



# UNLOCKING THE POWER OF DATA TO PRODUCE ACTIONABLE INSIGHTS

IN ASSOCIATION WITH



Software **SOLVED**

Developed with you

Insurance  
**POST**



# INTRODUCTION

Data has been called the new oil, the lifeblood and a valuable currency. So, insurers are fortunate in that most have vast amounts of this most precious commodity. But, are they maximising its potential or is it too often an untapped resource?

There's no doubt some insurers are starting to leverage the value in their data, even if an elite group is starting to pull away from the rest of the pack. However, as the rise of InsurTech shows, size is no barrier since smaller providers can prove highly effective through using with the right technology and not least, having a forward-thinking mind-set when it comes to sharing data.

## THE NEXT PHASE: USING DATA TO DRIVE BUSINESS STRATEGY

Whether or not insurance is playing a big enough role in the data revolution is a moot point. The technology now exists to connect legacy systems, while machine learning and analytics allow for transformational work to take place, with the goal for many insurers being to turn their data into actionable insights. The question is, will this remain a goal or become a reality?

Software Solved, which works with a range of large and small insurers to deliver Risk & Claims Management Systems as well as data rich Customer Portals, is seeking to better understand this crucial area and so conducted a research project, in conjunction with *Post*. This involved speaking to around 60 providers, covering commercial and personal lines, and with those providing opinions including directors and professionals from various disciplines including underwriting, claims, risk management and IT.

## IMPROVING ACCESS TO DATA

Quality data is imperative for insurers and is core to underwriting, pricing, claims trends and counter-fraud investigations among others. But, too often, insurers have held data in different locations, failed to interrogate it properly and in particular, not shared it.

According to Anthony Peake, Software Solved's managing director: "Actionable insights are not just about improving results, but also produce far more effective ways of working for internal teams, getting far more out of relationships with brokers and delivering customers a greatly enhanced experience."

Opening up access to these three core groups – internal teams, customers and brokers – was central to the research project and the findings show both the progress made and the considerable opportunities that remain. ■



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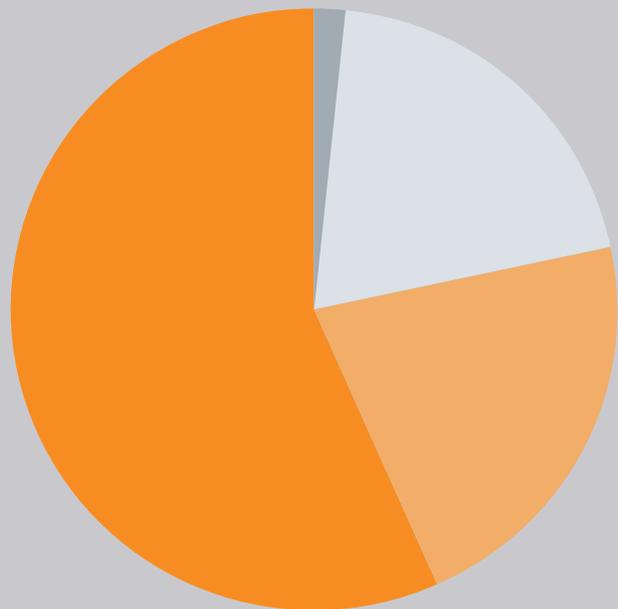
# REAL TIME IMPORTANCE OF SHARING DATA WITH BROKERS/CUSTOMERS

## ACCESS MATTERS: THE IMPORTANCE OF REAL-TIME DATA FOR STAFF AND CUSTOMERS

Respondents were asked how important it was for staff and customers to have easy access to real-time data, in order to improve performance. Answers showed that overwhelmingly, this is a key issue, with almost four in five (78%) of respondents - saying it was “very important” or “important” for employees and customers to have access. In contrast, under 2% said it was less or not important.

**To improve performance, how important is it that your staff and customers have easy access to real-time data?**

- Not important **0.00%**
- Less important **1.67%**
- Neutral **20.00%**
- Important **21.67%**
- Very important **56.67%**



But awareness of the importance and making things happen are different things and for change to happen, operational change may be required. Peake points out that in terms of sharing data with internal teams, the most effective vehicle are generally dashboards. “A lot more work is being done in this area to keep employees, wherever they are based, on the same page and up to date.

These are the next generation for a growing number of insurers, showing employees all their important data in real time, resulting in vastly improved collaboration. The challenge is to provide succinct and easily understandable information that is appropriate for those accessing it.”

# REAL TIME IMPORTANCE OF SHARING DATA WITH BROKERS/CUSTOMERS

## INSURERS VALUE SHARING DATA MORE WITH BROKERS THAN CONSUMERS

Insurers were then asked how effective they thought they were at sharing data externally with consumers and separately, brokers and using a scale of 1 to 5, where 1 was classed as “not effective, 2 “less effective” 3 “neutral” 4 “effective and 5 as “very effective”.

### How effective do you think you are at sharing data externally?

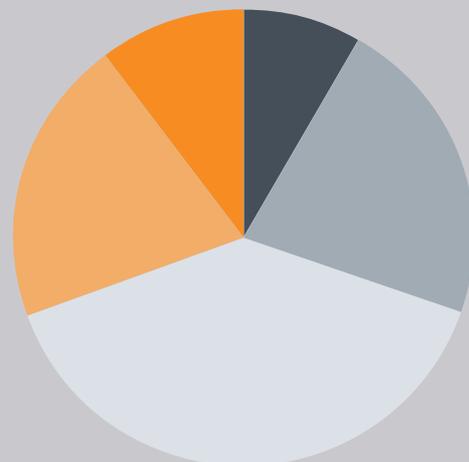
#### Consumers

- Not effective **8.33%**
- Less effective **33.33%**
- Neutral **38.33%**
- Effective **10.00%**
- Very effective **10.00%**



#### Brokers

- Not effective **8.47%**
- Less effective **22.03%**
- Neutral **38.98%**
- Effective **20.34%**
- Very effective **10.17%**



The aim was to find out what differences existed and typically, insurers have had more remote relationships with their customers, even if they sell to them directly. In contrast, they will often work closely with their brokers, seeing them more as business partners, and indeed are likely to feel they have greater trust and control with them than with customers directly. The findings backed this up, 30.41% of insurers stated that they are either effective or very effective at sharing data with brokers, whereas only 20% of insurers stated they were effective at sharing data with customers, and notably:

- Only around 10% classed themselves as “very effective” at sharing data with both brokers and consumers
- In terms of being “effective” the percentage was just over 20% in favour of brokers and 10% for consumers



# REAL TIME IMPORTANCE OF SHARING DATA WITH BROKERS/CUSTOMERS

## WHAT CAN BE DRAWN FROM THIS?

Overall, just three in 10 (30%) thought they were currently effective or very effective at sharing data with brokers, while only one in five said they were with consumers.

JUST 30% OF INSURERS THOUGHT THEY WERE CURRENTLY EFFECTIVE OR VERY EFFECTIVE AT SHARING DATA WITH BROKERS, WHILE ONLY ONE IN FIVE SAID THEY WERE WITH CONSUMERS

Clearly, this issue merits a rethink by insurers, and offers potential for them to improve what they are currently doing. Those that are sharing data are already seeing marked benefits and as one insurer said in the research: “Giving brokers information allows us to pinpoint trends, areas to improve and keeps everyone satisfied that all aspects are being monitored,” while another added: “Broker contact is key – close relationships with brokers put your company at the forefront of their minds which results in new business.”

Meanwhile, in terms of customer benefits, we were told: “Customers can access claims data for risk management purposes, download copies of documents and save us having to do the work for them.” Another commented: “Customers’ expectations are now as high as whatever the best they receive elsewhere is – if Amazon can do it, they expect everyone to. If we can’t offer real-time claim tracking and proactively provide useful data, we are not in the running for their attention let alone affection.”

The view that insurers must compete with leading brands and not just each other has resonance and another commentator said: “Service in the insurance sector should no longer be measured against that provided by other insurers, rather we should look wider and compare our service to that provided by companies in other sectors.

“At your fingertips’ product management through web and apps should be at the forefront of our thinking as customers compare their insurance interactions with those from their banks, utilities and entertainment providers. Real-time account and product performance results along with customer-controlled risk management would massively reduce the servicing cost of insurance products and allow for proactive cross-selling and improved retention. Being able to highlight potential lapses based on customer feedback in addition to product performance would allow preventative action for both insurers and intermediaries.” Certainly, this is interesting food for thought. ■



# 78%

OF RESPONDENTS SAID IT  
WAS "VERY IMPORTANT"  
OR "IMPORTANT"

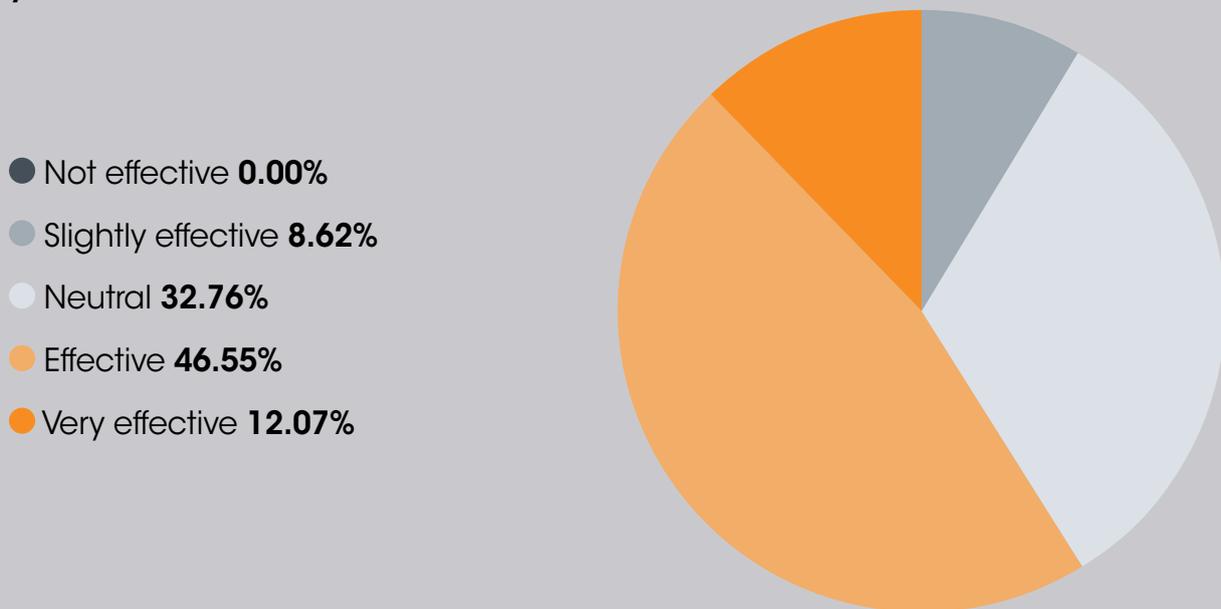
FOR EMPLOYEES AND  
CUSTOMERS TO HAVE EASY  
ACCESS TO REAL TIME DATA

# INTERNAL DATA SHARING AND REAL TIME BENEFITS

## HOW BEST TO SHARE DATA WITH INTERNAL TEAMS?

The survey then sought to find out how effective insurers thought they were at sharing data with internal teams and nearly 60% said they were either “effective” (46.55%) or “very effective” (12.07%) at this.

**How effective do you think you are at sharing data with internal teams within your business?**



While this is relatively encouraging, in the comments, a number admitted there was room for improvement and as one insurer said: “This is a big gap and we need to move away from silos to self-serve models, making each pool of data and insight accessible to a wider user set.” Another added: “We’re very disjointed when it comes to sharing information. This has led to awkward conversations and a great deal of re-work.”

But some are getting things right as one explained: “Because we share data well internally, we are able to make the best use of that data across all departments to ensure we maximise efficiency, protection and opportunity.”

Another added their employee data sharing was “improving all the time and our recent corporate restructure helped. The main barrier remains understanding what data exists and where that data is.” This latter point indicates that given that insurers may have offices in different locations and are using separate legacy systems, problems in this area continue.

Despite the positives our experience shows that information is not available through data visualisation, either as dashboards or Data Portals. We also find many systems have inconsistent data and integration of legacy systems is still holding back sharing of data internally. There is a slowness in adopting these technologies which will ultimately have a negative impact on operational efficiency, profitability and customer relationships.

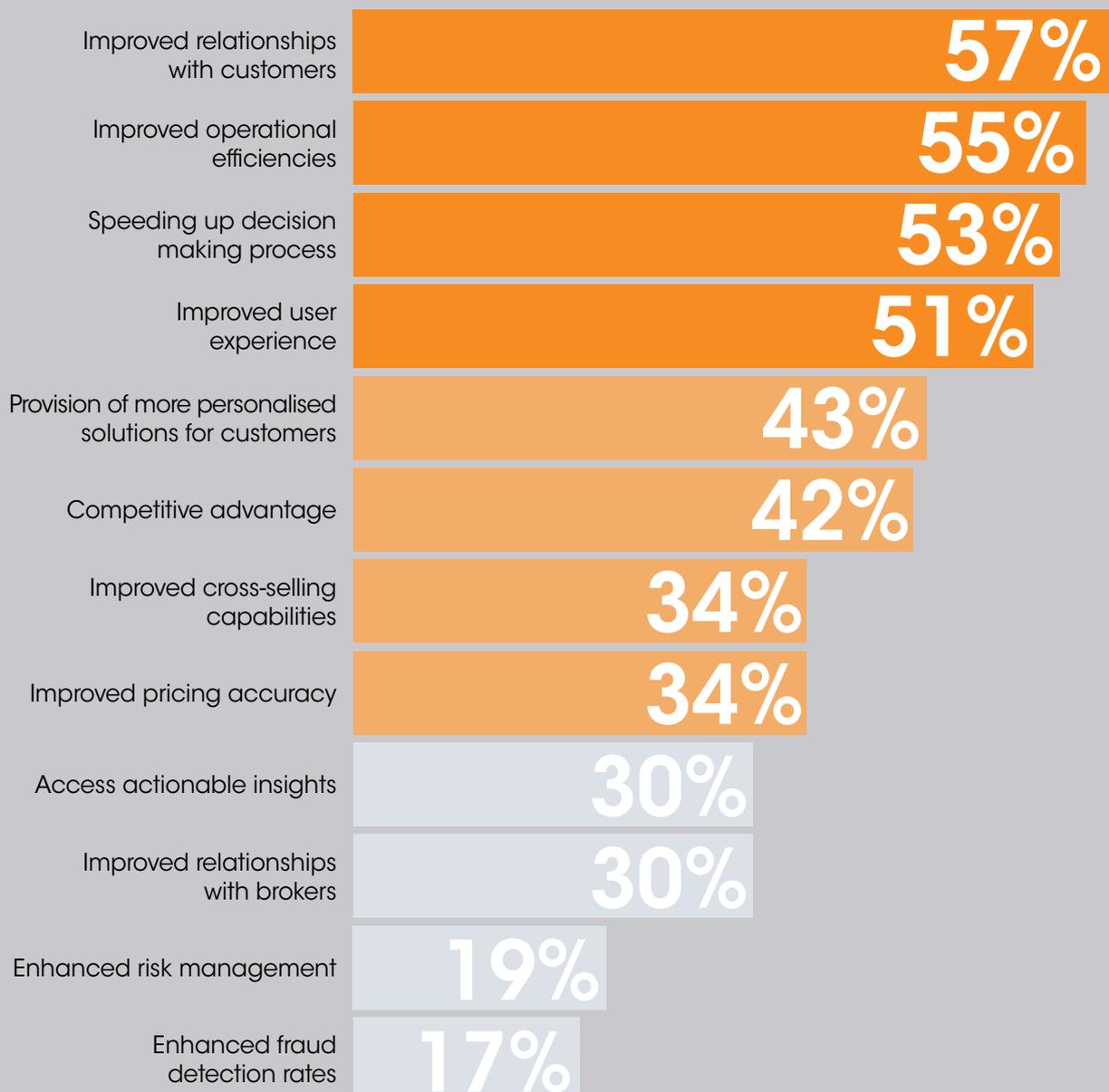


# INTERNAL DATA SHARING AND REAL TIME BENEFITS

We then asked what the main benefits would be if real-time data sharing could be improved both internally and with customers. ■

## If you could improve real-time data sharing both internally and with customers, what main benefits would you achieve?

(Respondents could select up to five of the options below)



- Sharing data improves user experience which has a positive impact on customer relationships. It also leads to operational efficiencies and faster decision making.
- Personalisation of information allows you to increase cross sell and upsell opportunities and provide improved pricing accuracy which in turn delivers competitive edge.
- Actionable insights allow you, by better sharing of data and enhanced risk management, to increase benchmarking across all of your customers. The net result leads to increased risk mitigation and easier detection of issues like fraud.

ONLY **10%**  
OF RESPONDENTS  
CLASSED THEMSELVES  
AS VERY EFFECTIVE  
AT SHARING DATA WITH  
BROKERS AND CUSTOMERS

# PORTALS AS A DIFFERENTIATOR

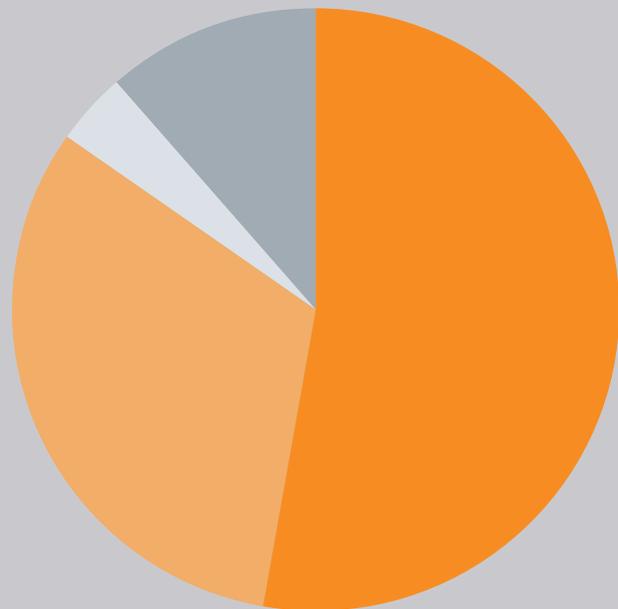
## INSURERS ARE EXPANDING PORTAL USE

Customer portals – private, secure websites that allow companies to share account-specific data – can be appealing offerings and key differentiators in a market where products and service can appear ubiquitous.

We asked insurers if they were currently using or had future plans to make use of customer portals and the results showed almost 53% already used these, while 32% has them earmarked for use in future strategic plans and were now in build mode. Only 4% said they were not using portals, but had plans to, while just over 11% said they had no plans in this area.

### Are you currently using or have future plans to make use of customer portals?

- We already use customer portals **52.83%**
- We don't currently use, but have included them in our future strategic plans and are now in build mode **32.08%**
- We don't currently use, but are planning to include them in our future strategic plans **3.77%**
- No plans to use **11.32%**



According to Peake: “Customers like portals because they offer empowerment and allow them to access their insurance details at any time of day or night, such as for checking and updating information. These can also be useful for cross-selling, claims notification and self-service.

“The fact that over 80% said they already had a portal or were engaged in developing one is good news, showing insurers have picked up on their popularity and the convenience factor. What is more, through more self-service, insurers can reduce their own labour costs and potentially benefit from higher sales and greater loyalty.”



## PORTALS AS A DIFFERENTIATOR

Even so, Peake adds there is still work to be done in portal development, with some still being too siloed and there is also still too much emphasis on personal lines. He says they remain under-utilised in commercial, yet demand among business customers exists and is growing. He says: “There is a lot of scope here and we are seeing more insurers look to increase their user experience work across the board.” However, we can’t be complacent, while 80% say they are happy that they already have a portal or are planning a data portal, our experience is that these are concentrated on their domestic lines of business and there are huge opportunities being missed providing data visualisation solutions to their commercial lines of business.

### WHAT INSURERS WANT FROM THEIR DATA

The research also uncovered what insurers want to achieve from their data in terms of actionable insights –and their wish-lists were as follows:

- BETTER UNDERSTANDING OF CLIENT NEEDS
- HIGHER INDIVIDUAL PERSONALISATION
- ABILITY TO ADJUST PRICING DEPENDENT ON PERFORMANCE AND EFFICIENCY
- COMBINE DATA STREAMS TOGETHER TO OFFER INSURANCE WITH MINIMAL QUESTIONS
- IMPROVED SCREENING AND PROFILING OF CLAIMS
- JOINING UP THE CUSTOMER JOURNEY FROM POINT OF SALE TO CLAIM SETTLEMENT
- IDENTIFY THOSE SME CUSTOMERS WITH GROWTH POTENTIAL, OFFERING THEM SUPPORT INCLUDING RISK MANAGEMENT AND UPGRADING TO MIDDLE MARKET PRODUCTS IF NECESSARY
- MORE SELF-SERVICE, MORE AUTOMATED DECISION MAKING AND BETTER RISK SELECTION
- REAL-TIME CLAIMS DATA TO BETTER MANAGE RESERVES
- RISK AND CLAIMS DATA USED TO HELP DETECT ATTEMPTED OR POTENTIAL FRAUD EARLY.

Peake comments: “While these views are in the context of ‘in an ideal world’ these are achievable and insurers are either ready now or are catching up on other sectors to extract more from their data.” ■

SHARING REAL TIME  
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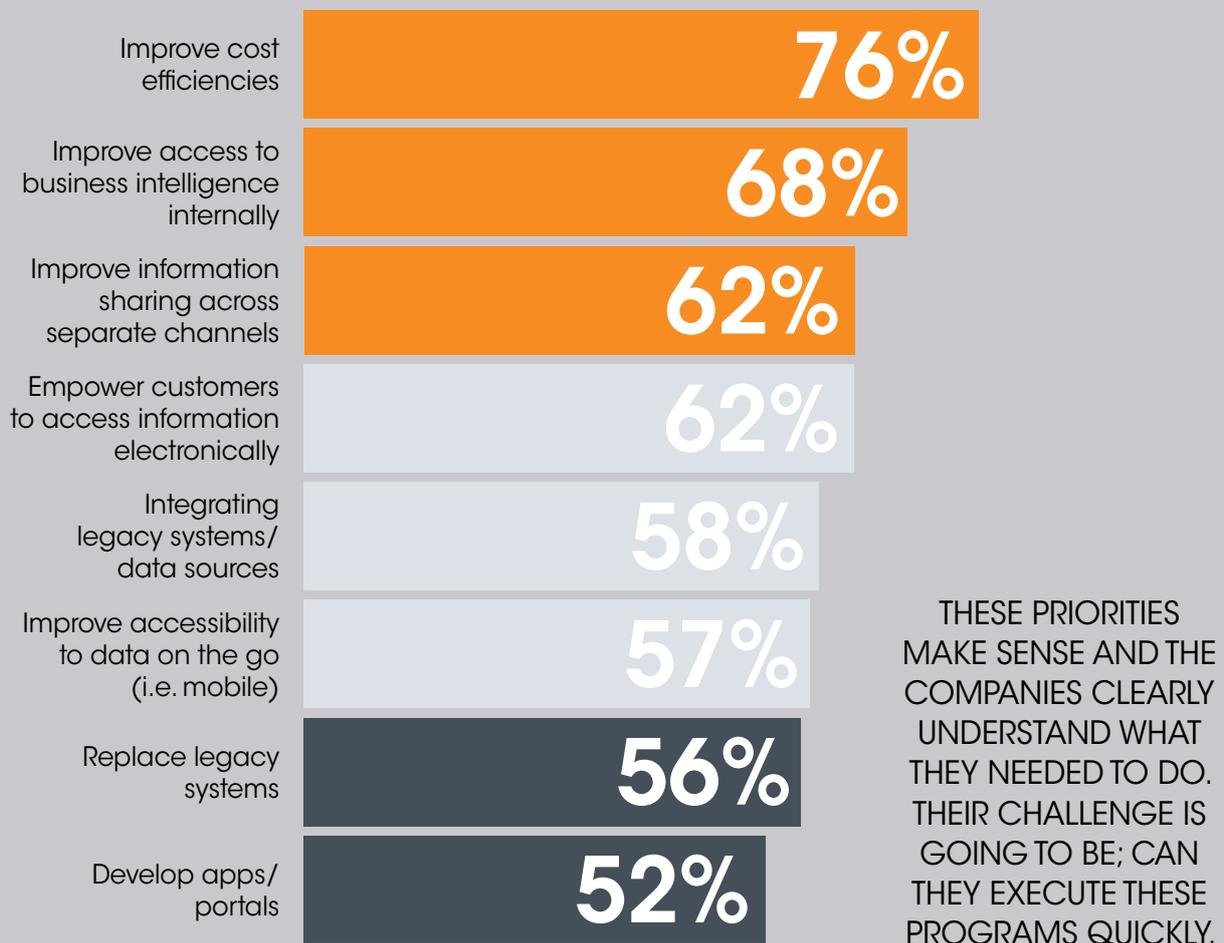
# FUTURE INVESTMENT PRIORITIES

## WHAT WILL TAKE PRECEDENCE IN 2018?

Insurers were then asked about their technology priorities for the year ahead. Given current economic uncertainties, it is no surprise that “improving cost efficiencies” came out on top at 76% in the weighted scores.

However, data issues then dominated the remainder with “improving access to business intelligence internally” at 68% and in third place, “improving information sharing across separate channels” at 62%.

## What are you company's current technology priorities in 2017?



“Recent years have seen a more favourable environment for insurers in terms of lower costs and the fact that software developers are able to bring on new technology in manageable stages. Legacy systems remain an issue but there may be ways to introduce innovation without the expense of always replacing them,” says Peake.

We are working with insurers investigating machine learning technologies to accelerate the integration of data from legacy systems to deliver richer insight.



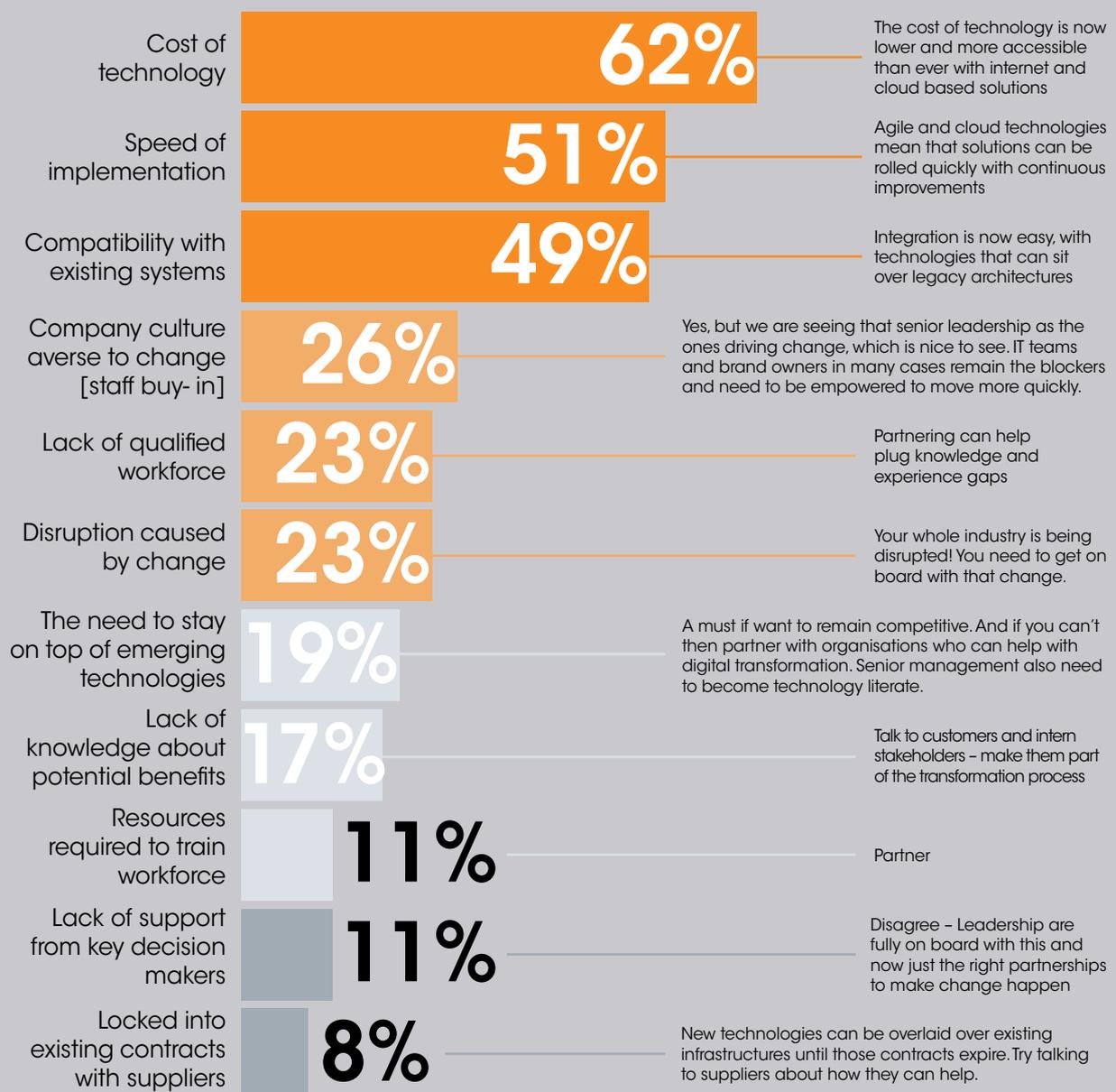
## FUTURE INVESTMENT PRIORTIES

In terms of barriers, respondents again said “cost” was the main issue at 62%, followed by speed of implementation at 51% and compatibility with existing systems at 49%. Other barriers included company culture being averse to change (26%) lack of qualified workforce (23%), the need to stay on top of emerging technologies (19%), lack of knowledge (17%) and being locked into existing contracts (8%).

Peake continues: “There are solutions out there and the cost pressures that insurers are concerned about can be outdated as is the view that there is going to be extensive upheaval – processes to upgrade can deliver high benefits quickly with huge costs.” ■

### What are the barriers hindering your adoption of new technologies?

(Respondents could select up to three of the options below)



# 70%

OF INSURANCE COMPANIES  
WHO RESPONDED STATED  
THEY ARE USING CLOUD  
NOW AND ARE LOOKING  
TO INCREASE THIS"

# HAVE INSURERS GOT THEIR HEADS IN THE CLOUD?

## OVER 90% SAY THEY EITHER USE OR HAVE PLANS TO USE CLOUD

Insurers are not known as early adopters of the cloud, but this can bring advantages in terms of reducing costs, boosting efficiency and improving security, offering a range of options from platforms, applications and storage.

Insurers were asked for their company stance on cloud as a viable platform and responded as follows.

### Are you currently using or have future plans to make use of customer portals?

- We already use cloud extensively and will continue to pursue other opportunities using this platform **11.32%**
- Use cloud for some solutions, and will seek other opportunities in the near future on a case-by-case basis **49.06%**
- Use cloud for some solutions, but have no plans to use it elsewhere in the near future **11.32%**
- We don't use cloud, but plan to explore opportunities using it in the future **18.87%**
- We don't use cloud, or have plans to use it in the future **9.43%**



Peake concludes: "There is still some resistance but there has also been a real change of attitude towards the cloud, and this can be seen in the 70% of insurance companies who responded stating they are using cloud now and are looking to increase this and a further 18.87% who are planning to start using cloud services."

These are exciting times for the insurance industry as data takes centre stage. The move to real-time, full integration and wide accessibility of data creates new opportunities and allows insurers to become more agile in terms of product development and customer servicing – and in particular, bringing actionable insights within reach. ■



## METHODOLOGY

Between September and October 2017, *Insurance Post* in association with Software Solved conducted an online survey to uncover how effectively insurers and brokers are currently using data, the importance of accessing actionable insights in the digital age and how this might be achieved.

Comprising 12 questions, the survey was promoted to *Post's* insurer and broker subscribers via email and social media channels. Following four weeks of fieldwork the survey was closed on 6 October having accrued responses from 60 front-line insurance professionals. The majority of respondents worked at tier one insurers, although their job roles varied considerably - from claims managers and underwriters through to digital transformation specialists and CEOs.

## COMPANIES SURVEYED

Admiral, Ageas, AIG, Allianz, Allstate, ALPS, Aon, Arnott Marine, Aviva, Azur, Bradesco, CBK, Covea, DWF Claims, Ecclesiastical, Frontier Adjusters, i-Direct Insurance Solutions, Legal & General, Liberty Insurance Ire LIU, LV=, Magma HDI General Insurance, NIG, Old Mutual, PartnerRe, Portcullis Insurance, Prudential, QBE, RSA, SPIXIL, Tesco Underwriting, Towergate, Trade Direct Insurance, Vörður Insurance, XL Catlin, Zurich, Zurich Municipal.

## JOB TITLES OF PARTICIPANTS

Account Executive, Analytics Manager, AVP Claims, BDM, Broker Manager, Broker Relationship Director, Business Analyst, Business Transformation Consultant, CEO, CFO, Chief Risk Officer, Claims Adjuster, Claims and Analytics Actuary, Claims automaton and digital transformation business analyst, Claims director, Commercial Lines Specialist, Commercial Vehicle Manager, Counsel, CTO, Digital Leader, Director distribution, Director of Business Operations, Exposure Management Consultant, Finance of Insurance, Fraud & Risk Team Leader, Fraud Development Specialist, Global Practice Leader Cyber, Group Claims Change Manager, Head of Claims Automation, Head of IT and Change Management, Head of Policy, Head of Portals and Integration, ICT Support Specialist, Innovation and Research Analyst, Manager, Life Admin, MD, Motor Controller, Motor Technical Manager, Multi line examiner, National Head Motor Claims, Project & Marketing Manager, Project Manager, Property & Casualty u/w, Regional Distribution Manager, Brokers, Regional Underwriter - Motor, Research & Insights Manager, Schemes Development, Schemes Underwriter, Senior Business Developer, Senior Claims Adjuster, Senior Claims Handler, Senior Manager, Claims Business Services, Senior Risk Engineer, Senior Technical Underwriter, Transformation Director, Underwriting manager, Vice President, Vice President of Health.



# Software SOLVED

Developed with you

Software Solved have been delivering outstanding and intuitive software solutions to the financial services industry since 1998. We have worked and partnered with some of the largest and most influential insurers during that time – helping them to devise, plan, build and develop their systems. We have developed several award-winning systems for insurers such as RSA and MS Amlin, including Risk Management and Claims Management Systems, and Customer Portals.

We understand the insurance industry so we recognise just how important making the best use of data is. That is why we are pushing our clients to develop intuitive and easy-to-use customer portals, to share their insights with their customers and improve their business relationships. We are truly passionate about the importance of UI/UX in developing these systems – we want our clients to interact with their customers in the easiest and most intuitive way possible. That way, the insights shine through.

To be able to share data with clients, the data first needs to be in a format where it can be easily digested and analysed. That's why we offer our expert Data Visualisation services – to help our clients gain actionable insights from previously unseen or unused data. We use tools like Power BI to transform meaningless numbers and statistics into real-time, interactive dashboards – no more hunting for data, we give you insights when and where you need them most. Every insurer has stores of data – the ones driving ahead of the competition are the ones who utilise it to make data-driven strategic decisions in real-time.

Software Solved involve users at every stage of the development process – that's why our systems are Developed With You. This ensures our solutions are easy-to-use and exactly meet the needs of your business. With locations in London, Bristol and Exeter, Software Solved are a Microsoft Gold Partner and have been delivering outstanding solutions for 20 years.

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