

## Insurers needs to be digitally-savvy

Insurance has long been associated with cumbersome, paper-based, manually driven processes. That is no longer good enough. The modern insurer needs to be digitally-savvy to address the needs of increasingly discerning customers, says Kelly Preston, digital manager at SilverBridge.



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“The move to digitalisation has been a long time coming. In the 90s much focus was placed on the paperless office. While this sounded good in principle, the technology and organisational will were not advanced enough to realise this vision. Today, every business revolves around migrating to a digital environment that is not only more cost-effective but also significantly more efficient,” she says.

### Changing times

This is resulting in business requirements continually changing, adapting, and realigning to market requirements. It is as much due to what customers want as it is what sophisticated technologies such as real-time data analytics, artificial intelligence, and machine-learning can enable the organisation to accomplish.



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Mia Papanicolaou 8 Mar 2019



“While this is something that impacts all industries globally, banks and insurers are especially benefitting from digitalisation. South African banks have particularly led the change to embrace internet banking, mobile apps, virtual assistants, and a

branchless environment. This is paving the way for others to follow and customise some of these practices to their own environments.”

## **Adapt or die**

Insurers, for their part, are starting to become more sophisticated in how they digitalise their systems. The pressure they face from more agile insurtechs that are winning the increasingly growing younger market segment means that they must shift from traditional systems to more modern ones.

“We have seen that the ones who identify the technologies that aid in the digital journey at an early stage, will be the ones who can quickly integrate new product and service offerings quicker, thereby allowing for the much-needed competitive advantage over those who do not.”

This is as much about delivering customer value as it is about unlocking new revenue streams.

By eliminating paper-based approaches and reducing costs, the insurer can pass those savings on to customers who are then more likely to stay with them as opposed to migrating to the newer fintechs. This environment is all about leveraging tools such as smartphones and apps to deliver increased value in line with what end users are demanding.

## **Intelligence done differently**

“With insurers having real-time access to customer data, they are in a better position to understand where the elements of the value chain can be enhanced for the most returns. Ultimately, everything from applications and claims management to underwriting will be digitally transformed. However, the process must start with the fundamentals,” she says.

Even though the temptation is to remain focused on customer-facing solutions, insurers must also apply this digitalisation to the back-end systems that drive the organisation.

“The insurer must reinvent itself for a digital environment from within its core. This is not to say everything must be ripped and replaced, but there are areas where fundamental changes must occur before the ‘sexier’ technologies of artificial intelligence and machine-learning can be fully integrated. This all comes down to how data is managed inside the business and what processes exist to optimise its analysis as it becomes less about paper-driven admin and more about digitised processes,” she concludes.