

WORLD INSURTECH REPORT 2020



TABLE OF CONTENTS

Preface	3
Executive summary	5
Evolution never stops	6
A multiple-challenge black swan	7
Uncertainty demands a focus on critical priorities	8
Customer-centric BigTechs earn customer trust	10
The stakes are high, how will insurers ante up?	11
Innovation at warp speed	11
InsurTechs help to catalyze insurers' crisis-mode digital transformation	12
As lines blur among insurers, competition intensifies	15
Increasing competition is whetting collaborative appetites	16
The golden mean between time, money, autonomy, and differentiation	18
A perennial capabilities dilemma: Should we build, buy, or collaborate?	21
Tomorrow's industry frontrunners will adeptly synthesize innovative offerings	23
An evolving industry landscape requires fresh thinking and data-driven action	24
Partner with Capgemini	25
Methodology	27
Ask the Experts	28
Acknowledgments	31
About Us	33

Preface

Since 2018 when we launched the World InsurTech Report, our analysis and trend predictions have been sound. Industry change has been fast and furious. InsurTechs have morphed from new-age competitors to maturing collaborators. Tech giants and assorted challengers are zealously venturing into insurance territories. Innovation and cultural awareness are at the top of everyone's agenda.

Like you, however, we had little inkling about the black swan novel coronavirus that would heighten awareness and significantly affect insurers' performance measurements around customer engagement. As lockdowns and shelter-in-place conditions blanketed countries, BigTechs emerged as consumers' shining CX north star - taking over our collective consciousness as trusted, crisis-ready purveyors of food, 24/7 entertainment, facemasks, hand sanitizer, and, in some cases, insurance.

The pandemic is forcing the industry to take an unvarnished look at how it communicates. Can agents work effectively from home? Are insurance processes resilient to unexpected changes? Do policyholders receive caring service? Is WOW-factor digital experience the way to keep today's time-strapped, multi-tasking insureds engaged and loyal?

Speaking of engagement, we are incredibly appreciative during this year like no other to have received seasoned insight from a highly engaged Executive Steering Committee made up of leaders from the United States, Europe, and Asia who represent insurance firms, InsurTech organizations, the influencer community, technology providers, and VC investors. Committee members took time for one-on-one discussions that helped us to finalize report themes and frame hypotheses for validation, as they shared first-hand experiences and their market vision. Thank you for your invaluable support.

In addition to Steering Committee conversations, our 2020 report team interviewed nearly 200 industry executives and heard incumbents say that fallout from COVID-19 was compelling them to fast-track digitalization. Meanwhile, InsurTechs said they appreciate insurers' growing demand for collaborative support, but it is pushing them to acknowledge the urgent need to scale. And, our trend antennae perked up when more than 60% of survey respondents said they are interested in working with BigTech firms. Hmmm ...

What does it all mean? Within an open insurance ecosystem, boundaries between incumbent insurers, InsurTechs, BigTechs, and tech partners are blurring as participants work cooperatively to meet rapidly evolving customer expectations and to thrive as traditional business models become redundant.

In previous editions of this report, we emphasized the importance of Inventive Insurer competencies. Today, they are essential across high-impact areas such as crisis-proofing processes and enhanced digital experience.

Insurers across the globe will go into the upcoming strategic planning cycle faced with prioritization decisions that force them to weigh trade-offs among time, profits, autonomy, and differentiation.

Nobody said it was going to be easy. The 2020 clarion call tells us that successful participants in the new insurance marketplace will open their minds and cultures to fresh thinking as they leverage scalable platforms to prepare for the unexpected.

Anirban Bose

*Financial Services Strategic Business Unit CEO
& Group Executive Board Member,*

Capgemini

John Berry

*CEO,
Efma*

Executive Steering Committee



Greg Tacchetti
State Auto
CIO & Strategy officer



Paul Tyler
Nassau Financial Group
CMO



Frank Desvignes
AXA NEXT
Global Head of Open Innovation



Arnaud de Scorbiac
ISAI
Investment Director



Dipak Sahoo
Generali
Regional head of Technology - Asia



Ramon Lopez
USAA
Vice President, Innovation



Jay Weintraub
InsurTechConnect
CEO



Eric Sibony
Shift Technology
Co-founder & CSO



Sabine VanderLinden
Alchemy Crew
Co-founder & Managing partner



Stephen Barnham
MetLife
Asia CIO



Manish Shah
Majesco
President and Chief Product officer



Stacey Brown
Insurtech Hartford
Founder



Tim Hardcastle
Instanda
CEO



Sue Coulter
AIA
Head of Group Digitalization & Innovation

USA

EUROPE

APAC



Insurance firms

InsurTech, Influencers, VC firms and Technology partners

Executive summary

COVID-19 is significantly affecting insurance industry customer engagement KPIs, as BigTechs define the CX north star.

- A high-impact black swan event, the pandemic is forcing insurers to assess customer engagement performance metrics.
- BigTechs are earning even more customer trust by offering resilient processes, real-time crisis response, intuitive customer care, and digital experience (DX) with *WOW*-factor appeal.

Industry players are upping their game, venturing into under-explored territories, and closely collaborating at scale.

- As incumbents fast-track their digitalization efforts, they are seeking support from InsurTechs, which translates into sudden demand and the need to scale up.
- BigTechs and other non-traditional players are making their presence felt in the insurance industry. More than 60% of the insurers and InsurTechs we interviewed said they are interested in working with BigTech firms.
- Boundaries between incumbent insurers, InsurTechs, BigTechs, and tech partners are blurring as industry players explore new territories.

At last, insurance ecosystem participants are working hand in hand to improve the capabilities necessary to meet rapidly evolving customer expectations.

- *Inventive Insurer* competencies will help the industry become more effective across high-impact focus areas such as crisis-proofing processes and enhancing DX.
- Strategic capability development begins through a lens in which time, money, autonomy, and differentiation trade-offs are weighed.
- For insurers to remain relevant and to establish frontrunner impact, new competencies are essential as innovative digital products and data-driven hyper-personalization take center stage.

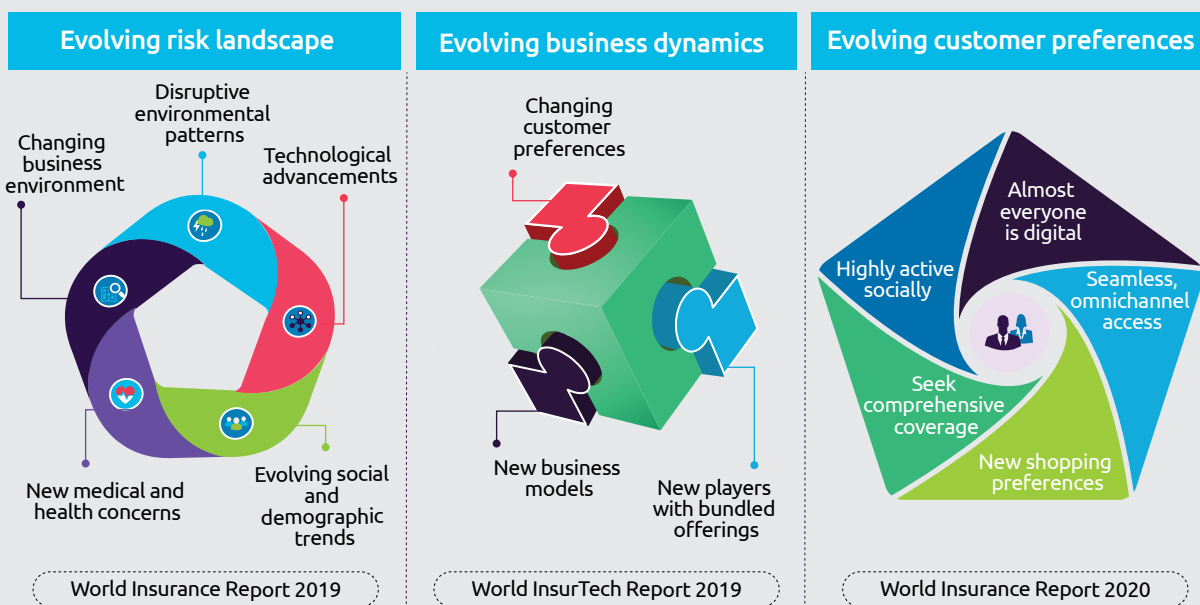
Within the ever-changing insurance marketplace of the future, successful participants will be those with an innovative mindset (and scalable platform) – able to react nimbly by keeping ahead of trends and preparing for the unexpected.

Evolution never stops

Change is the only constant in life, and as the world multi-dimensionally evolves, so, too, does the insurance industry. Over the years, the risk landscape has been evolving, business dynamics have been

fluctuating, and customer preferences have been in flux, as we discussed in detail in our latest editions of the World Insurance Report and World InsurTech Report.

Figure 1. The evolving business landscape



Source: Capgemini Financial Services Analysis, 2020.

Early signs of a hit in customer retention and acquisition are being evidenced as we witness widespread job losses, wage cuts, and business failures. This will be exacerbated if the COVID-19 pandemic situation is protracted. Today's 'new normal' will likely be tomorrow's "business-as-usual."

— Vighnesh Shahane,
Managing Director & CEO,
IDBI Federal Life Insurance Co. Ltd.

Macro trends have been driving change in the insurance risk landscape.¹ And along with coping with new and emerging risks, the industry began to shift, in recent years, to include new business models and disruptive newcomers, which we covered widely in the 2019 World InsurTech Report.² In the World Insurance Report 2020, Capgemini revealed the growing digital adoption across generations and changes in customer preferences.³

Just as new dynamics were heralding a call to industry action, COVID-19 brought in a rude and abrupt interruption and accelerated the evolution of business dynamics.

¹ [Capgemini | Efma](#), "World Insurance Report 2019," May 14, 2019.
² [Capgemini | Efma](#), "World InsurTech Report 2019," Oct. 7, 2019.
³ [Capgemini | Efma](#), "World Insurance Report 2020," May 14, 2020.

A multiple-challenge black swan

The black swan event COVID-19 posed, on the one hand, a life and health threat and, on the other hand, kept everyone locked down, forcing us to reinvent business routines. And, for everything impacted by COVID-19, there was a residual effect on associated insurance policies.

How are incumbents managing business continuity and customer engagement?

COVID-19 has sparked significant implications for established insurers. Overall, the low-interest-rate environment has adversely affected all incumbents.

On a positive note, **incumbents are maintaining business continuity**. More than 90% of the traditional insurers we polled for this report said they had acquired capabilities to conduct business remotely.

Of concern, however, are **customer engagement challenges** that haven't gone away. Insurers told us their customer engagement KPIs were affected because of COVID-19.



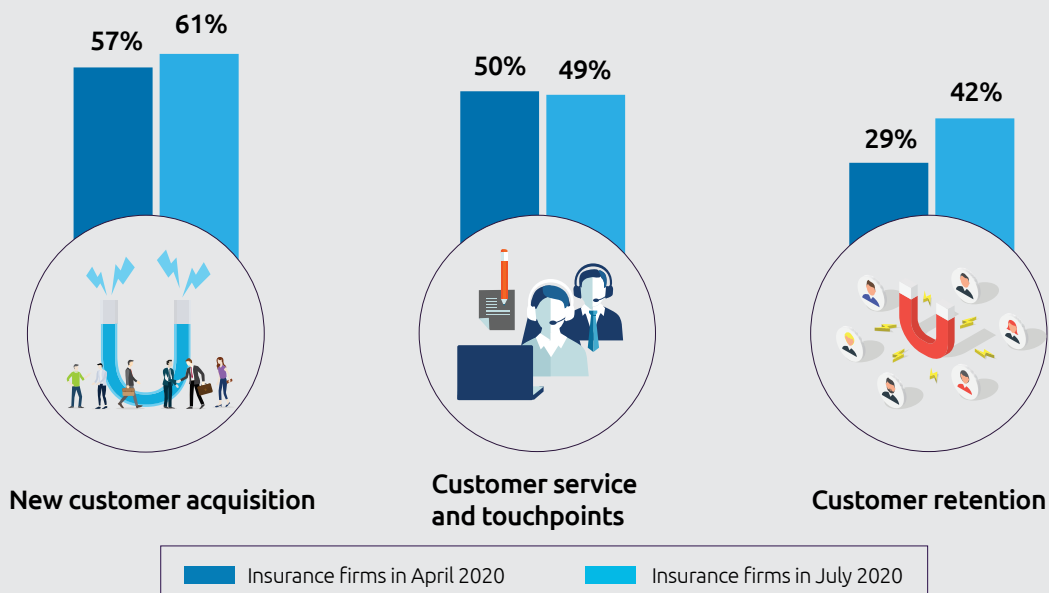
Innovation is more important to the industry than ever. Yet, we know that every carrier is under incredible cost pressure that impacts their regular business, not to mention today's low-interest-rate environment. The critical challenge before insurance firms is how to meet the needs of their customers and sales channels."

— Paul Tyler,
CMO, Nassau Financial Group

The takeaway? Ineffective customer engagement during a crisis may jeopardize policyholder loyalty and trust and adversely affect Net Promoter Scores.

Insurance firms are focusing on their digitalization efforts to better engage with their customers and to improve their operational efficiency.

Figure 2. Insurers that believe COVID-19 has impacted customer engagement, %⁴



Sources: Capgemini Financial Services Analysis, 2020; World Insurance Report 2020 Executive Interviews, 2020.

⁴ Question: How is the COVID-19 health crisis affecting your organizational KPIs within the following parameters? Rate on a scale of 1 to 7, where 1 = No impact at all, and 7 = Very high impact. The figure reflects ratings higher than 4.

Challenges and opportunities for InsurTechs

Incumbents' forced and sudden enthusiasm for fast-tracking digitalization efforts is translating into opportunities for InsurTech firms. However, InsurTechs face a time crunch to deliver up-to-the-minute solutions while managing the sudden demand to scale up – all while working to retain investor trust.

Overall, COVID-19 has underscored gaps around the technology, systems, products, and processes of both established insurers and InsurTech firms. As might be expected, the unpredictability of 2020 is prompting the industry to restructure products and processes to be resilient during future crises.



With the impact of COVID-19, insurers need to refine their product pipeline and reprioritize their project roadmap – as some projects that were not a priority before are critical post COVID-19. Also, insurers should react at the right speed to mitigate the challenges ahead."

— **Frank Desvignes,**
Global Head of Open Innovation,
AXA NEXT

Uncertainty demands a focus on critical priorities

What do customers expect, and how does it affect insurance industry participants?

Real-time response - Policyholders expect fast service and responsiveness ranging from quick, hassle-free claims processing to immediate answers about coverage specifics. Delays or inaction erode confidence.

Insurance-as-a-utility - Today's policyholders say they want time-flexible coverage options that allow them to pay only for that period of use. They also want to be rewarded for positive behaviors that can reduce the frequency and severity of claim incidents. Visionary industry players are exploring and offering pay-per-use products, such as on-demand or usage-based insurance. These traditionally have been the turf of P&C carriers, but we see life and health carriers also innovating here.



COVID-19 has accelerated a trend that already existed, making it mandatory for companies to evolve towards real digital business models requiring excellent customer experience. The adoption of digital and distance selling is going to pick up the pace."

— **Thomas Esclavard,**
Head of Beyond Insurance /
Health Vertical Integration,
AXA Seguros

Crisis-proof processes - Customers need insurance firms the most during crises. When unusual things happen, they want reassurance that they are covered and access to critical services such as claims. Insurance firms should ensure business continuity and regular communications during crises.

Caring partnership - Customers expect empathy from insurance firms. They need their insurers to come up with proactive initiatives to express their care for customers when they are anxious over policy aspects or in pain/distress due to a crisis. Insurance firms should be empathetic towards the customers and establish an emotional connection with them.

Digital experience (DX) - Within today's fast-changing business environment, insureds want access to offerings at any time, from anywhere, and through a variety of channels. Customer-centric firms are meeting policyholder expectations by building intuitive self-service options that feature anytime, anywhere access.



Today's global health crisis has amplified the need for incumbent insurers to accelerate digitization efforts and instill technology into processes to improve customer experience."

— **Christophe Bourguignat,**
Co-founder, COO,
ZELROS

The incumbents and InsurTechs we talked with were in sync about key focus areas for policyholders in a post-COVID-19 world. Responses revealed that both established insurers and InsurTechs prioritized crisis-proofing processes as well as DX improvement. Notably, however, firms were less enthusiastic about the importance of new business models (insurance-as-a-utility), which may eventually merit serious consideration.

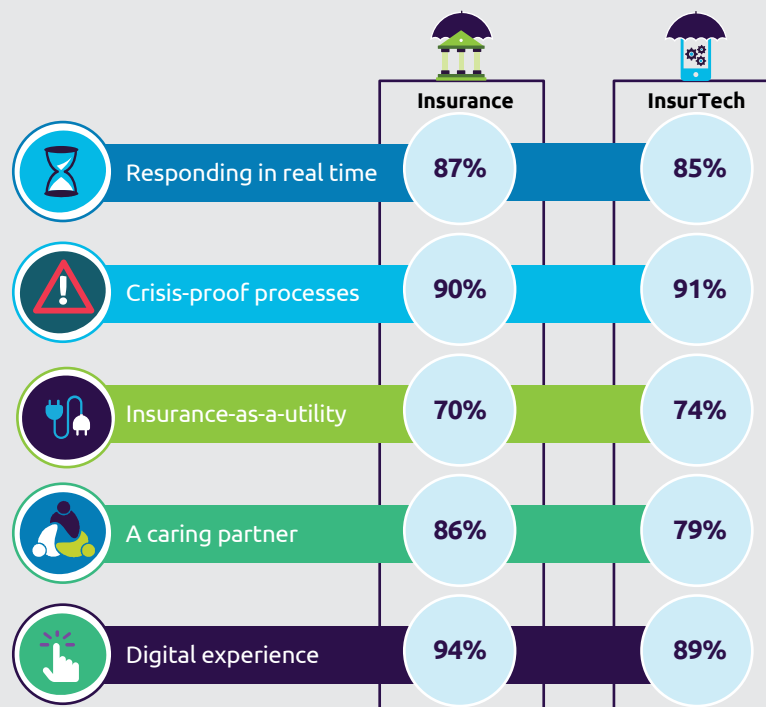
Customer expectations are evolving, and today they expect a BigTech-like experience. A ramification of unmet expectations is customer attrition. Policyholders will switch firms in search of convenience and better customer experience."

— Greg Tacchetti,
CIO & Strategy Officer, State Auto

Gradually insurers are realizing the importance of an emotional connection with customers, irrespective of COVID-19. Reaching out to customers at different life events, making sure their claims experiences are good, being a resource for authentic information and help — these are the underlying imperatives of being a caring insurer."

— Dipak Sahoo,
Regional Head of Technology – Asia, Generali

Figure 3. Incumbents and InsurTechs align on the importance of key focus areas⁵



Source: Capgemini Financial Services Analysis, 2020; World Insurance Report 2020 Executive Interviews, 2020.

⁵ Question: Considering the evolving business dynamics and the impact caused by COVID-19, how important are the following factors for meeting policyholder expectations/for an InsurTech to meet customer/client expectations? Rate on a scale of 1–7, where 1 = Not important at all, and 7 = Highly important. The figure reflects response ratings higher than 4.

Customer-centric BigTechs earn customer trust

When it comes to customer experience (CX), BigTechs have always been the shining digital stars. And, throughout the global health emergency, they earned even more customer trust by raising the bar in terms of operational crisis handling. Consumers expect and count on BigTechs for resilient processes, real-time response, intuitive customer care, and *WOW*-factor digital experience.

For example, spurred by COVID-19, China's tech giant Tencent launched free online health consultation services via five online healthcare platforms through WeChat.⁶ Apple partnered with the Centers for Disease Control (CDC) in the United States to launch a website and app that allow users to screen themselves for coronavirus symptoms.⁷ Facebook Pay and Instagram Shop are determined to win the loyalty of merchants and home shoppers through easy-to-create online stores and payment methods.⁸

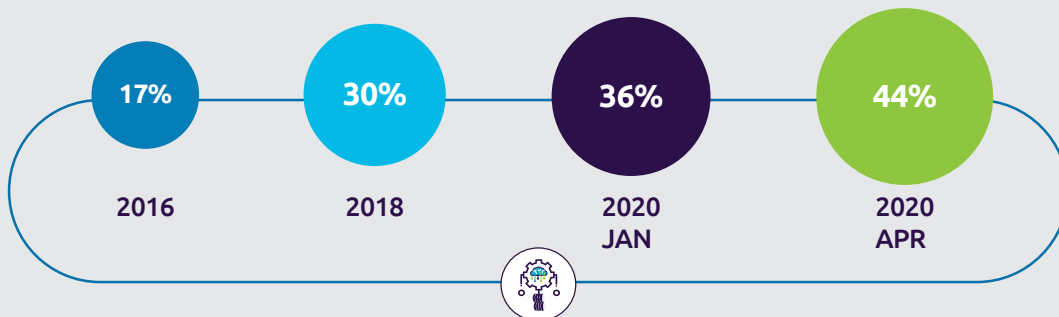
Customers can't unsee their BigTech experiences

Whether subliminal or explicit, consumers' superior BigTech experiences are affecting the insurance industry – and every business in which success depends on consumer confidence. With robust digital expertise and a wealth of customer data, BigTechs set the tone for defining the CX north star.

It should surprise no one, therefore, that policyholders' willingness to purchase insurance from BigTech firms has significantly increased over the past few years.

How do you interpret the data? Today's consumers expect made-to-order fries (CX) along with their burgers (products). And many are headed to a virtual BigTech drive-through to get it their way.

Figure 4. The COVID effect? Customer willingness to purchase insurance from BigTechs is rising



Source: Capgemini Financial Services Analysis, 2020; Capgemini Voice of the Customer Survey, 2016, 2018, 2020; Capgemini Research Institute, Consumer Behavior Survey, 2020.



I see BigTech firms as a guidepost for the industry to provide superior customer experience. All industry players - Insurance firms and associated ecosystem partners should aspire to create BigTech-like CX."

— **Sue Coulter**,
Head of Group Digitalization & Innovation,
AIA



Insurers should focus on improving customer experience on all fronts. Even the surrender processes should be as easy as possible. A seamless surrender process will ultimately lead to better customer satisfaction, and somewhat paradoxically, even better NPS scores."

— **Stephen Barnham**,
Asia CIO, MetLife

⁶ [CNBC](#), "China's giants from Alibaba to Tencent ramp up health tech efforts to battle coronavirus," March 3, 2020.

⁷ [Diginomica](#), "Is the COVID-19 pandemic Big Tech's path to redemption – and yours?" March 30, 2020.

⁸ [TechCrunch](#), "Instagram launches its redesigned Shop, now powered by Facebook Pay," July 16, 2020.

The stakes are high, how will insurers ante up?

Uncertainty has dealt a new hand to both incumbent insurers and InsurTechs. The industry executives we polled as part of the World InsurTech Report 2020 appeared laser-focused on their critical new priorities. So, let's take a look at some of their resilience strategies.

Incumbents are all in!

Established insurers were confident in their ability to establish crisis-proof processes (nearly 80% of respondents) and in their efforts to be a caring partner

for policyholders (75%). However, when it comes to real-time response, insurance-as-a-utility, and digital experience, insurance firms are not confident with their abilities.

Innovation at warp speed

Fast and furious digitalization and innovation have become the post-COVID-19 norm for incumbents. Around 60% of our survey respondents said that well before these last few months, they had launched in-house innovation teams. Around 30% of the

Figure 5. Three out of four incumbents and InsurTechs believe their service is caring⁹



Source: Capgemini Financial Services Analysis, 2020; World Insurance Report 2020 Executive Interviews, 2020.

insurers we polled said they had gone so far as to create a separate innovation fund or a digital spin-off. French multinational insurance firm **AXA** created startup studio *Kamet* as a developmental sandbox

for innovative insurance and asset management firms. AXA aims to launch, incubate, and build high-potential entrepreneurial startups by supplying advice, methods, structures, and financing.¹⁰

Wearable reduces risk of COVID-19 transmission from patients to medical staff

Poland's largest insurer, PZU, sought to mitigate the spread of the COVID-19 virus from hospital patients to healthcare personnel. It developed Life Band a wearable, to allow staff to monitor patients' pulse and blood oxygen levels remotely. The device also sends urgent alerts if a patient's vital signs fall appreciably. Of 20 hospitals PZU contacted regarding potential implementation, 19 were interested in the immediate use of Life Bands.

Source: Capgemini Financial Services Analysis, 2020, Efma Database, accessed July 2020.

⁹ Question: COVID-19 has significantly affected most businesses, including insurance. How effective have various players been in meeting customer expectations across the factors listed below? Rate on a scale of 1–7, where 1 = Not effective at all, and 7 = Highly effective. The figure reflects response ratings higher than 4.

¹⁰ [AXA](#), "Innovation: Making a difference together," accessed August 2020.

AI-based platform helps policyholders make informed physician-selection decisions

Singapore HealthTech startup DocDoc offers a virtual network of physicians and hospitals to help customers find quality medical care. Operating in eight countries with more than 23,000 in-network doctors, the firm combines AI functionality, telemedicine, and digital third-party administrator services into a single platform.

Business case: Healthcare costs across the globe are on the rise. And in Hong Kong, medical inflation is on track to increase more than 8% this year.¹¹ During the COVID-19 crisis, the need to reduce healthcare costs and drive positive outcomes became particularly critical. Through a Hong Kong pilot program, DocDoc sought to quantify its ability to deliver superior CX while cost-effectively steering insureds' healthcare decisions.

Solution: DocDoc developed HOPE (Heuristic for Outcome, Price, and Experience), an AI-based platform

to help policyholders make informed decisions. It works by collecting network doctor information over 500 data points to understand their unique expertise. The HOPE platform analyzes the data points to match patients with the best-suited physician based on each individual's medical needs. Personalized HOPE recommendations help policyholders make quality-and-cost-based choices. DocDoc and a Hong Kong bancassurance provider tested the HOPE platform to quantify its effectiveness.

Results: All recommended physicians scored higher than the median outcome and below the median fee structure. More than 85% of participants in the pilot test chose the doctors recommended by DocDoc, resulting in an average 39% reduction of overall medical costs. 72% of the policyholder participants said they were delighted by the experience and were willing to recommend it.

Source: Capgemini Financial Services Analysis, 2020, World InsurTech Report 2020 Executive Interviews, 2020.

InsurTechs help to catalyze insurers' crisis-mode digital transformation

The InsurTech landscape is vast. So in 2018, as part of our inaugural [World InsurTech Report](#), we created a categorization methodology based on the strength of an InsurTech firm's value proposition, impact on customers, effect on insurers' top and bottom lines, ease of integration, scalability of their offering, and on the opportunity costs of not partnering with them. We found three overarching InsurTech categories: Enablers, Distributors, and Full Carriers.



Insurers need to change the way they interact with customers. In addition to being a claims/solutions provider, firms should offer policyholders a sense of 'well being.'

— **Eduardo Guedes,**
VP Technology and Operations,
Seguros SURA

InsurTech categories



Enablers

Enablers are InsurTechs that provide a software solution to incumbents. They are attractive partners for incumbents seeking to improve their technology capabilities and optimize their current business model.



Distributors

Distributors are InsurTechs that only dispense insurance products. They enhance customer experience by empowering users with more information and choices as well as potential price savings.



Full carriers

Full carriers are InsurTechs that both develop and distribute insurance products. They represent a significant departure from traditional insurance models and may generate upfront costs and challenges when it comes to integration into legacy businesses.

Source: [World InsurTech Report 2018](#).

¹¹ [2020 Global Medical Trends Survey Report](#), Willis Towers Watson, Nov. 20, 2019

As incumbents prioritize digital transformation and team up with ecosystem partners, InsurTech *Enablers* are in high demand. Weather risk modeler **Descartes**, an InsurTech based in France, developed an image recognition and machine learning solution so P&C insurers can conduct remote claims assessment inspections without staff support. **GC&C**, a subsidiary of global insurer Generali, leveraged Descartes' remote claims assessment capability to develop a parametric insurance product.¹²

As social distancing takes a toll on in-person sales efforts, *Distributors* are helping insurance brokers conduct business remotely via digital platforms. For example, Berlin-based newcomer **wefox** helps brokers sync their calendars to schedule meetings and to conduct consultations via the WefoxGo platform's video conference function.¹³



When it comes to Incumbent-InsurTech collaboration, focusing on specific use cases is critical. Experimentation for the sake of experimentation tends not to yield great results, but the right innovation at the right place at the right time can be a big win."

— **Stacey Brown**,
Founder, **Insurtech Hartford**

Additionally, *Full carrier* InsurTechs are putting their digital agility to essential use by quickly developing new offerings and value-added services that resonate with today's evolving customer needs. Japan's first licensed InsurTech startup **justInCase** rolled out COVID-19-related health coverage in just five weeks to significantly boost its customer base. The mature startup has promised to donate the net proceeds from COVID-19 coverage – after expenses – to medical institutions through Japan's Red Cross Society.¹⁴

Who holds the winning InsurTech hand? Those that scale quickly and efficiently



Collaboration will become more prevalent, as some use-case focused startups are specialists with best-in-class solutions that attract a large, diverse client base. Therefore, insurance players that don't offer differentiating expertise - a secret sauce - should be opened to partner versus build."

— **Arnaud de Scorbiac**,
Investment Director, **ISAI**

While InsurTechs launch innovative solutions, their biggest challenge is sustaining business operations while effectively managing more demand than they have ever seen.

InsurTech priorities

- **Scaling and industrializing new solutions** while hiring/onboarding staff to meet higher demand
- **Growing market share while transitioning the firm's culture** throughout the shift from startup to scale-up.

As we assess today's dynamic industry indicators, we believe InsurTechs that achieve sustainable success will be those prepared to scale up quickly while staying agile. These days, incumbents are looking for proven solutions and are comfortable working with mature startups, also known as *scale-ups*.



We came across several InsurTech firms with a can-do attitude – true digital enablers open to sharing assets. However, incumbents should be cautious in dealing with new players without proven solutions and products."

— **Kristina Franke**,
Senior Innovation Manager, **Swiss Re**

¹² [Reinsurance News](#), "Generali (GC&C) partners with Descartes on parametric insurance," May 14, 2020.

¹³ [Reinsurance News](#), "Insurtech wefox launches broker platform amid COVID-19 concerns," March 30, 2020.

¹⁴ [justInCase](#), "Insurtech justInCase Launches Simple COVID-19 Cover in Japan," May 1, 2020.

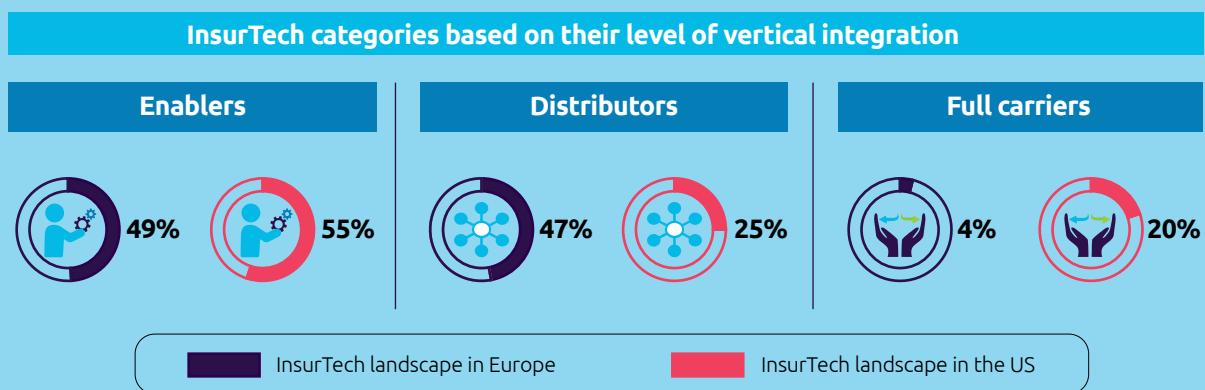
How the InsurTech landscape stacks up - the United States vs Europe?

Our experts examined both the US InsurTech space and key markets in Europe to analyze broader industry trends and study individual players in terms of value proposition, business model, and technology expertise.

Here's what we found

Both regions are home to a high proportion of **enablers**. However, in Europe, there is a higher percentage of **distributor** InsurTechs than in the United States, and there is a higher percentage of **full carrier** InsurTechs in the United States than in Europe.

Figure 6. Enablers dominate both US and European markets, but distributors are more active in Europe and full carriers are busier in the US



Source: Capgemini Financial Services Analysis, 2020; The European InsurTech Landscape Study, Capgemini Invent, January 2020.

Enabler InsurTech space: Technology and data specialists dominate the enabler InsurTech space in Europe and the United States. And, AI, data science, and predictive modeling top the technology charts. Around 51% of InsurTechs in Europe specialize in AI/data science/predictive modeling, and in the United States, it's 43%.

Distributor InsurTech space: In the United States, marketplace models/comparison websites and B2B/B2C brokers dominate, and together constitute around 80% of the US distributor InsurTech space. In Europe, B2C brokers and value-adding intermediaries stand out and together comprise almost 60% of the EU InsurTech distributor market space. When it comes to value propositions, around 38% of distributor firms in Europe focus on low cost, while 14% of US firms specialize in value-added services.

Full Carriers: Competing on price is the primary value proposition of full carriers in Europe as well as in the United States. The focus on low cost is exceptionally high in Europe, with around 80% of firms citing low cost as their value proposition, compared with 20% for US firms. Interestingly, around 20% of European firms and 11% of US firms specialize in on-demand/usage-based insurance services.

Overall, more than 80% of InsurTechs consider themselves to be potential partners for incumbent insurance firms (in Europe, it is 96%). Enabler firms with expertise in advanced technologies such as AI, data science, and predictive modeling and distributor firms knowledgeable about a variety of business models offer established insurers invaluable complementary capabilities.

Source: The European InsurTech landscape, The InsurTech landscape in the US, Capgemini Invent 2020.

As lines blur among insurers, competition intensifies

Incumbents with InsurTech mindset and spirit – Some firms are creating digital arms and spin-offs to quickly develop agile capacities that enable them to better cater to customers' needs. Insurer **State Farm** created **HiRoad** to cater to the needs of drivers.¹⁵ Ping An Technology enabled Chinese insurer **Ping An** to develop its technology backbone.

Innovative, digitally agile incumbents are poised for success bolstered by strong regulatory expertise, industry knowledge, and innovative DNA. In our survey, we found that digitally agile insurance firms are seen as the most significant competitive threat by insurance firms.

InsurTechs that want to become a full carrier – US-based InsurTech **Hippo** acquired the **Spinnaker Insurance** company to transition its distributor status.¹⁶ **Pie Insurance** earmarked USD100 million to purchase a licensed insurance company.¹⁷

InsurTech full carriers expanding their presence – **Lemonade's** successful IPO, signals investor trust in full carrier InsurTechs. **Root Insurance** expanded its US geographic coverage and grew direct written



Today, digitizing the business, rethinking insurance, and coming up with new products and services able to address a multitude of changing customers' needs have become three transformation pillars that digitization leaders seek to deliver via low-touch, friction-free, still hyper-personalized offers. Shifting customer demand has accelerated the arrival of market entrants able to quickly deploy human-centered design thinking combined with disruptive technological capabilities."

— **Sabine VanderLinden**,
Co-founder & Managing Partner,
Alchemy Crew



Insurance firms and InsurTech are no longer two separate things. InsurTech is about transformation of mindset and business model for leveraging technology for customer-focused innovation in insurance. The boundary between traditional insurance and InsurTech is blurring, and every insurer embracing the technology and customer-first mindset can be an impactful InsurTech."

— **Manish Shah**,
President and Chief Product Officer,
Majesco

premiums by more than 300% year over year in 2019. The firm also supplemented its coverage portfolio.¹⁸

Technology players are collaborating with InsurTechs – With an eye on the future, strategically focused technology providers are augmenting their portfolios thanks to acquisition or partnership with enabler firms. For instance, **Duck Creek** partnered with cybersecurity specialist **BitSight** to help commercial carriers evaluate potential clients' cyber risk. **Guidewire** partnered with **Shift Technologies** to offer insurers real-time fraud detection and claims automation.

Also, **Majesco** acquired **InsPro**, a US-based software enabler providing an insurance administration and marketing system for the life and annuity insurance market.

BigTechs are making their presence felt in the insurance space – BigTech players incrementally cross the insurance space threshold, and, they are entering via collaboration or investments.

Amazon secured a license to sell third-party insurance products in India and is entering into auto insurance via a partnership with Mumbai-based Acko General insurance.¹⁹ **Tencent's** WeSure insurance platform, just two years after launch, has 25 million users, with a 40% renewal rate.²⁰ **Google** in HealthTech firms – Oscar Health, Clover Health, and Collective Health.²¹

¹⁵ [HiRoad](#) website, accessed July 2020.

¹⁶ [Insurancenewsnet.com](#), "Hippo Acquires Spinnaker Insurance Company," June 11, 2020.

¹⁷ [PR Newswire](#), "Pie Insurance Raises \$127 Million in Latest Financing," May 28, 2020.

¹⁸ [Business Wire](#), "Root Insurance Rings in 2020 by Celebrating Safe Drivers and Savings," Jan. 13, 2020.

¹⁹ [Business Insider](#), "Amazon is launching car and bike insurance in India," July 28, 2020.

²⁰ [WeSure press release](#), "Tencent's Insurance Platform, WeSure, Featured in Fintech Power 50 for 2020," Dec. 18, 2019.

²¹ [Recon Strategy](#), "Google's health insurance apprenticeship: some unicorns (maybe) but no masterpieces," March 19, 2018.

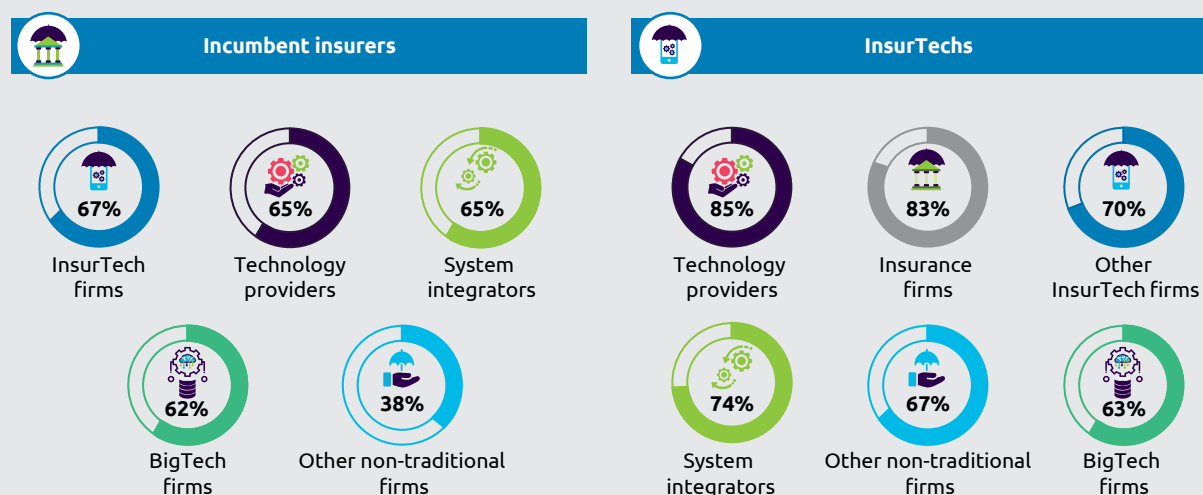
Will BigTechs launch an end-to-end insurance solution? That's the billion-dollar question. If it does happen, industry regulations and BigTechs' lack of insurance expertise are sure to impede fast market entry. For now, BigTechs are selectively investing in insurance value chains that yield high ROI.

Non-traditional players are taking a game table seat – More and more non-traditional players are offering insurance for the products they sell. In early 2020, **IKEA**, the Swedish designer of ready-to-assemble

furniture and home accessories, launched in the Netherlands an online insurance product **HEMSÄKER**, through **Swiss Re's** digital platform *iptiQ*.²² **Tesla's** automated, AI-driven underwriting engine gauges its vehicles' insurance premiums, which eliminates the need for underwriter expertise, and the firm is also planning to hire actuaries.

Through proximity to customers and products, non-traditional players can engage at multiple touchpoints and respond effectively in real time.

Figure 7. More than half of established incumbents and InsurTechs are interested in collaborating with BigTech firms²³



Source: Capgemini Financial Services Analysis, 2020; World Insurance Report 2020 Executive Interviews, 2020.

I believe the industry has reached consensus that collaboration between InsurTechs and incumbents is the key to moving both businesses ahead at an accelerated pace. And as a result, the industry — together with other ecosystem partners — will move forward at a faster pace.

— Jay Weintraub,
CEO, InsurTechConnect

Increasing competition is whetting collaborative appetites

Industry players were already keen to engage with one another. And, while the usual partners – technology providers, incumbent insurers, InsurTechs, and system integrators – top the partnership list, interestingly more than 60% of the insurers and InsurTechs we interviewed said they are interested in collaborating with BigTech firms.

InsurTechs, especially enabler InsurTechs, view technology providers and system integrators as the means to secure a more significant role in the ecosystem. With support from tech providers and system integrators, InsurTech specialists can help insurers fill capability gaps across the value chain.

²² [Fintech News Switzerland](#), “Swiss Re and IKEA Launch Easily Accessible Home Insurance in Switzerland and Singapore,” Feb. 19, 2020.

²³ Question: How comfortable is your firm in collaborating with the following ecosystem entities? Use a scale of 1–7 where 1 = Not comfortable at all, and 7 = Highly comfortable. The figure reflects response ratings higher than 4

Digital-first strategy and ecosystem partnerships boost policyholders' brand loyalty

Future Generali India Insurance Company (FGII) is a joint venture between global insurer Generali and Indian retail giant Future Group. FGII serves 2.3 million customers throughout India.

Business objective: Intent on enhancing customer experience and improving its Net Promoter Score (a CX measurement tool to gauge customers' willingness to recommend a brand), FGII implemented a Digital First strategy that included product and application development and distribution.

Implementation: Future Generali followed a multi-pronged digital-first strategy, including the adoption of InsurTech approaches to provide a superior customer experience coupled with innovation in distribution to reach customers in non-traditional insurance environments. It launched a range of sachet insurance products (niche micro-insurance) – from luggage insurance to COVID-19 coverage – at Future Group's large-format, high-footfall retail locations. The sachet products are tangible, easy-to-understand, small ticket-size products that are supported by technology-enabled frictionless transaction capability, resulting in innovation in the area of insurance distribution by creating an insurance product category in a retail environment. Insurance distribution innovation was the result of an insurance product category positioned within a retail environment. The insurer also began collaborative partnerships with web aggregators to distribute policies.

What's more, Future Generali digitally equipped its distribution network with tools for lead generation, as well as training apps to help agents better assist customers. The insurer empowered intermediaries

to serve customers in real time at the point-of-sale through its partner self-servicing portal. Agents can instantly issue quotes, policies, raise service requests and claims, and manage renewals. Sixty-eight percent of the insurer's agents have adopted the tools, with ~200K policies issued in H1 2020 alone.

Claim settlement is a moment-of-truth in insurance. To settle all cashless claims promptly and seamlessly, Future Generali launched an app to assess damaged vehicles through live video streaming. Service is enhanced by a tab-based claims assessment system, an application that enables the surveyor to manage claims on the go and end-to-end from survey to payment.

Future Generali has also embraced robotic process automation, in which high-volume requests are processed via input-measures without manual intervention. The insurer also recently launched a customer-facing mobile app featuring industry-first capabilities and a simple, intuitive customer interface.

Overall, Future Generali is ramping up CX at various touchpoints throughout the customer journey.

Results: After innovating at each value chain touchpoint, nearly three-quarters of FGII customers recommend the insurer to others. The insurer's Net Promoter Scores rose from nearly 40% of policyholders in FY 2018 to nearly 60% of customers in FY 2020. Future Generali has garnered industry recognition through multiple customer service awards, such as The Medallia Expy Awards – 2018 and 2019, and the Stevie Awards for Sales and Customer Service – 2018, 2019, and 2020.

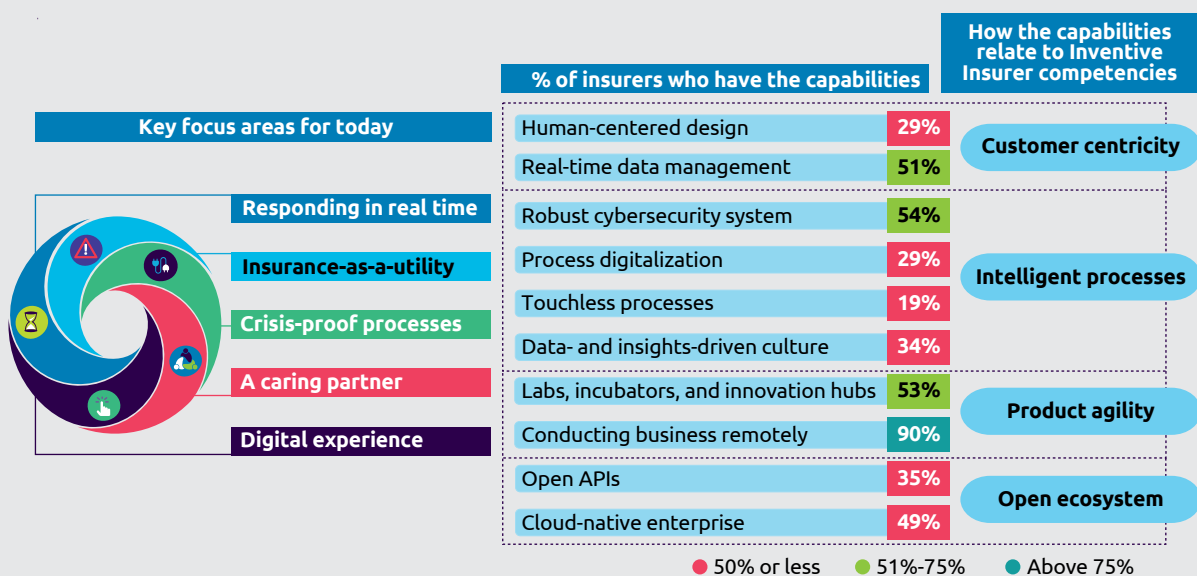
Source: Capgemini Financial Services Analysis, 2020, World InsurTech Report 2020 Executive Interviews, 2020.

The golden mean between time, money, autonomy, and differentiation

In response to changing business needs, we drilled down to determine which capabilities can help insurance industry players work more effectively across high-impact focus areas.

What we found aligns closely with the *Inventive Insurer* competencies identified in the World InsurTech Report 2019. However, a status check indicates that when it comes to reaching the *golden mean*, insurers have much left to do.

Figure 8. % of firms believing they have the capabilities for today's most urgent business needs²⁴



Sources: Capgemini Financial Services Analysis, 2020; World Insurance Report 2020 Executive Interviews, 2020.



During uncertain times, people need relevant, personalized, up-to-date, and coherent experiences from insurers, especially via digital channels. Hyper-personalization, as well as human-centered design, are fundamental to achieve that."

— **Tim Hardcastle,**
CEO, Instanda

Customer centricity

Firms seeking to understand and meet policyholders' emerging needs are leveraging **human-centered design** techniques. Let's consider customers who say their preferred communication channel is via agents/brokers. For policy service, this segment isn't small - 21% of customers told us they prefer agent/broker channels over automated channels.²⁵ In many cases, COVID-19 has now left these policyholders with no option but to use contactless services. Insurers have not broadly adopted human-centered design, but without it, retaining customers may become tricky over time.

²⁴ Question: Where does your organization stand in terms of the following capabilities? Chart percentages represent those insurers who selected the We are capable now option.

²⁵ Capgemini, 2020 Global Insurance Voice of the Customer Survey, Feb. 2020.

Real-time data management is a vital customer-centricity component. Insurers now have more data to work with because policyholders are more willing to share additional personal information. Real-time data can be a boon to more authentic and higher-impact customer engagement.

Intelligent processes

Social distancing has changed today's workplaces. Employees are working from home, and many use personal devices to access work files. Nearly half of employees make cybersecurity errors that can compromise a firm's safety, according to a recent study.²⁶ Within the prevailing scenario, a **robust cybersecurity system** has become significantly more important. Firms recognize this and have cybersecurity in focus.

A business process overhaul is long overdue. And now more than ever, **touchless and digital processes** must take center stage. However, identifying would-be gaps in a holistic digital experience can be daunting. A significant first step toward customer-centricity is a **data- and insights-driven culture**. Travelers, the second-largest writer of commercial P&C insurance in the United States, instituted a *data culture program* to capture the right data, measure and track its quality, and comprehend its connection to core business processes.²⁷

However, insurers lag behind in intelligent process initiatives. Fewer than a third of our survey respondents said their systems are digital-ready, and fewer than 20% have a touchless process in place. Organizations' adoption of a data- and insights-driven culture is also sluggish.

Product agility

The ability to **conduct business remotely** is essential. As necessitated by lockdown and social distancing in many economies, more than 90% of insurers have developed this capability. In fact, remote work has been so successful for US insurer Nationwide that the firm plans to transition to a work-from-home model in many regions permanently.²⁸



To sustain our business growth and maintain our industry leadership, we are thinking bigger and bolder to solve for the unmet needs of clients today while anticipating the needs of clients in the future. Innovation is a critical component driving our company strategy forward and enabling us to develop personalized, holistic solutions that deepen our client engagement."

— **Abim Kolawole**,
Vice President, Digital Innovation,
Northwestern Mutual

Insurers must develop new products swiftly and deploy them at scale for emerging market needs. **Labs, incubators, and innovation hubs** can enable organizations to identify, test, and scale new opportunities quickly. **Cloud-native**, microservices-based architecture to support rapid updates is another success factor. Munich Re Specialty Insurance modernized its technology infrastructure via a digital-first, cloud-native platform from Duck Creek.²⁹

Open ecosystem

Modern, open architecture platforms to facilitate ecosystem collaboration and seamless integration with new data sources or distribution models are now a must for insurance industry players. Worth noting is that less than 40% of insurers have implemented open **APIs** - a situation that can severely impede readiness to collaborate with ecosystem players.

While insurers may lack some capabilities, experts are ready to help. Specialists with demonstrated expertise (technology providers, InsurTechs, system integrators, and players in other industries) can step in to help close efficiency and capability gaps.

²⁶ [Insurance Business America](#), "Nearly half of employees have made cybersecurity errors – report," July 22, 2020.

²⁷ [Forbes](#), "How Travelers Is Driving Data Democratization Across The Enterprise," Randy Bean, June 9, 2020.

²⁸ [PropertyCasualty360](#), "Nationwide to make work-from-home permanent," May 6, 2020.

²⁹ [GlobeNewswire](#), "Munich Re Specialty Insurance and Duck Creek Partner to Develop State-of-the-Art Digital Platform for Best-In-Class Service and Product Innovation," May 26, 2020.

Cloud-native insurance platform offers an all-in-one digital transformation solution

New Jersey-based Majesco provides software and technology services for property/casualty, life, annuity, and group insurance companies around the world.

Business challenge: To help its clients meet and exceed policyholder expectations – and enable speed to value as a digital insurer – Majesco sought to develop a new insurance platform focused on CX, business innovation, and technological leadership. The new, cloud-native platform replaces the old paradigm of the integrated suite of core insurance systems focused on transactional processing by uniting core insurance processing systems – policy, billing, claims – with advanced digital and data/analytics capabilities and third-party services delivered via application programming interfaces (APIs) that will enable the customer-led digital transformation.

Business objective: A legacy insurance approach cannot survive in an on-demand world. Customers who live in the moment through their devices respond to offers that cater to their wants and needs precisely. The emerging paradigm to serve these customer expectations is a platform that solves customers' immediate needs and shifts from a sales focus to a buying focus. A next-generation digital platform delivering agility, innovation, and speed was required to keep the customers of Majesco clients engaged, satisfied, and loyal.

Innovative strategy: Majesco's innovation lab focuses on insurance industry business solutions and technology. Leveraging consumer research, InsurTech community insights, and digital platforms outside the industry, the firm established a strategic direction for a best-in-class digital platform. The small team

worked in stealth mode to mitigate the temptation to sell the offering before it was ready. Launched in May 2018, the Digital1st® Insurance platform features a range of real-time, insurance-specific capabilities in a microservices-based architecture, a cloud-native platform that is pre-integrated with and complements the insurer's stand-alone core and related system offerings.

Implementation: For a line of business undergoing digital transformation with customer journeys for various personas – Quote & Buy, Policy Servicing, Electronic Payments, FNOL – implementation takes from eight to 16 weeks.

Benefits: The Digital1st® Insurance platform enables the rapid launch of differentiated customer journeys for various personas, tapping into new channels through an API ecosystem, and the development of new-age insurance products. The all-in-one solution also offers a marketplace of cost-effective pre-curated partner apps that can be embedded dynamically to optimize the overall customer experience.

Results: So far, 15 customers have chosen the platform to accelerate their digital transformation journey. The Digital1st® Insurance platform is also integrated with Majesco's P&C and L&A Core and Distribution Management solutions to help insurers accelerate their digital journey. Customers say that their focus on client-centric design has improved because the Digital1st® Insurance platform provides pre-built insurance journeys with no-code configuration tools. And built-in DevOps capabilities enable test-n-learn MVP rollout.

Source: Capgemini Financial Services Analysis, 2020, World InsurTech Report 2020 Executive Interviews, 2020.

A perennial capabilities dilemma: Should we build, buy, or collaborate?




The capabilities and solutions required to stand out in the new industry landscape are attainable. But should firms build them in-house, buy from a specialist, or collaborate with an expert? A combination of the three? What is the right mix?

We define the three approaches in terms of the responsibilities the firm assumes. If an organization

chooses to build a solution, it has to take the responsibility of developing, maintaining, and operating the solution. If a firm chooses to *buy* a solution, then it is responsible only for maintaining and operating. In *collaborate*, the firm only takes on the operation of the solution.

Decide whether to build, buy, or collaborate after thoughtfully weighing trade-offs among four factors – time, investment, autonomy, and differentiation.

Figure 9. What’s the best approach to acquiring capabilities? Weigh these trade-off factors

Factors that can help you arrive at a decision	 Build	 Buy	 Collaborate
Time	Lengthy	Relative	Immediate
Investment	High	High-Moderate	Little
Autonomy	Full	Reasonable	Limited
Differentiation	Distinct	Reasonable	Limited

Source: Capgemini Financial Services Analysis, 2020.

- **Building** a capability in-house requires the most time and capital. Firms most poised for success are those with an innovative culture and technical know-how. Upsides include maintaining full control and gaining a competitive advantage because the solution can be uniquely differentiated. In-house capability building may not be a firm’s first choice unless it’s an area in which it seeks to stand out via differentiation, or no market solution fits its requirements.
- **Buying** comes with its challenges, such as budget impact, system compatibility, and the need for



First, formulate and focus on an overarching digital strategy that cuts across the value chain — from quoting and buying through claim adjudication. Also, when it comes to digitization, insurers should have a clear strategic vision across all business lines."

— **Ramon Lopez,**
Vice President, Innovation,
USAA



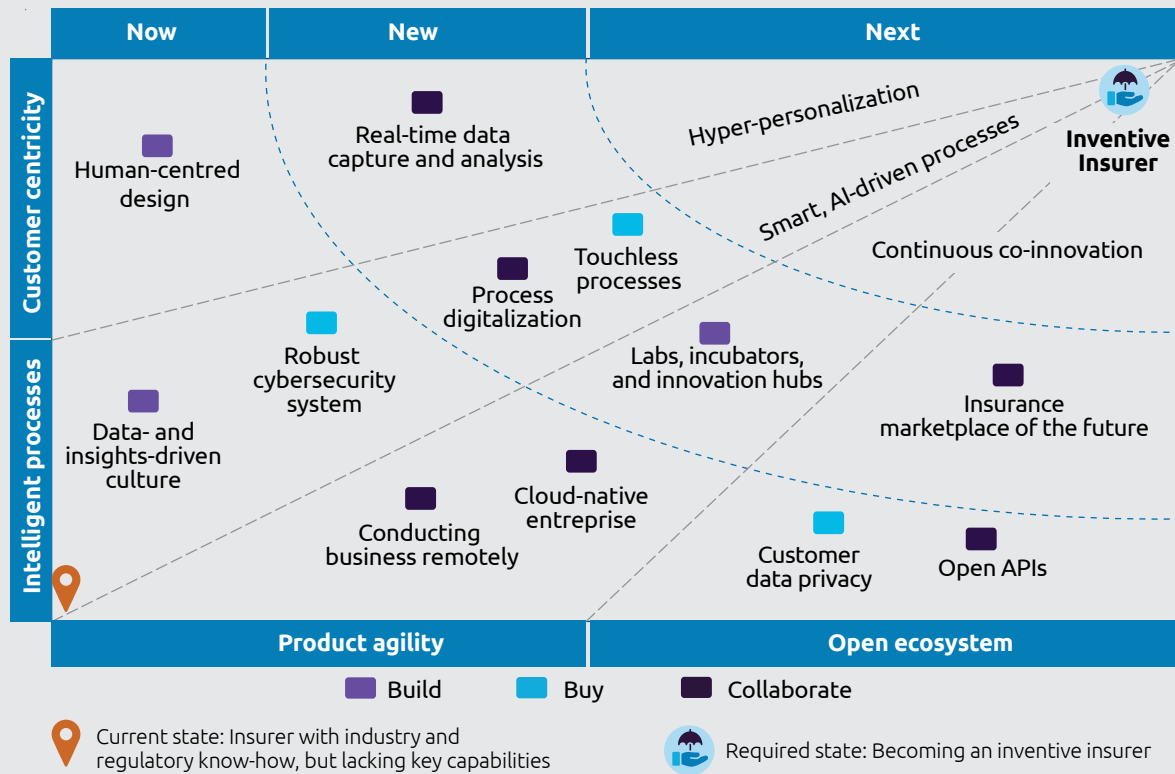
We have to get faster at transforming our business to make it more simple, digital, and efficient. There is no magic bullet to propel us to immediate simplification and digitalization. It always takes many smaller steps – including some tedious ones, to achieve success."

— **Alain Theys,**
CIO,
Allianz Benelux

technological competence within the firm to maintain and operate the solution. Organizations that buy a solution acquire capabilities the most quickly and may have the flexibility for additional enhancements.

- **Collaborating** with an expert is the fastest, most cost-effective way to acquire a capability. It is an approach some industry players may want to seriously consider countering the business impact of COVID-19. The trade-off for lower cost and time is a lack of autonomy or differentiation – because others could work with the same specialist.

Figure 10. Now, New, Next: How and when to acquire key capabilities



Source: Capgemini Financial Services Analysis, 2020.

In addition to the effectiveness capabilities we identified across the four key focus areas, fundamentals exist that closely align with a company's culture. Insurers may choose to develop fundamentals internally and buy or collaborate to add other capabilities. A firm's innovative mindset and strategic vision will prominently affect their plan and development approach.

Today's uncertainty necessitates swift action from incumbent insurers to retain market share and customer trust. But where to start? We slotted actions under broad timeline umbrellas: Now, New, and Next.

- **Now** – Requires immediate attention from insurers that lack those capabilities
- **New** – Good-to-have capabilities to slate for development after Now capabilities have been established
- **Next** – Insurers' aspirational or targeted state

For instance, insurers driving hyper-personalization goals will start with human-centered design and then focus on acquiring real-time data capture and analysis capabilities.

Developing a data- and insights-driven culture merits immediate focus because it enables organizations to acquire and leverage other capabilities efficiently and successfully. Cybersecurity is another immediate and ongoing priority as a result of today's fast-evolving cyber-risk landscape. Insurers that digitize their processes can move on to making those processes touchless, without human intervention, with an end goal of establishing smart, AI-driven protocols that are digitalized end to end.

An immediate product agility priority is the capacity to conduct remote business efficiently. Most insurers are doing well on this front and are en route to cloud-native implementation. Cloud-native enterprises have a leg up when it comes to initiatives around developing new solutions and capabilities such as labs, incubators, or innovation hubs.

Open APIs allow insurers to participate actively within an open ecosystem and to collaborate seamlessly with other players. As ecosystem partners begin to exchange customer data, the ability to ensure data privacy will be essential.

Sooner than later, participation in the insurance marketplace of the future will require contributing to new product and distribution paradigms. Product agility and open ecosystem future states are contingent upon continuous co-innovation. Innovation - via a focused approach and through the ecosystem - is now inextricably woven into insurance industry DNA.

Tomorrow's industry frontrunners will adeptly synthesize innovative offerings

Acquiring the key capabilities mentioned in the last section will enable insurers to synthesize innovative offerings that are very critical to be in the race for the winner of the future.

What it takes to meet today's most urgent business needs

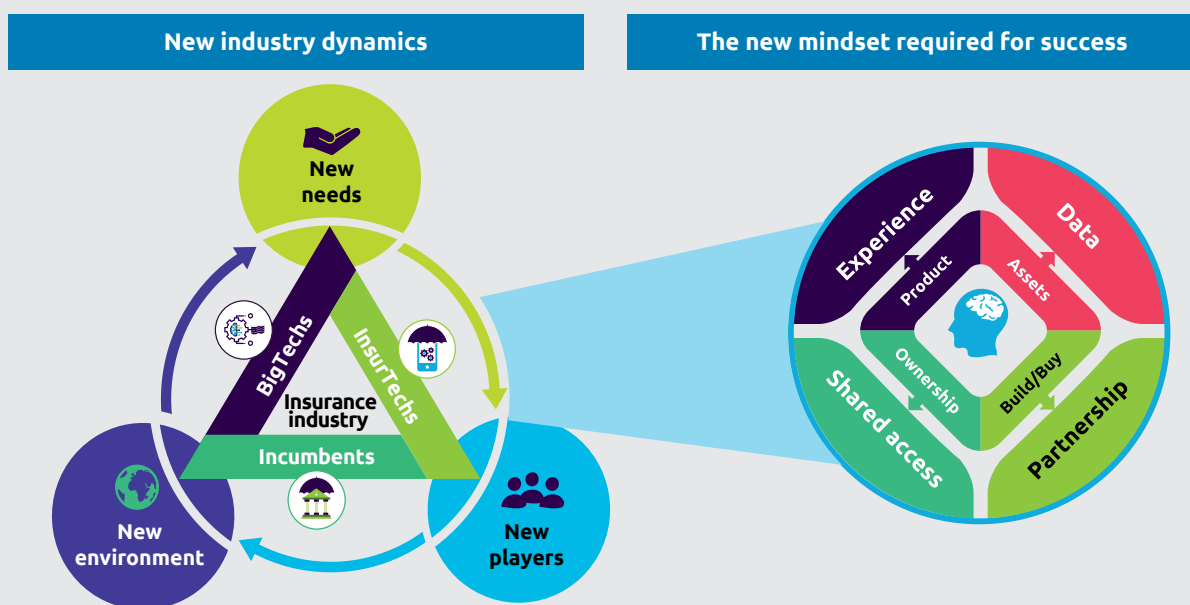
 Real-time responsiveness <ul style="list-style-type: none">• Enhance the service rate of existing channels• Automate critical processes such as claims processing• Provide real-time support	 Insurance-as-a-utility <ul style="list-style-type: none">• Offer usage-based products• Deliver policies on demand	 Crisis-proof processes <ul style="list-style-type: none">• Establish alternate channels for business continuity• Scale operations quickly• Create a resilient ecosystem
 Caring partner reputation <ul style="list-style-type: none">• Humanize digital channels• Offer discounts on premiums	 Superior digital experience <ul style="list-style-type: none">• Empower agents with digital tools• Provide seamless anytime, anywhere access	

An evolving industry landscape requires fresh thinking and data-driven action

The industry is changing, and no one should be left behind. Sure, there's uncertainty all around, as well as a new open, collaborative environment. Customer needs are in flux. And new players are turning up the competitive heat.

Fresh thinkers are laying the groundwork for success now and into the future. Are your firm's collective mindset and culture in sync with the new trajectory?

Figure 11. New industry dynamics necessitate a new success mindset



Source: Capgemini Financial Services Analysis, 2020.

Shifting from a focus on products to a customer-centric approach will enable firms to provide transparent and seamless CX, with intuitive processes. By leveraging data as a critical asset, insurers can unlock the full potential of customer information and use it strategically to generate new revenue streams, create value, and boost decision making.

The shift from capability and asset ownership to shared access will help industry players become more efficient and will create higher value compared with exclusive capability/asset ownership. Shared access will encourage partnerships with specialists versus building or buying capabilities to enable firms to focus on their core competencies and deliver better value.

The industry is changing. Successful participants in the new insurance marketplace will be the ones with a new mindset – able to react nimbly to change by staying

a few steps ahead of trends and preparing for the unexpected. By doing so, they bolster customer trust – the foundation of the insurance industry.



Compared with tech newcomers, incumbents have a wealth of experience in insurance products and processes — and their customer base and data sets are vast. If established insurers exploit the new ecosystem with an innovative mindset, they can strategically compete in the game like the new players. If they do, they will have a significant advantage over the new entrants."

— **Eric Sibony**,
Co-founder & CSO, Shift Technology

Partner with Capgemini

Accelerate operational improvements with touchless processing through Intelligent Automation

Today's policyholders expect WOW-inducing CX that's accessible any time and on any device similar to what they get from customer-centric e-tailers. And insurers are looking for innovative ways to respond to customers in real-time and with personalization.

So, what's the hold-up Cumbersome back-office operations, heavy reliance on manual work, outdated methods, and legacy systems are all agility roadblocks. End-to-end touchless processing or straight-through processing (STP) line the path to the CX consumers expect. No more waiting for days for an answer, today's policyholders want answers in minutes or hours.

Capgemini delivers touchless processing solutions based on our proficiency in experience innovation, automation/AI and IP, and state-of-the-art digital business services. We are committed to business outcomes such as processing accuracy, customer response times, and throughputs. We want our clients to shift focus from operational risks to business-critical activities and growth.

Our full Automation First transformational suite can help you cost-effectively achieve better business outcomes. Our solutions quantifiably improve response times to prospects, policyholders, and claimants with minimum human intervention so you can deliver enhanced and holistic CX.

Let's start with **the digitalization of new business processes** across various structured and unstructured data (from proprietary and third-party sources) to facilitate STP underwriting. What does that include?

- **Faster enrollment**, thanks to efficient access to more information
- New business underwriting automation to boost responsiveness and productivity by **eliminating 60%–80% of manual processing**; and your staff remains in the loop for critical decisions as we process exceptions to deliver committed accuracy and timelines

Further, Touchless endorsement processing

leverages AI advancements, so your team understands the intent and content of requests, and end-to-end workflow is automated. Average handling time, quality, and process scalability will improve. Touchless endorsement eliminates unnecessary steps, automates the input flow and **reduces expenses by 40% to 60%**.

What's more, **Capgemini's commHUB** designs, generates, delivers, and manages proactive omnichannel communications by using best-in-class products that integrate seamlessly with your ecosystem. With analytics and reporting to optimize channel traffic and on-demand document generation, it helps insurers stay connected with customers in real time while providing engaging CX. Our commHUB offers convenience, scalability, and transparency to responsively maintain customer connection with around **30% reduction in turnaround time**.

Finally, at critical moments of truth, our **Touchless Claims** offering transforms customer experience by automating the claims process, weaving in added value from a vibrant ecosystem of partners, and offering a creative journey that can spark new policyholder behavior.

Treating human touch as an exception, our solutions are developed to deliver the said benefits:

- Reduce loss adjustment expenses and improve claims outcome accuracy using the Touchless Claims framework
- Enable insurers to institute a future-focused claims operating model with a range of solutions across the claims value chain and **deliver up to 4% loss ratio improvement**

Capgemini's portfolio also encompasses a broad and comprehensive ecosystem of partners to deliver enabling and innovative services. We embed InsurTech partners across the value chains for proven capabilities that virtualize field activities, help interpret external data, and offer decision-support analytics. Our InsurTech initiative provides strategy, research, insights, and data to accelerate our clients' technological innovations and development of new insurance business models.

Innovation Island Overview

Innovation Island is a cloud-based InsurTech container that can help you innovate continuously to achieve leapfrog growth within today's competitive market. With the power of cloud-computing technology, Innovation Island offers a sandbox playground, ecosystem simulation, and beta business creation capabilities to enable insurers and InsurTech partners to test, experiment and deploy new products and services rapidly and at scale. In practice, Innovation Island sets the stage for agile product development in a secure and convenient environment that brings together a community of partners under the Capgemini Innovation Initiative umbrella.

Agile product development platform

By providing a safe test-and-learn environment where users freely explore and experiment with several pre-selected InsurTechs and ERP partners, Innovation Island enables agile product development independent from legacy IT systems. Innovation Island can expedite insurers' digital transformation by helping them clearly understand what an IT operating model and tech stack must look like to achieve faster time to market and improved scalability.

Secure and convenient environment

Innovation Island is an isolated playground where insurers and InsurTech specialists can be free from worries about the security of their business and customer data as they get to know one another and experiment. Because it is a browser-based platform, it can be easily accessed from any location and can exist, if necessary, as a stand-alone system outside an existing IT infrastructure.

Through Innovation Island, Capgemini offers insurers access to a pre-vetted network of vendor and InsurTech partners and enables all ecosystem participants to share knowledge, ideas, and technology freely.

Understanding InsurTech strengths and open communication among partners spur the innovation mindset and attitude needed for success in today's dynamic marketplace.

Methodology

World InsurTech Report 2020 Executive Steering Committee

The backbone of this year's report was a diverse group of senior executives from leading insurance firms, InsurTech organizations, technology providers, venture capital firms, and industry influencers. Through brainstorming sessions and focused interviews, committee members played an important role in finalizing report hypotheses and then validating the findings. The committee represented all three regions of the Americas, EMEA, and Asia-Pacific, which helped us to express the industry's unique global perspective

Scope and research sources

The World InsurTech Report 2020 draws from interviews with executives from traditional insurance firms and InsurTech organizations, as well as from the 2020 global insurance Voice of the Customer survey, Capgemini's COVID-19 Consumer Survey 2020, and Capgemini's COVID-19 Executive Survey.

World InsurTech Report 2020 Executive Interviews and Survey

Insights from surveys and focused interviews with more than 175 senior executives from leading traditional insurance firms and InsurTech organizations. Research conducted during July–August 2020 covered 26 markets: Argentina, Australia, Austria, Belgium, Brazil, Bulgaria, Canada, Croatia, France, Germany, Hong Kong, India, Israel, Italy, Japan, Mexico, Singapore, South Africa, Spain, Sweden, Switzerland, the Netherlands, Turkey, the United Arab Emirates, the United Kingdom, and the United States.

2020 Global Insurance Executive Interviews

Insights from focused interviews with more than 150 senior executives from leading insurance companies across 29 markets. Interviews conducted during February – March 2020 included markets that represent three regions – Americas (North America and Latin America), EMEA (Europe, Middle East, and Africa), and Asia-Pacific (including Japan).

2020 Global Insurance Voice of the Customer Survey

In collaboration with primary researchers Phronesis Partners, Capgemini administered a comprehensive Voice of the Customer Survey in January and February 2020. More than 8,000 insurance customers in 22 markets were polled. The survey sought to gain deep insight into the general behavior and preferences of customers and how this shapes their attitude toward insurance.

Capgemini COVID-19 Consumer Survey 2020

In early April, Capgemini surveyed more than 11,200 consumers across 11 markets (China, France, Germany, India, Italy, the Netherlands, Norway, Spain, Sweden, the United Kingdom, and the United States) to learn how COVID-19 had affected consumer behavior in the financial services sector. The survey covered a range of subjects from channel preferences to investment choices as well as customers' views about how traditional banks and insurers were handling the crisis.

Capgemini COVID-19 Executive Survey

The report also includes insights from focused interviews of 87 senior insurance executives of leading insurance companies across 24 markets, which sought to understand the impact of the COVID-19 pandemic on business KPIs across customer engagement, financial performance, and business sustainability.

Ask the Experts



Elias Ghanem

Global Head of FS Market Intelligence

elias.ghanem@capgemini.com

Elias Ghanem is responsible for Capgemini's global portfolio of financial services thought leadership. Elias oversees a team of consultants and sector analysts who deliver wide-ranging strategic research to address complex issues related to the future of banking and insurance. He brings a large expertise in effective collaboration between banks and start-ups.



Shane Cassidy

Insurance Business Unit (BU) Leader

shane.cassidy@capgemini.com

Shane Cassidy is Executive Vice President and Head of Capgemini's Global Insurance Business Unit. Shane has been at the forefront of digital disruption and innovation for the Insurance market for two decades, identifying and developing solutions to address market disruptions with a focus on driving predictable and measurable outcomes for his clients.



Ian Campos

Global Insurance Practice Leader

ian.campos@capgemini.com

Ian Campos is Executive Vice President and Head of Capgemini's Global Insurance Services team. Ian is an expert in core insurance transformation. He has worked across the entire FS consulting continuum — from strategy development to operational management.



Seth Rachlin

Chief Innovation Officer, Insurance BU

seth.rachlin@capgemini.com

Seth Rachlin is Executive Vice President, Global Core Insurance Growth Leader, and Chief Innovation Officer at Capgemini's Global Insurance Business Unit. Seth has over twenty years of experience in innovation at the intersection of insurance and technology. He has founded and taken two companies to IPO.



Shiva Balasubramanian

Vice President, Innovation and InsurTech

shivakumar.balasubramanian@capgemini.com

Shiva Balasubramanian leads Capgemini's Innovation and Strategic Ventures initiatives by collaborating with ecosystem partners (InsurTech's/HealthTech's, Startup accelerators, Incubators, Universities, Insurers). Shiva works to build strategic partnerships with ecosystem partners and adjacent industry verticals (e.g., OEMs) to explore new solutions that leverage emerging technologies and new business models. He is also a mentor and advisory board member in InsurTech community.



Kiran Boosam

Solution & GTM Leader, Insurance BU

kiran.boosam@capgemini.com

Kiran Boosam leads Capgemini's Insurance solution and Go-to-Market Innovation. Kiran is a P&C and life insurance expert, passionate about automation and AI, and proficient in emerging technologies for insurance business applications. He brings together mobility, analytics, IoT, cloud, and blockchain capabilities to address insurers' needs.



Lars Boeing

Principal, Capgemini Invent

lars.boeing@capgemini.com

Lars Boeing is an expert in Life and P&C insurance for strategy development, reorganization, process optimization, developing and implementing organizational change management units for large transformation programs, setting up Centers of Excellence for intelligent automation, and developing effective partnerships with InsurTechs to bring the Inventive Insurer concept to life.



Vikash Singh

Insurance domain Leader, Global FS Market Intelligence

vikash.singh@capgemini.com

Vikash Singh leads the Insurance Practice in Capgemini FS Market Intelligence. Vikash has more than 17 years of experience in market intelligence and strategic analysis with a focus on the insurance industry. He has authored several thought leadership pieces sharing his forward-looking point-of-views.



Kumaresan A

*Project Manager,
World InsurTech Report 2020*

kumaresan.a@capgemini.com

Kumaresan A has around ten years of experience in technology consulting, business consulting, and thought leadership with a focus on insurance. Kumar is proficient in technology disruptions and new business models and its applications for the insurance industry.

For more information, please contact

Global

Ian Campos

ian.campos@capgemini.com

Seth Rachlin

seth.rachlin@capgemini.com

Stanislas De Roys

stanislas.deroy@capgemini.com

India

Kiran Boosam

kiran.boosam@capgemini.com

Ramesh Darbha

ramesh.darbha@capgemini.com

Kimberly Douglas

kim.douglas@capgemini.com

SE Asia

Ramesh Darbha

ramesh.darbha@capgemini.com

Sivakumar V

sivakumar.vankamaddi@capgemini.com

Kimberly Douglas

kim.douglas@capgemini.com

Australia

Manoj Khera

manoj.khera@capgemini.com

Mohit Jain

mohit.jain@capgemini.com

Susan Beeston

susan.beeston@capgemini.com

Italy

Daniele Di Maio

daniele.dimaio@capgemini.com

Michele Inglese

michele.inglese@capgemini.com

Spain

Christopher Stevens Diez

christopher.stevens@capgemini.com

Belen Molina Cabellos

belen.molina-cabellos@capgemini.com

Carmen Castellvi Cervello

carmen.castellvi@capgemini.com

Belgium

Jan Verlinden

jan.verlinden@capgemini.com

Robert van der Eijk

robert.van.der.eijk@capgemini.com

Japan

Hiroyasu Hozumi

hiroyasu.hozumi@capgemini.com

Masayuki Imazu

masayuki.imazu@capgemini.com

The Netherlands

Jimut Basa

jimut.basa@capgemini.com

Cuno van Diepen

cuno.van.diepen@capgemini.com

France

Thierry Loras

thierry.loras@capgemini.com

Olivier Hoarau

olivier.hoarau@capgemini.com

LatAM

Roberto Ciccone

roberto.ciccone@capgemini.com

Geovanni Alfonso Millan

geovanni.millan@capgemini.com

United Kingdom

Shane Cassidy

shane.cassidy@capgemini.com

James Kruger

james.kruger@capgemini.com

Kristofer le Sage de Fontenay

kristofer.le-sage-de-fontenay@capgemini.com

Germany

Gunnar Tacke

gunnar.tacke@capgemini.com

Thomas Hillar

thomas.hillar@capgemini.com

Nordics

Kevin Jiang

kevin.jiang@capgemini.com

United States and Canada

Shane Cassidy

shane.cassidy@capgemini.com

Satish Weber

satish.weber@capgemini.com

Keith Gage

keith.gage@capgemini.com

Acknowledgments

We would like to extend a special thanks to the insurance companies and individuals who participated in our executive interviews and surveys.

The following firms agreed to be publicly named:

Ablera, AIG General Insurance Company, Ltd., Aksigorta, Allianz Benelux, Allianz, Compañía de Seguros y Reaseguros, S.A., Amodo, Aon, AXA Seguros, Azul Seguros, Baloise Insurance Belgium, BDM PLACARRO TECNOLOGIA, Belfius Insurance, blau direkt, Blocksure, Boost.ai, Bradesco Seguros, BrokerCloud, Bsurance GmbH, Compara.com.br, Concirrus Ltd., Daiichi Life Insurance, Inc., DocDoc, EasySend, e-GOR, ELEMENT Insurance AG, EMS Claims Solution Provider, Equity Insurance Group, Ethias NV, Ethica Sigorta, Faktor Zehn GmbH, fitinsur IO, FloodFlash, Generali Spain, Goose, Gothaer Allgemeine Versicherung AG, Gr1d Tecnologia, GreaterThan, Harmony, Hartford Group, HazardHub, Hepstar, Hepster, Hublio, ICICI Prudential, IDBI Federal Life Insurance Co. Ltd., INSTANDA, iPill inc, JDC Group AG, justInCase, Inc., Kakau, Kasko, Lemonade, Liberty International Insurance, LIC, LIFENET INSURANCE COMPANY, Linearity BV, ManuLife Financial, MAPFRE, MAPFRE SEGUROS, Markel Insurance SE, mecubro, Minuto Seguros, MOONSHOT-INTERNET, MotionsCloud, Northwestern Mutual, omni:us, P&V Groupe, Pagomed, Pier Digital, Pitzzi, Planetun, Progressive Commercial, Prudential Financial, Rokk3r Inc., Sagacify, SBI General Insurance Company Limited, Securex Vie AAM, Securex Accidents du Travail Caisse Commune, Securex Risques Divers AAM, SegurCaixa Adeslas, Seguros SURA, SulAmérica Seguros, sum.cumo GmbH, Swiss Re, thewave, Tokio Marine Seguradora S.A., Vantik GmbH, Velox Insurance Inc., Versicherungskammer, Viva Previdência, WeGroup NV, Wrisk, Zelros, Zuri, and Zurich Insurance.

We would also like to thank the following teams and individuals for helping to compile this report:

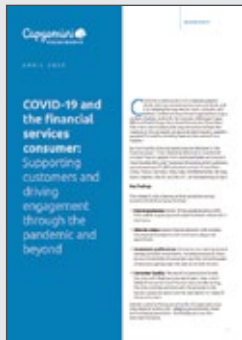
Elias Ghanem, Seth Rachlin, Shivakumar Balasubramaniyan, Vikash Singh, and Kumaresan A for their overall leadership for this year's report; Saurav Swaraj, Avinav Chowdhury, Vipul Mehta, Tamara Berry, and Dinesh Dhandapani Dhesigan for researching, compiling, and writing the findings, as well as providing in-depth market analysis.

Capgemini's Global Insurance network for providing insights, industry expertise, and overall guidance: Shane Cassidy, Ian Campos, Satish Weber, Alistair Benson, Andrew Caswell, Aruna Mahesh, Belen Molina Cabellos, Christopher Stevens Díez, Eiji Yamada, Gunnar Tacke, Gustavo Leanca, Hiroyasu Hozumi, James Kruger, Jan Verlinden, Jerome Buvat, Jordi Valls Ribas, Kiran Boosam, Krishna Kumar Shanmugasundaram, Lars Boeing, Masayuki Imazu, Ramesh Dharba, and Roberto Ciccone.

Marion Lecorbeiller, Mary-Ellen Harn, Aparna Tantri, Sai Bobba, Mauch Brent, Unni Krishnan, Martine Maître, Suresh Papishetty, Leena Joshi, and Ken Kundis for their overall marketing leadership for the report, and the Creative Shared Services Team for report production: Kalasunder Dadi, Suresh Chedarada, Jagadeeshwar Gajula, and Sourav Mookherjee.

Hannah Moisand, Boris Plantier, Anna Quinn, Mirka Tokarova, and the Efma team for their collaborative sponsorship, marketing, and continued support.

Discover more about our recent research publications



[COVID-19 and the Financial Services Customer](#)



[World Insurance Report 2020](#)



[Where are banks and insurers on their digital mastery journey?](#)



[Top Trends in Property and Casualty Insurance: 2020](#)



[Top Trends in Life Insurance: 2020](#)



[Top Trends in Health Insurance: 2020](#)

About Us



Capgemini is a global leader in consulting, digital transformation, technology and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year+ heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. Today, it is a multicultural company of 270,000 team members in almost 50 countries. With Altran, the Group reported 2019 combined revenues of €17billion.

Visit us at www.capgemini.com. People matter, results count.



A global non-profit organization, established in 1971 by banks and insurance companies, Efma facilitates networking between decision-makers. It provides quality insights to help banks and insurance companies make the right decisions to foster innovation and drive their transformation. Over 3,300 brands in 130 countries are Efma members. Headquarters in Paris. Offices in London, Brussels, Barcelona, Andorra, Stockholm, Bratislava, Dubai, Milan, Montreal, Istanbul, Beijing, Tokyo and Singapore.

Learn more: www.efma.com

©2020 Capgemini and Efma

All Rights Reserved. Capgemini and Efma, their services mentioned herein as well as their logos, are trademarks or registered trademarks of their respective companies. All other company, product, and service names mentioned are the trademarks of their respective owners and are used herein with no intention of trademark infringement. No part of this document may be reproduced or copied in any form or by any means without written permission from Capgemini.

Disclaimer

The information contained herein is general in nature and is not intended, and should not be construed, as professional advice or opinion provided to the user. This document does not purport to be a complete statement of the approaches or steps, which may vary accordingly to individual factors and circumstances, necessary for a business to accomplish any particular business goal. This document is provided for informational purposes only; it is meant solely to provide helpful information to the user. This document is not a recommendation of any particular approach and should not be relied upon to address or solve any particular matter. The text of this document was originally written in English. Translation to languages other than English is provided as a convenience to our users. Capgemini and Efma disclaim any responsibility for translation inaccuracies. The information provided herein is on an "as-is" basis. Capgemini and Efma disclaim any and all representations and warranties of any kind concerning any information provided in this report and will not be liable for any direct, indirect, special, incidental, consequential loss or loss of profits arising in any way from the information contained herein.

Visit

www.worldinsurtechreport.com



For more information, please contact:

Capgemini
insurance@capgemini.com

Efma
info@efma.com

For press inquiries, please contact:

Mary Sacchi (North America and the Rest of the World)
Tel.: +1 212 551 4818
msacchi@we-worldwide.com

Bartu Sezer (EMEA)
Tel.: +44 (0)20 7632 3861
bsezer@we-worldwide.com

Mary-Ellen Harn (Capgemini)
Tel.: +1 704 359 7996
mary-ellen.harn@capgemini.com

Anna Quinn (Efma)
Tel.: +33 1 47 42 67 71
anna.quinn@efma.com