



Insurance Industry

Experiences and intelligence: driving a new era for the insurance industry

The ANZ insurance industry is changing fast. To thrive in the new ecosystem-led environment that is emerging, insurers must understand what it means to become a truly modern carrier. No longer can the industry operate as traditional standalone risk operators.

At Cognizant, we expect to see the insurance ecosystems take off over the next few years, making insurance a far more interconnected service offering. Consumers will increasingly choose their insurance providers based on a mix of brand, service channel, and the ecosystem partners they prefer based on the different buying journeys they are on. The recent Economist research highlights this trend, with 56% of insurers pursuing diversification, adjacent-industry opportunities and setting new

industry standards across processes, services, products, and technologies.

Hyperconnected propositions with sharing data

What will define the new service offerings and business models for the future are the new generation of customers willing to share data in exchange for better value from insurers. The opportunity to value-add with services across a product portfolio will drive a new style of business model – one that moves from product led toward experience led and intelligence led offerings.

Industry boundaries are also blurring. Other business categories are now looking to bundle insurance to boost adoption of their digital



products and services. Insurers are also looking beyond their own borders, exploring complementary services such as repairs, aggregators and rental services which have the power to increase process efficiencies. The Consumer Data Right (Open Finance), which is being widely adopted in banking and energy sectors, is also coming to insurance by the end of FY2023. This opens door for easier and more efficient data sharing, driving cross value and new collaborations.

Insurtech and other competitors are also looking for new ways to collaborate than compete. Insurtechs are leading the way, with innovative capabilities that can help all insurers evolve toward newer models of operation and success. At the same time, these new approaches to insurance streamline and standardise product options to make customer onboarding and claims processes simpler than ever before.

As customer behaviour changes while the competition in the market grows, there is a greater need than ever before to differentiate. It is not easy to win in an ecosystem led category, so the challenges ahead are significant. Agility and efficiency are needed to take on this more complex market. But ANZ insurers are ahead of other industries when it comes to exploring new revenue opportunities.



This paper was authored by **Vinodh Stanley Stephen**, Industry Consulting Lead–Insurance, Cognizant. Vinodh Stanley Stephen is the Market Lead for ANZ Insurance Consulting. Vinodh has worked with senior insurance executives across North America, Australia, ASEAN, India and Europe. His consulting experience includes business transformation advisory, innovation advisory, customer experience strategy, process transformation, operating model redesign, platform modernization and business case development.

Delivering value through modernisation

It has not been easy to unlock business value through such business modernisation efforts. There has been a great investment in digital technologies that position insurers to take advantage of the ecosystem driven business models of the future – including artificial intelligence, blockchain, cloud computing and the Internet of Things. But we see a transformation gap that must be addressed. Big questions remain for insurers to find the optimal business strategy for where they want to play in the ecosystem, the right focus on technology enablers, the right knowledge and enough time to put the technologies into action.

The true heart of the next ecosystem-driven phase for insurance lies with data. Investing in customer journey analytics, understanding customer needs and their lifetime value across not only their insurance but also their non-insurance journeys. The open banking era is the open insurance era is the open data era. As data becomes more transparent, providing value to customers through transparency can lead to truly differentiated customer experiences and product propositions.



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