



Ready And Resilient: Accelerating Insurance's Digital Transformation

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Abstract:

Instead of being driven as a service, the insurance sector is driven as a commodity. Offering a low price is essential, improving risk assessment is a preoccupation, and rapidly processing customers is a major focus. As a result, unlike in other industries, the digital transformation is still not given high emphasis. In the meantime, with the advent of the digital and everything online, the retail customer wants to be able to reach everything everywhere at all times in addition to being able to access anything, anywhere, at any time. The customer wants to purchase specialised goods and services that are promoted via mobile, tablet, or computer. One of the key factors now influencing economic growth is the digital revolution. The conservative insurance industry is faced with opportunities and problems because to the necessity to adapt to the digital economy as a result of Internet usage and the rapidly changing business environment. The global pandemic COVID-19 has had an effect and has sped up the insurance industry's slow process of going digital.

Keywords: Risk Assessment, Digital Transformation, Digital Revolution and Digital Economy

Digital Insurance

The insurance sector is infamous for adopting cutting-edge technologies and applications slowly. A new force known as digital technology is causing profound changes in the insurance industry. For insurers, the shifting environment of insurance has led to a flurry of technical innovations in the business. The way customers interact with insurers is evolving as a result of new digital technology.

In a disruptive period, insurers are accelerating their digital transformation to achieve their risk management and decarbonization plans, fulfil customer and regulatory needs, and drive cost-efficiencies. Transparency and trust are the guiding principles in the connection between insurers and consumers as a result of digitalization, and their engagement is carried out through digital sales and distribution channels.

Preparing for a virtual future

The trend toward automation and digitization, both of which were earlier stimulated by shifting demographics, customer expectations, and competitive pressures, has been accelerated by the current crisis. Many insurers are now aware that telework works pretty effectively in most instances because the current scenario has compelled many of them to rely on virtual conferences and meetings. As a result, we believe that remote work will likely continue to be the standard at many companies. In reality, virtual interactions might create new possibilities for interacting with customers, selling products, and fostering relationships. Technology-enabled dialogues with clients are expected to increase efficiency, enlighten decisions, and improve outcomes for both buyers and sellers.

Digital Trends in Insurance Industry

Both in India and around the world, there has been a significant increase in the usage of mobile phones and the internet. And when it comes to leveraging digital technologies to scale their business model and work toward providing a hassle-free experience, the insurance sector is not far behind. One of the pillars of insurance businesses in India is anticipated to be digitization, which is starting to pick up speed in the insurance sector. Some of the digital trends in the insurance sector are listed below:

1. Buying Insurance Online Hassle-Free

Customers may now get insurance more easily overall thanks to online shopping. Almost all insurance companies provide free online insurance quotes so that customers can select and purchase various forms of digital insurance online. It does away with the requirement of meeting an insurance agent in person. Even calling to discuss or inquire about an insurance policy is no longer necessary.

2. Artificial Intelligence (AI)

Particularly when purchasing something as crucial as P&C insurance, consumers are constantly seeking out tailored experiences. With the help of AI, insurers can design these distinctive experiences that satisfy the fast-paced needs of contemporary customers. The secret is to use AI's ability to make the most of the vast amounts of consumer data that are already available to develop customised user experiences based on a person's behaviour and habits.

3. New Customised Products for Personalisation

Through the digital insurance process, insurers provide personalised or customised insurance solutions as opposed to a one-size-fits-all strategy. On-demand, usage-based, telematics, and all-in-one lifestyle products will be increasingly commercially viable for customers as the insurance business is digitalized. Long-term, insurance will become more relevant possibilities thanks to microinsurance, flexible coverage options, and peer-to-peer goods.

4. Social Media

Beyond conventional marketing techniques and clever commercials, social media's impact on the insurance sector is breaking new ground. Social media is one of the reasons why the way businesses communicate with their customers is changing. Customers can use this site to learn more about insurance providers, read reviews, and even leave product ratings.

5. Insurtech

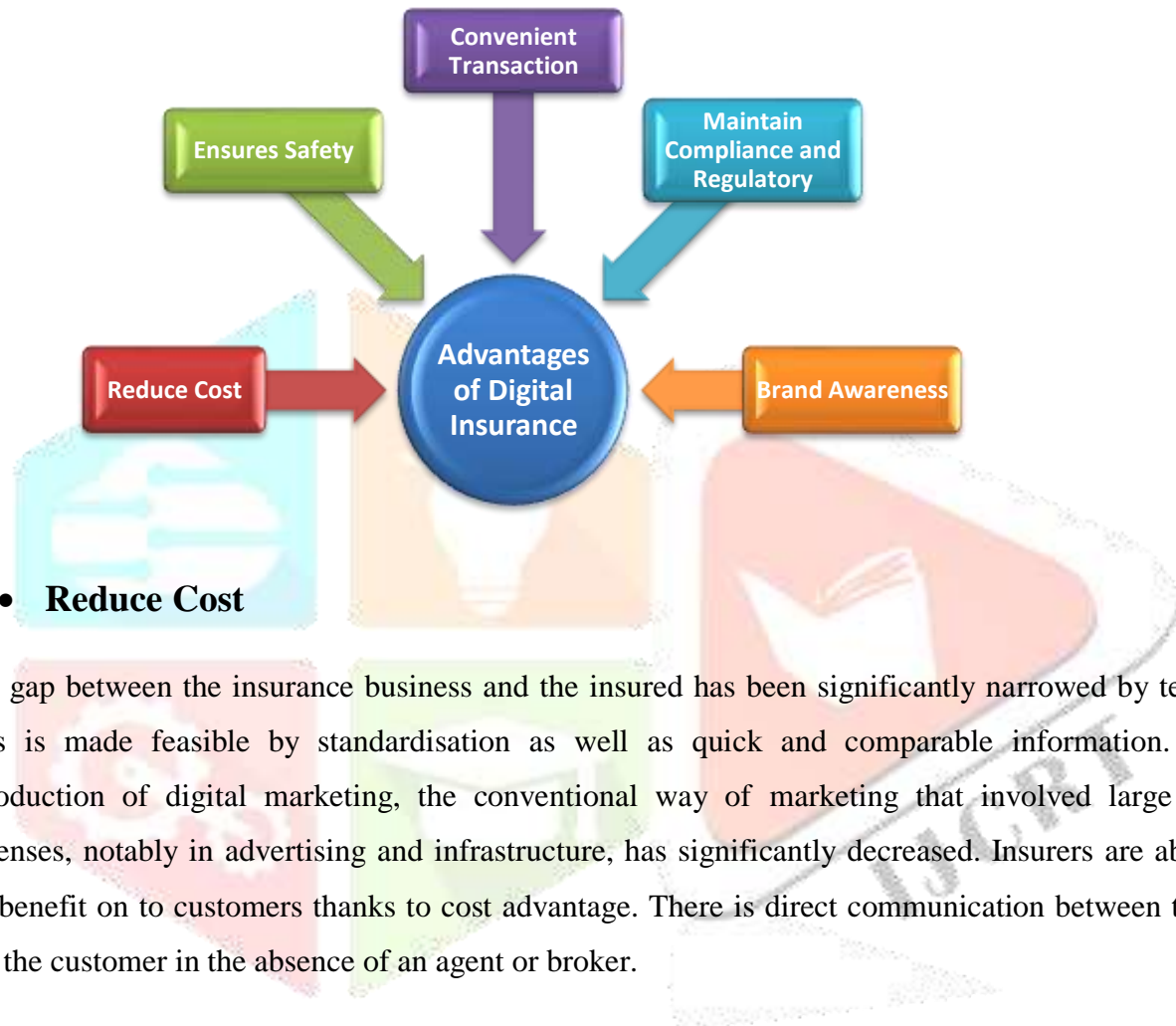
By utilising the most recent insurance technology, insurtech, or more particularly, insurtech businesses, can save costs for both customers and insurers, boost operational effectiveness, and enhance the entire customer experience. While this may sound comparable to long-standing digital insurance solutions, insurtech pushes those capabilities much farther.

6. Telematics

Telematics capabilities will continue to have an impact on auto policies. Consider telematics in the context of insurance technology as wearable technology for your vehicle. Nowadays, monitoring systems for cars are available. One example is Progressive's Snapshot, which uses analytics software to monitor and process data on speed, location, accidents, and other factors to assist calculate your policy rate. With a new emphasis on telematics and more people shopping around for insurance to get a better deal, inflation is transforming the insurance sector.

Advantages of Digital Insurance

Since clients want to know and trust that they are linked with an insurance company that is utilising the most recent technology and tools to give them the greatest experience, insurance companies are aware of the significance of cutting edge technology. The best course of action is to adopt digital insurance solutions, which will swiftly bring about a number of benefits for both policyholders and insurers, including:



- **Reduce Cost**

The gap between the insurance business and the insured has been significantly narrowed by technology. This is made feasible by standardisation as well as quick and comparable information. With the introduction of digital marketing, the conventional way of marketing that involved large operating expenses, notably in advertising and infrastructure, has significantly decreased. Insurers are able to pass the benefit on to customers thanks to cost advantage. There is direct communication between the insurer and the customer in the absence of an agent or broker.

- **Ensures Safety**

Contrary to paper insurance plans, there is no chance of loss or damage to a policy. The insurance policy can be accessed by the policyholder at any time and from any location in safe electronic form. Additionally, digital insurance provides protection from misrepresentation and fraud by brokers or distributors.

- **Convenient Transaction**

Modern consumers demand an immediate and speedy response to their needs. The convenience of engaging in numerous insurance-related operations is provided through online transactions. Additionally, users can conduct online transactions whenever they want from the comfort of their own homes.

Additionally, the entire system is made simpler by digitising the processes for purchasing, renewing, and filing claims, which improves the consumer experience overall.

- **Maintain Compliance and Regulatory**

Since customers must complete the entire insurance purchase procedure directly with the insurance firm, any mis-selling by insurance agents or brokers is avoided. Before choosing the appropriate insurance coverage, customers have the option of comparing several insurance firms and their offerings.

- **Brand Awareness**

Through their website, which features great material, the insurance firm aims to educate people about the products through digital marketing. To raise brand awareness among potential customers, insurers can utilise email marketing, social media accounts, apps, and texting.

Top 5 benefits of Digitalisation for Insurance Companies in 2023 and beyond

Predictive Analytics for Effective Risk Assessments

In the post-pandemic world, insurance risks are always changing as a result of new factors such the escalating client demands, the choppy market, shifting international politics, etc. These changes may negatively impact revenue. Risk forecasting and assessment are now essential if insurance businesses are to have a comprehensive understanding of the trends and opportunities.

With the help of predictive analytics, insurance companies can improve their pricing models and prevent risk accumulating by using past data on client behavioural patterns, demographics, etc. during risk assessment. Insurance companies can improve their service offerings across industries with the aid of predictive and data analytics.

Legacy Transformation

The traditionally conservative insurance business has been forced to embrace digital transformation in order to enhance customer service and retention as a result of the growth of insurtech startups and digital-first insurance companies. Insurance firms now see legacy transformation as a critical business requirement since legacy technologies have limited functionality and are challenging to connect with current agile technology solutions.

Insurance businesses may automate vital business activities like document generation, premium calculations, risk assessments, etc. by implementing scalable digital platforms housed in the cloud. Modern IT solutions replace outdated ones, which not only enhance employee satisfaction but also lower operational costs.

Low/No Code Applications

Insurance companies can use low- or no-code applications to easily create digital solutions tailored to their particular business requirements. Low-/no-code apps can be used to combine several applications because they do not necessitate laborious coding procedures. Low-code apps can help insurance businesses accelerate their time to market by streamlining operational procedures including premium computation, claims management, and customer data storage.

Customer Journey Mapping

Using low- or no-code applications, insurers can quickly create digital solutions that meet their particular business requirements. Low- or no-code apps can be used to combine many applications without the need for time-consuming coding procedures. Insurance providers can use low-code apps to accelerate time-to-market by streamlining operational procedures including premium computation, claims management, and client data storage.

Digital Workplace Solutions

The insurance and reinsurance industries have been strengthened by digital insurance, which has allowed top organisations to provide unrivalled user, employee, company, and customer experiences. By implementing cutting-edge technology solutions to achieve Total Experience and business scalability, Espire, a leader in digital transformation, is assisting major insurance businesses in staying ahead of the curve.

Conclusion

The insurance sector is undergoing a significant transformation. Change must be implemented without impairing regular company operations. The essential transformation has a drastic and forceful impact on historical companies and their management. The Internet revolution has already impacted every industry, and it will soon reach the insurance sector as well. Due to the effective response to customer needs and expectations, based on big data analysis, improved added value for consumers, and more, insurers are able to boost profits through cost optimization and sales growth. Every insurance firm needs to concentrate on adopting a future digital strategy, which is a necessary requirement for evolving into a sustainable and lucrative organisation, based on a precise understanding of individual demands. This is necessary not only to keep up with technology advancements but also to fulfil the ambition to develop into an inventive leader who drives the changes in the here and now. To stay competitive and capitalise on potential wallet share, insurance companies must modify their business structures and tactics.

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