way to digitalization. Still, there is no such a thing as an all-included way, therefore insurers should start with a renovation roadmap that would base on several major milestones:

- Improvement of the quality and frequency of contact
- Development of a next-generation distribution platform
- Advancement of omni-channel distribution

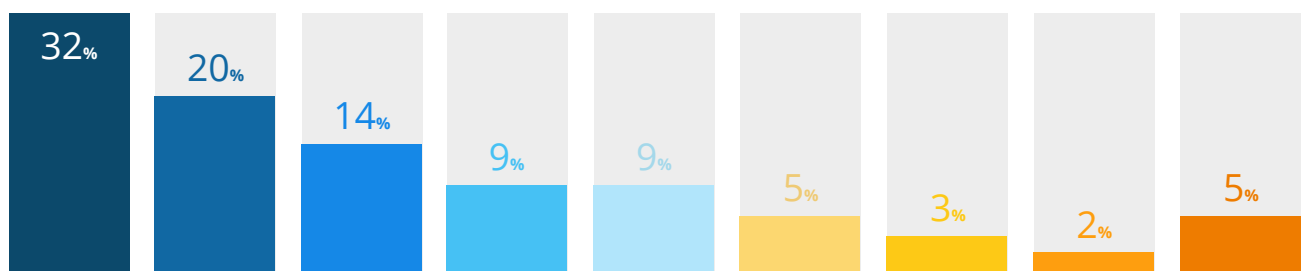


Improvement of the quality and frequency of contact

Issues with customer communication and delivery of positive customer experience are tackled by most businesses in any industry, and insurance is not an exception. It is not the work consultants who are questioned but the non-adjusted process and lack of technical skills.

Client retention and growth are based on a long-lasting positive relationship with a brand that is where insurance companies get stuck. The scheme below is the list of weaknesses that should be overcome.

Global (life and non-life)



- Enriching the customer experience
- Regaining more direct control of the customer
- Attracting prospective customers and increasing sales
- Reducing cost to serve customers and intermediaries
- Increasing internal efficiencies
- Managing and building brand
- Competitors are offering it and we want to keep up
- Increasing up-sell and cross-sell
- Other



Development of a next-generation distribution platform

Creating an effective distribution platform is critical for the insurance business. It allows companies to promote their customer service capabilities, product differences and manage claims-response times more widely.

Still, the platform won't work itself, and new clients won't come under some magical spell until the platform works under a carefully tuned distribution plan.

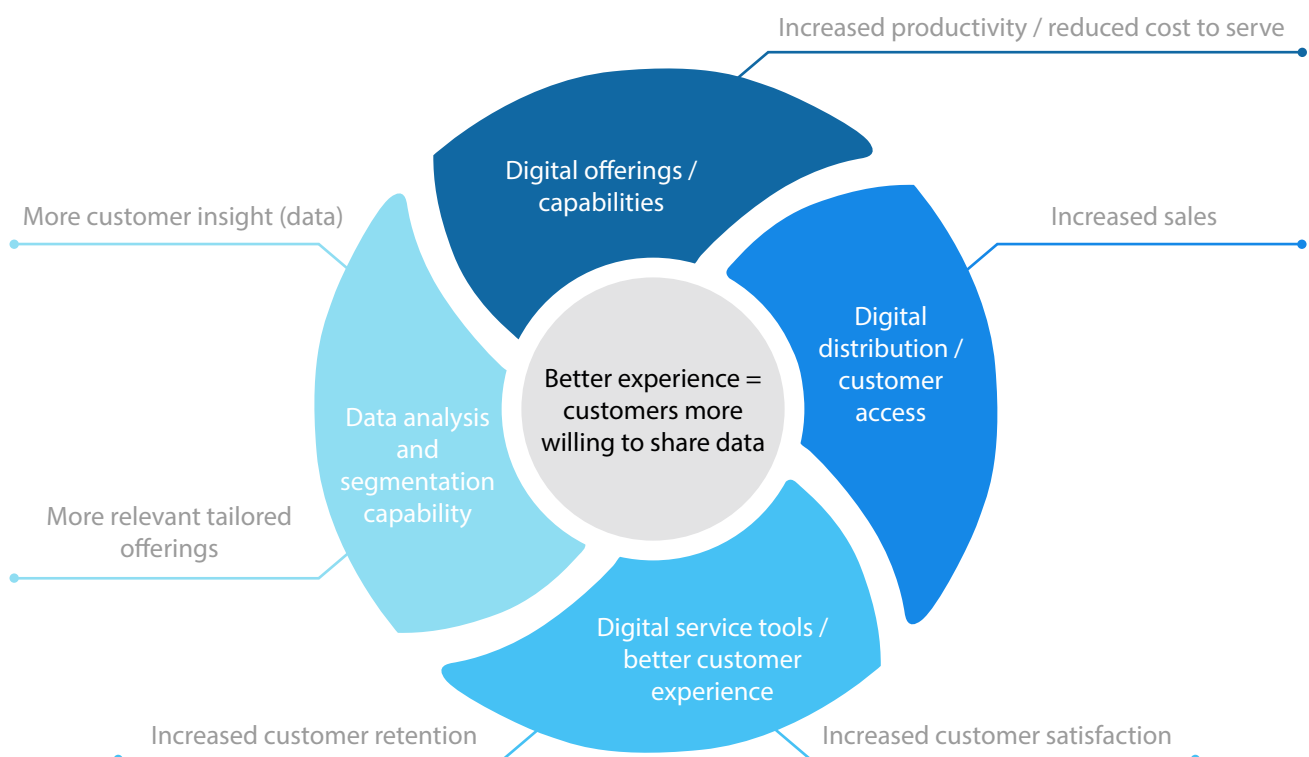


An undeniable part of the plan is an omni-channel approach

The days of one channel distribution are far away. Consumers demand for multichannel access to all insurance products. They need flexibility to learn, compare, purchase and report.

Customers won't stand in lines and hit up the office phones. It is the companies who should remind of services, deliver best support on 24-hour basis. By transforming messages and spreading them through various channels companies stay connected with customers round the clock.

However, the omni-channel approach doesn't end on messaging and staying in touch with clients. By implementing the approach companies get the analytical data that allows them to create custom offerings and packages.



Conclusion

Despite the challenges those insurers who started the digitalization stay more positive than those who keep to the old method and approaches. Still, two-thirds (68%), compared with 51% of all global companies, say they are “making good progress but still have some way to go”.

Every insurance has its ambitious future plan and to achieve those enthusiastic goals digital business plan is a must further success.

About Qulix

Qulix Systems is a global provider of software design and development, quality assurance and IT consulting services. Since the year of 2000 we aim at delivering high quality software solutions meeting our clients` needs across multiple business domains. Insurance industry stands among our primary competencies.

For years we`ve been implementing omni-channel systems, mobile applications and delivered value-added applications that boosted clients` business processes and delivered positive customer experience. We accumulated our experience to bring value. [Learn more...](#)



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