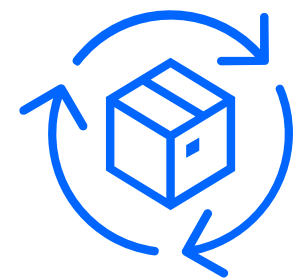


Insurance digitalization: executive views

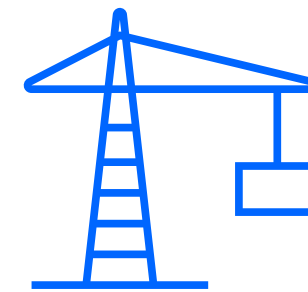
100 decision-making executives in digital insurance, UK focus, September 2021

Survey of digital insurance executives



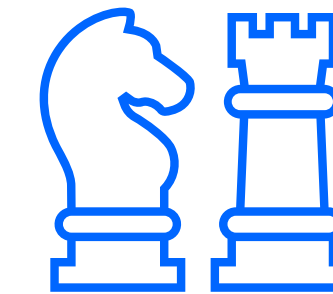
Digital product updates

How active are insurers in terms of developing and releasing updates and improvements to their digital products and channels?



Aims of digital investments

What are insurers' stated aims when they invest in digital capabilities, and do the executives feel they are achieving what they set out to?

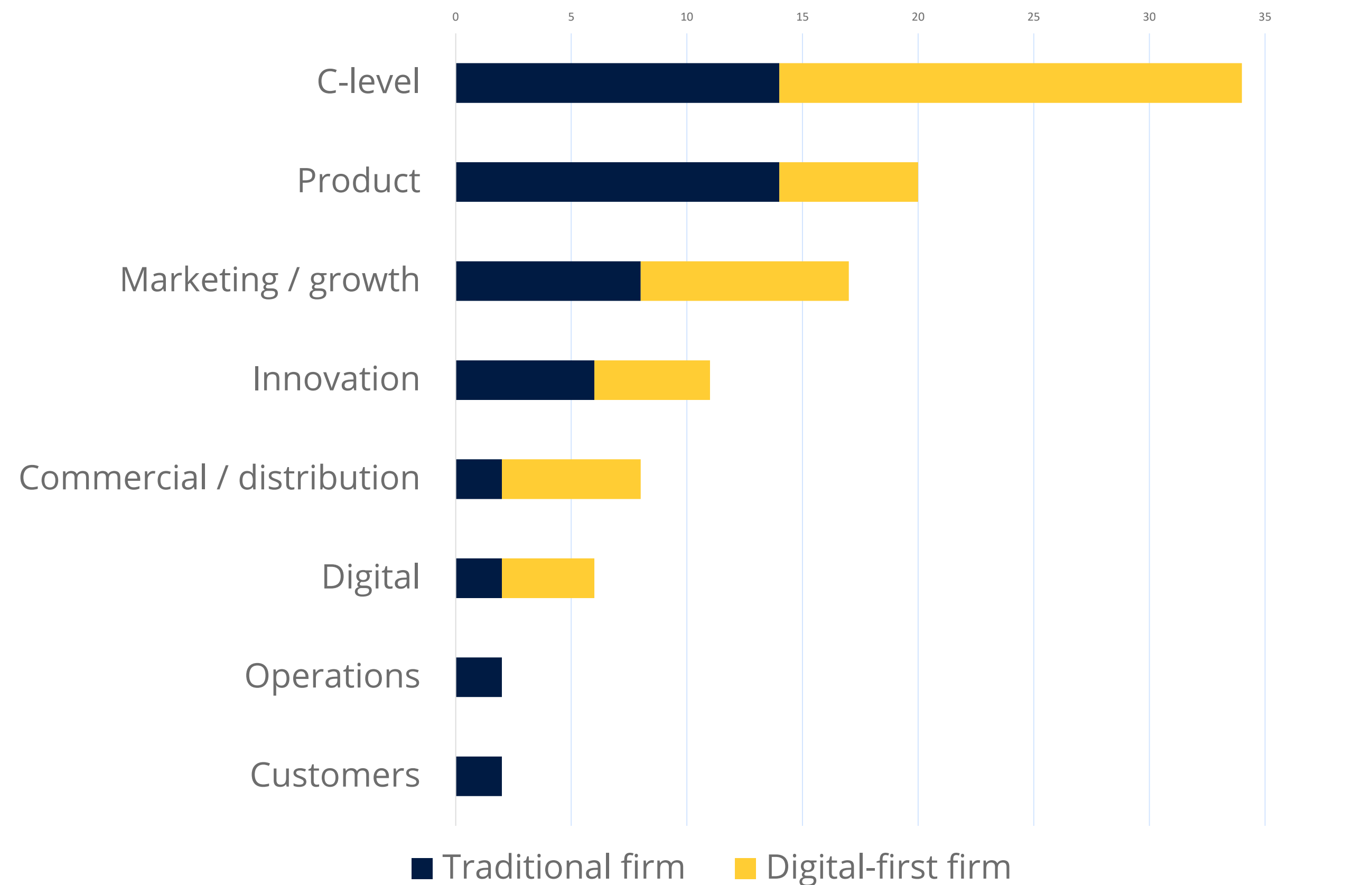


“Challenger mindset”?

Can we detect strategic differences in the digital-first competitors versus the incumbents?

Insurance executives managing digital

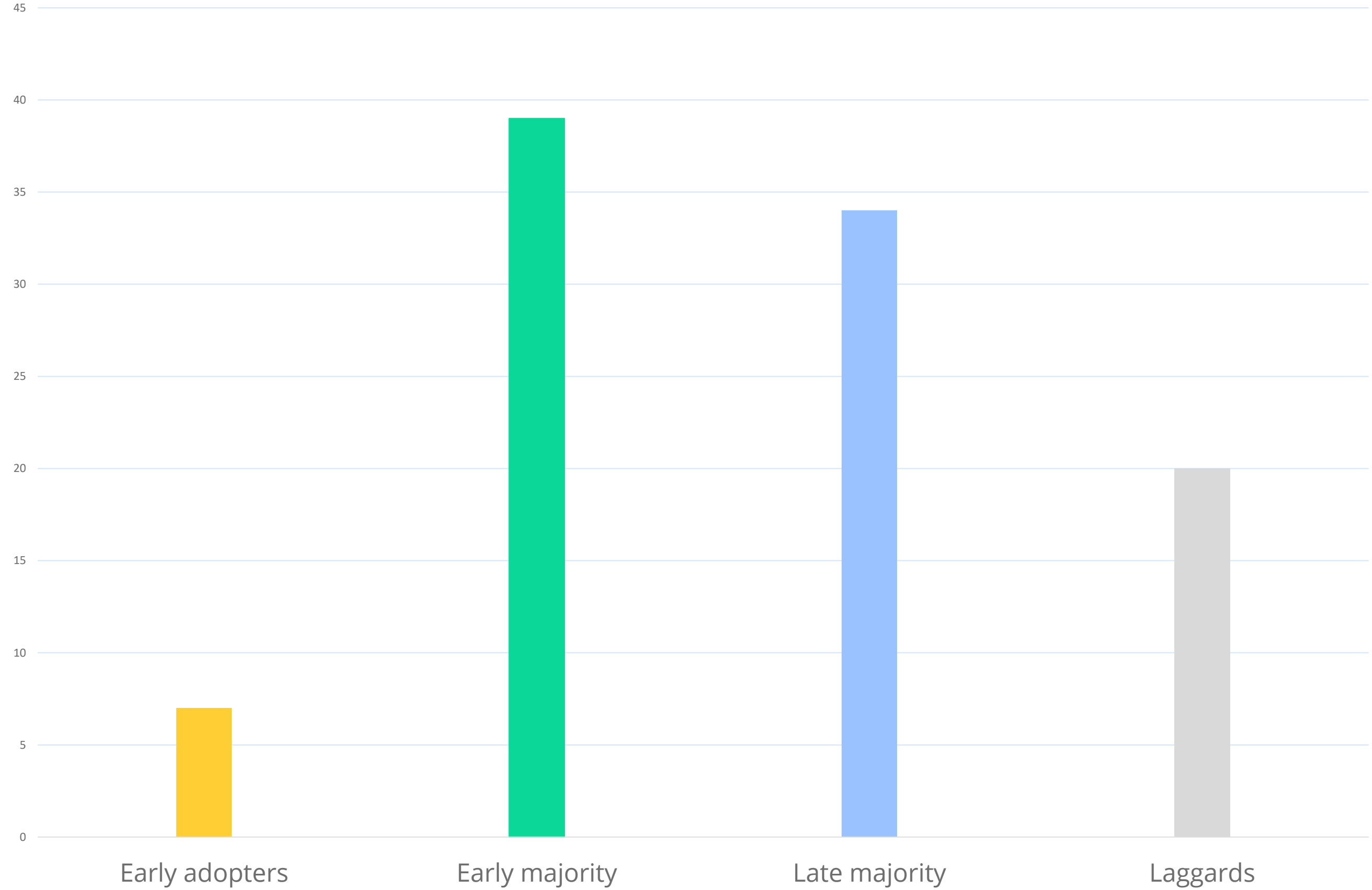
Digital insurance survey respondents' roles, September 2021



- 87% UK-based firms
- Respondents state they have "decision-making power over major digitalisation projects"
- Survey conducted in partnership with Censuswide

Spectrum of digitalization

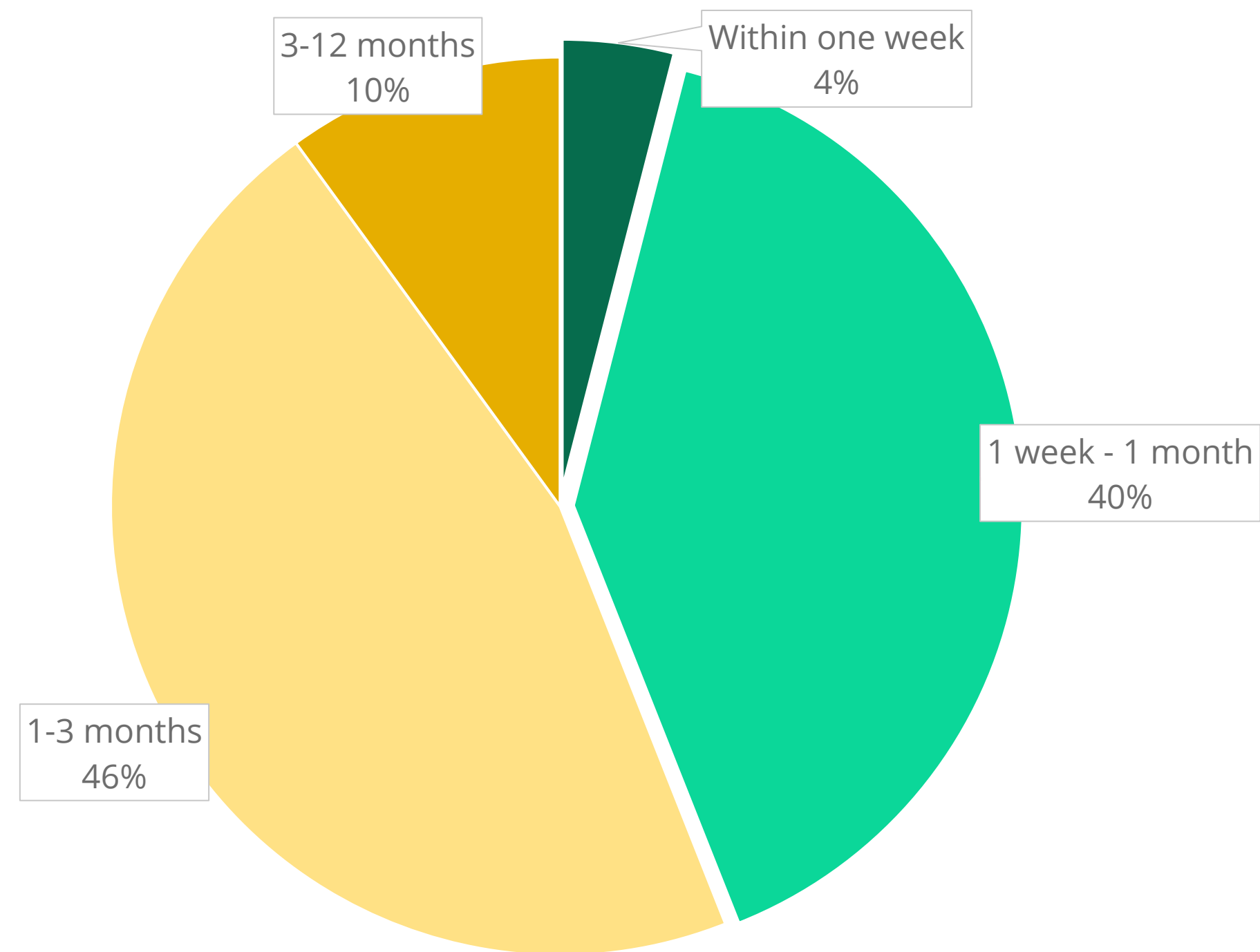
Digital strategy / adoption curve (all respondents)



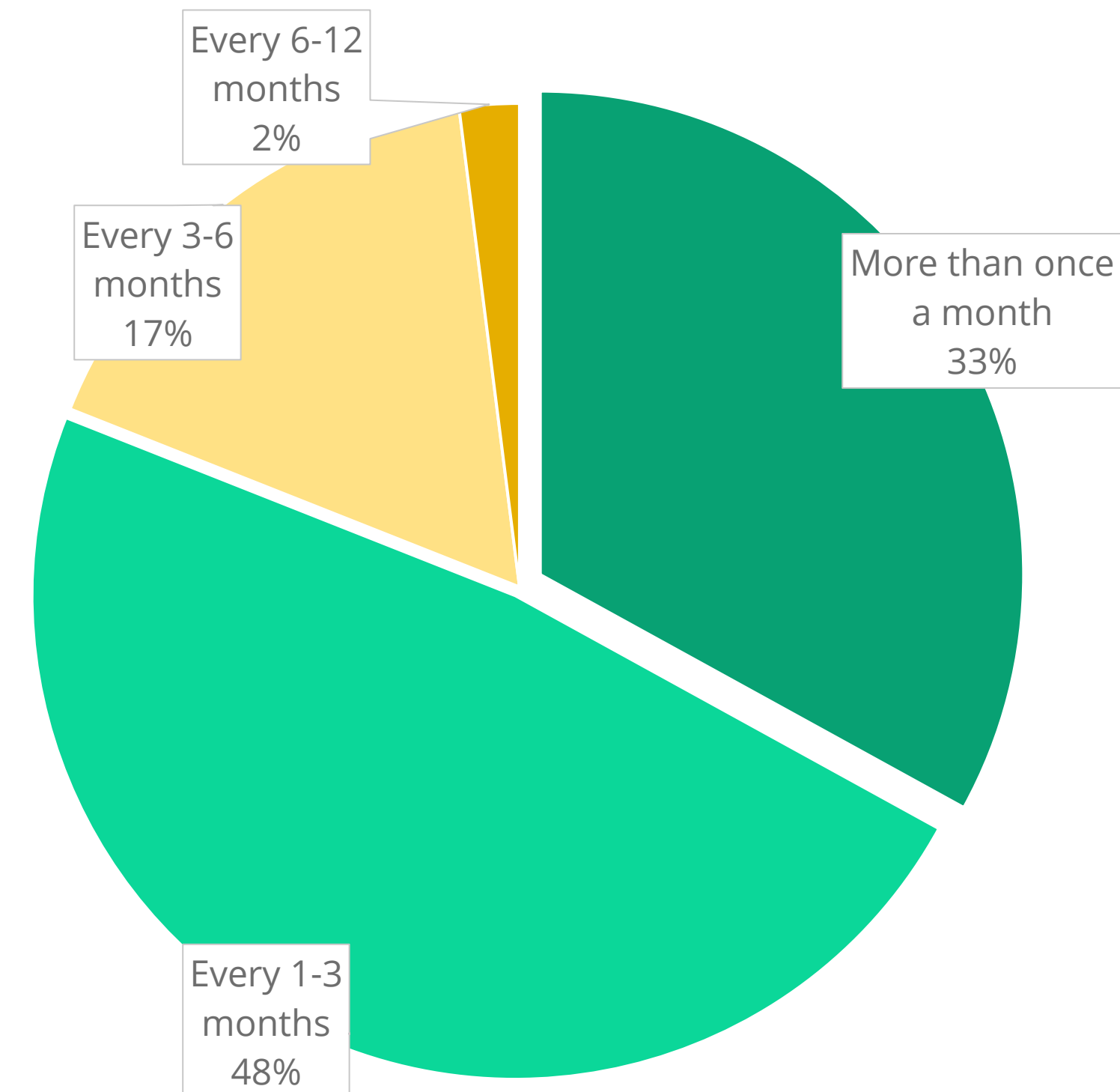
- Proactive, leading the market
- Being one of the first to make necessary changes
- Moving with the rest of the market
- Waiting and following the rest of the market when forced to

Insurance is a digital hive of activity

Release capability

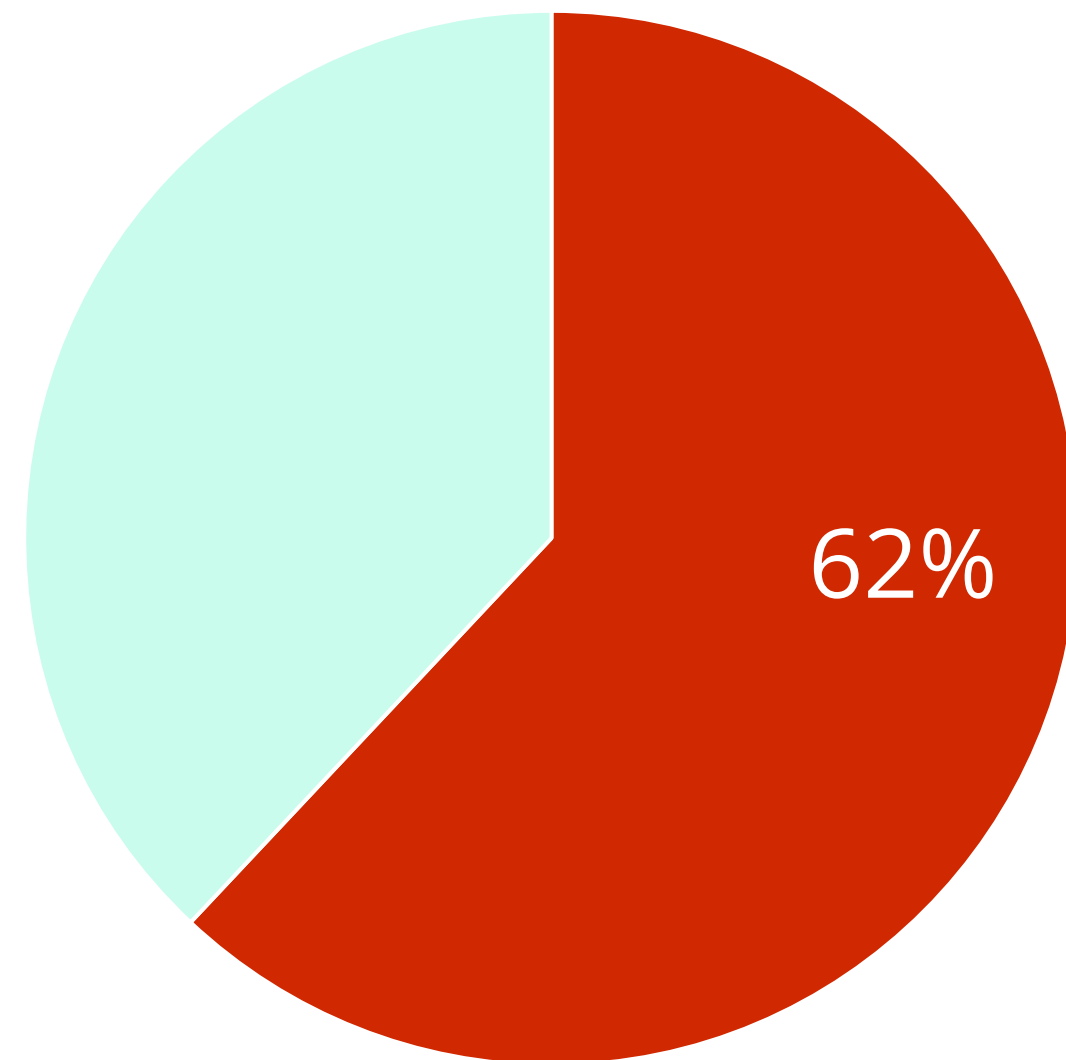


Current product updates

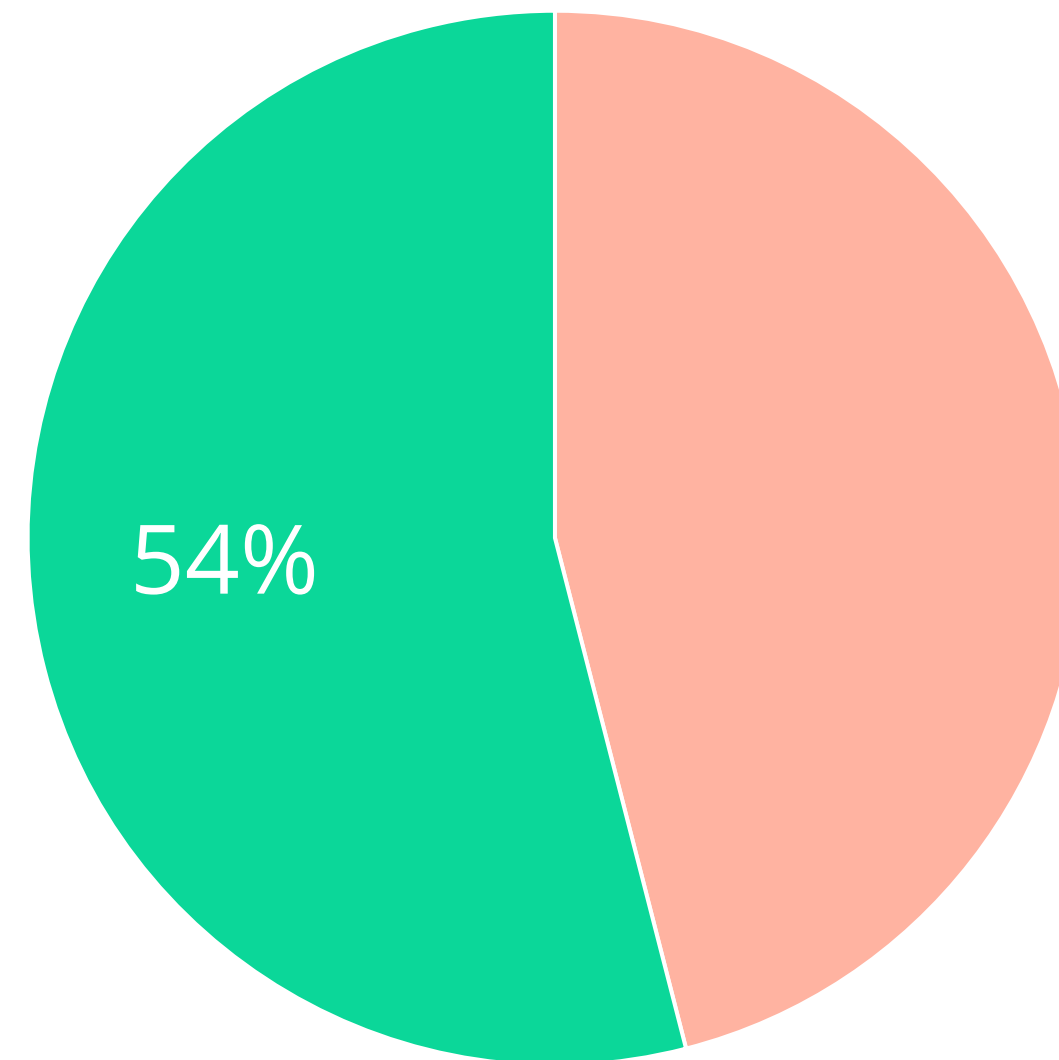


Digital: building on strengths?

Traditional firm



Digital-first firm



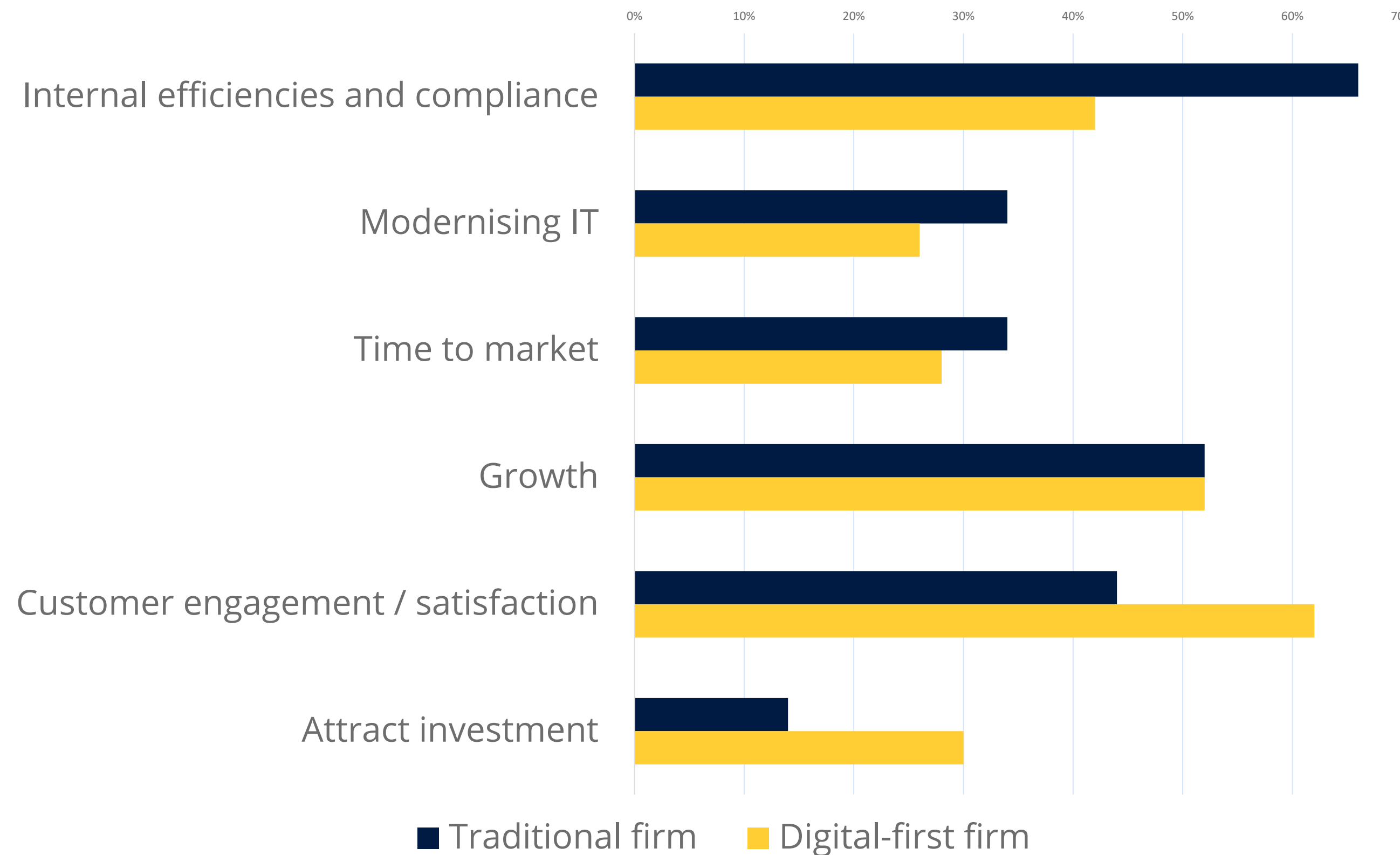
- ❑ “Digital is the **primary** driver of our **growth** and **business model**”
- ❑ “Digital is **already** one of our main **strengths**”
- ❑ “Digital is an important factor in our **future**, but we are **not** where we need to be yet”
- ❑ “Digitalization and our technology are **frictions** or **complicating** factors for us”

FINDINGS:

- Over half (62%) of traditional firms say that they are not yet where they want to be with digital, or even consider it a friction
- 40% of new firms view digital as one of their main strengths, against a lower figure of 26% of traditional firms

Why invest in digital?

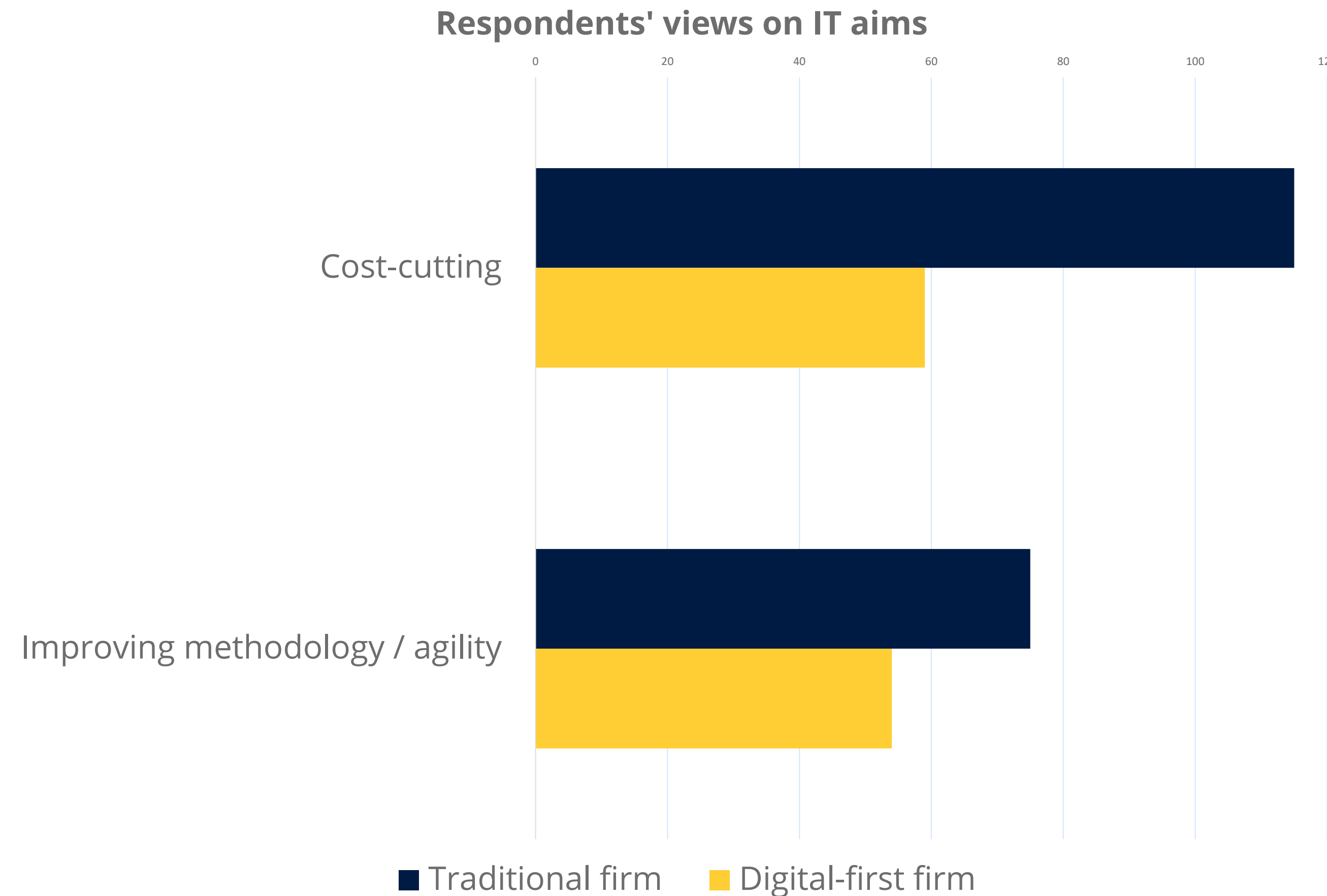
Key benefits of investment in digital capabilities:
% of cohort respondents included



FINDINGS:

- Respondents from traditional and digital-first firms were equally likely to associate investment in digital with **growth**
- However, traditional firms were 1.4x as likely to associate digital investments with **internal IT improvements and internal efficiencies**
- Digital-first firms were more likely to focus on benefits for **customer engagement and satisfaction** (62% vs 44% of traditional firm respondents chose this option)
- Digital-first firms were twice as likely to consider digital improvements to be about **attracting outside investment**

Inward-looking digital objectives?

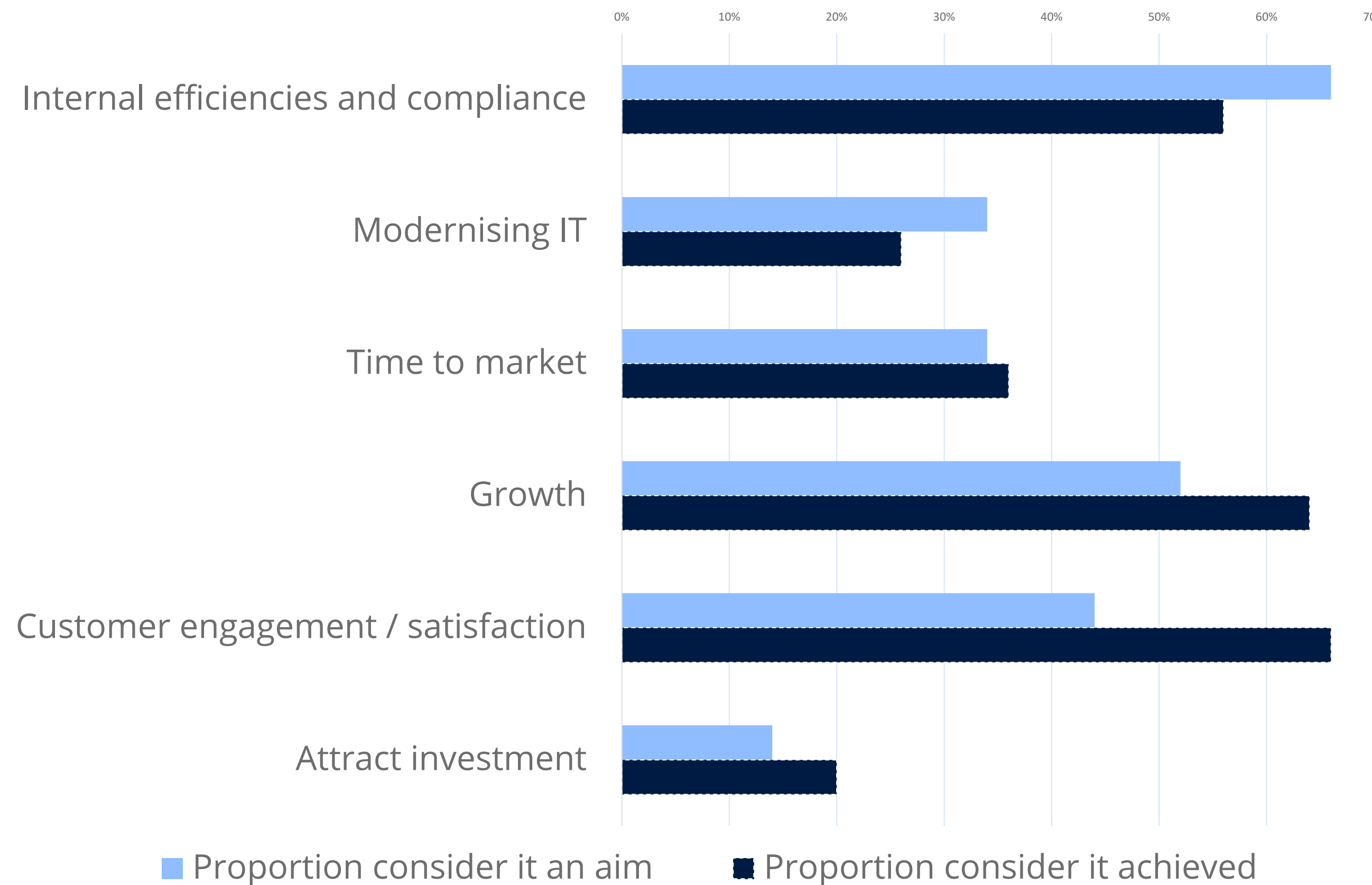


FINDING:

- Three-quarters of respondents from traditional firms consider "**process efficiency**" as the primary purpose of technology and IT work, ahead of "**tangible improvements for the end user**".
- 50% of respondents state **customer experience (CX)** is not routinely, or ever, considered when planning a digital project

Has digital delivered expected benefits?

Traditional firms: aims vs perceived achievements in digital

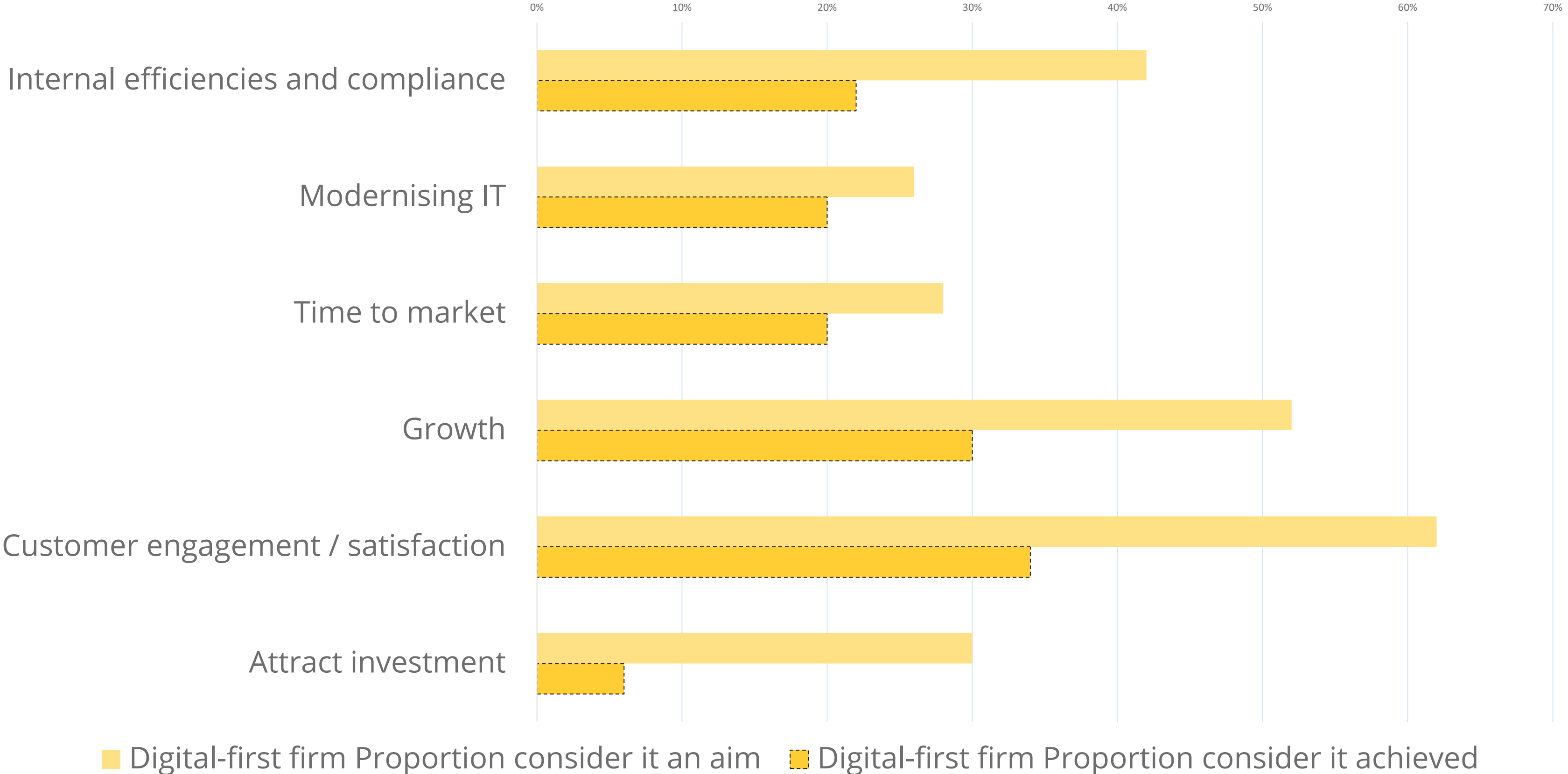


FINDINGS:

- 64% of respondents in traditional firms feel they have achieved **growth** through digital investments...
- ...as well as 66% responding that digital investments have achieved **improvements in customer engagement and satisfaction**
- However, 74% feel they **have not achieved IT modernization...**
- ...and 64% feel they **have not improved time to market** with new products
- 4% of respondents in traditional firms stated that they had not achieved any of these objectives

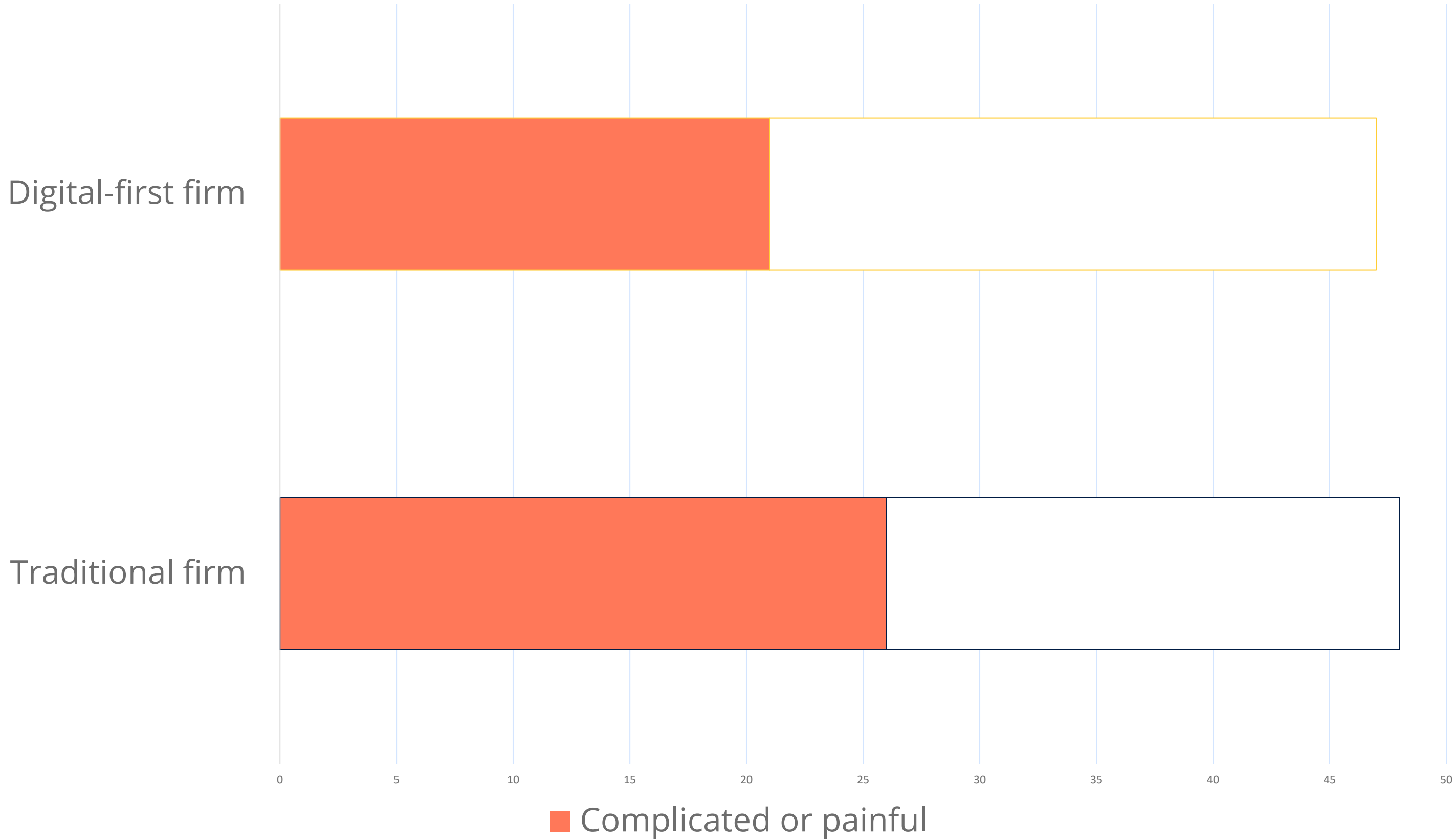
Younger firms, digital work-in-progress...

Digital-first firms: aims vs perceived achievements in digital

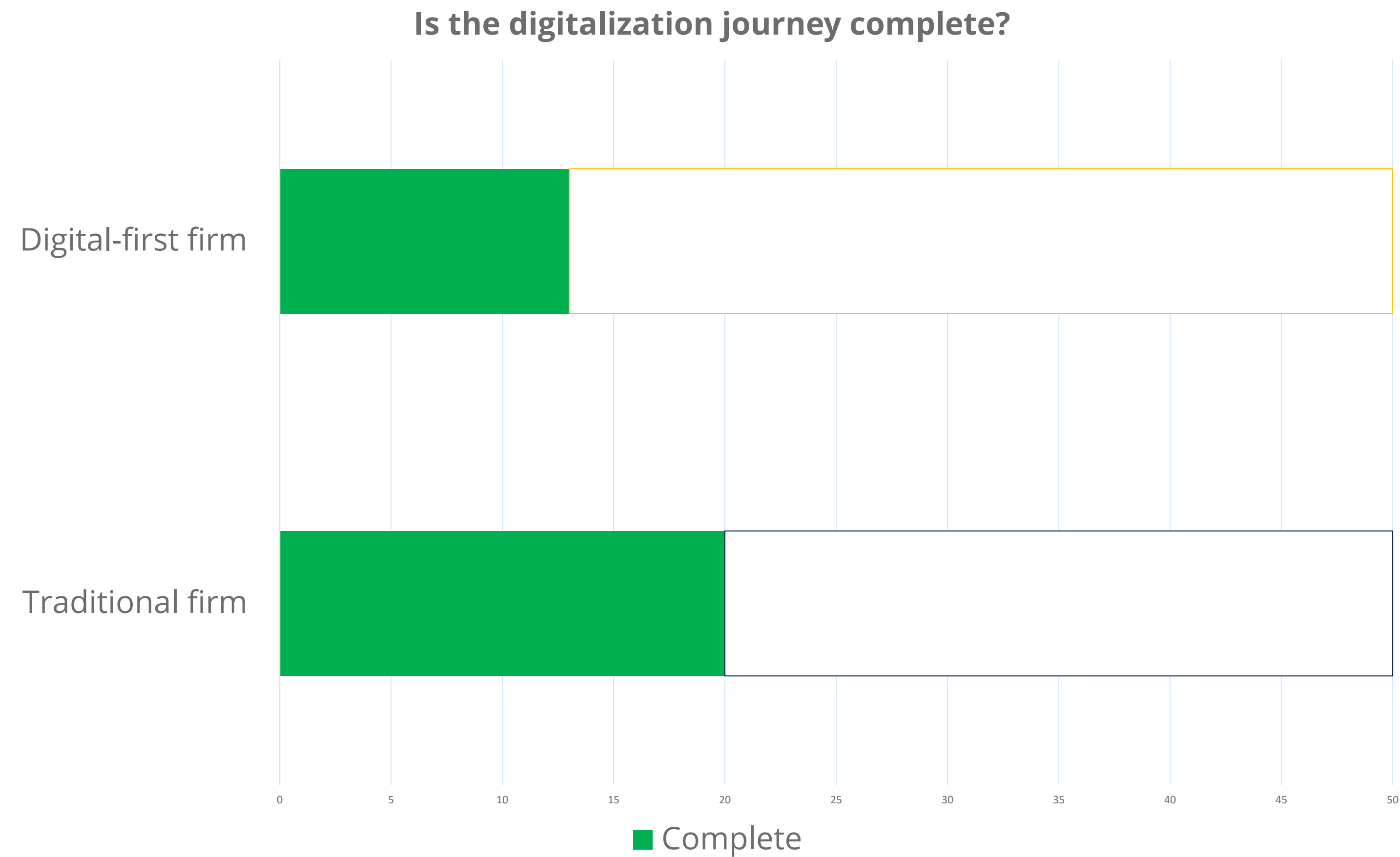


The digitalization journey

How respondents feel about the digitalization journey:



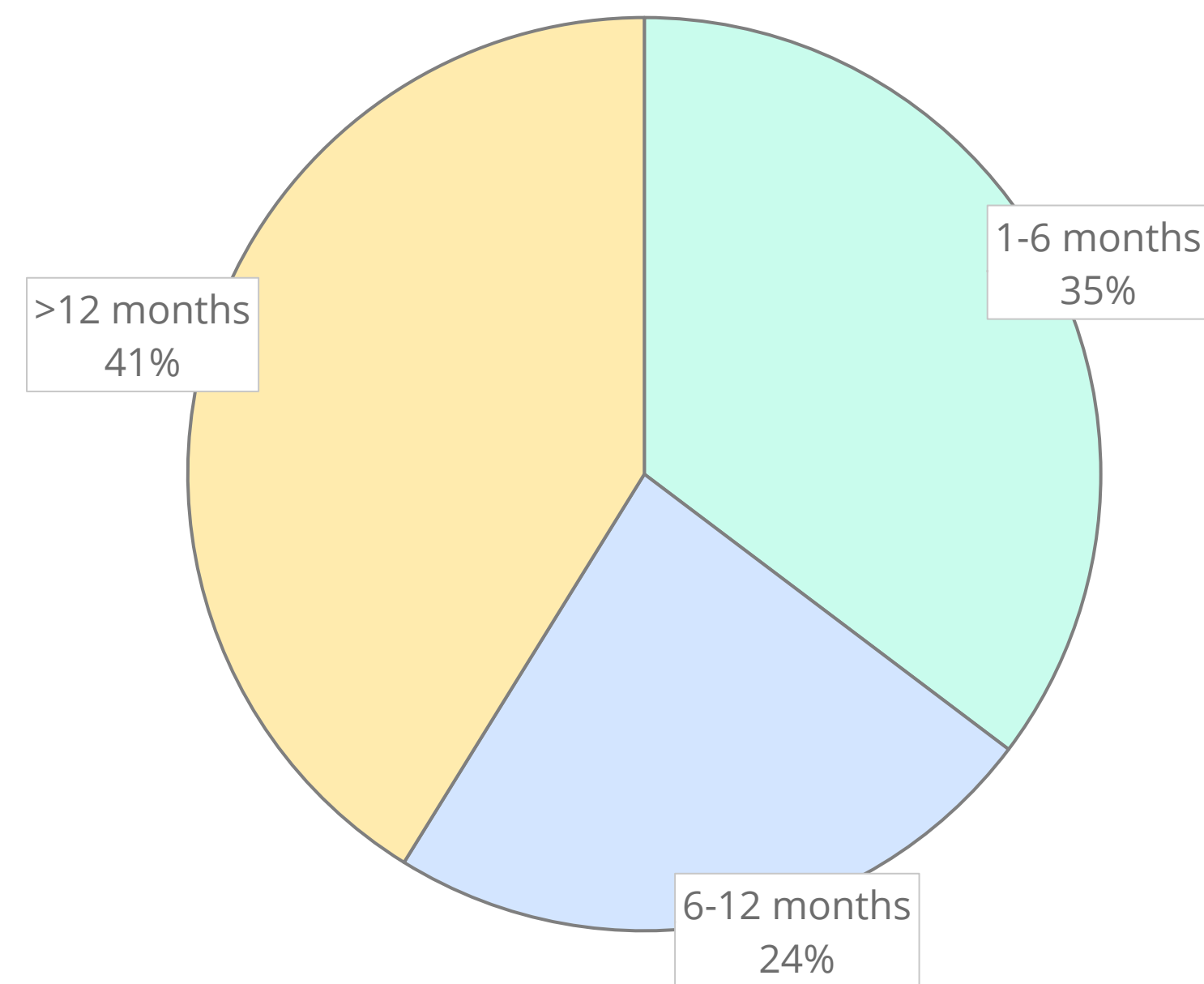
“Mission accomplished?”



Measuring the digital journey length...

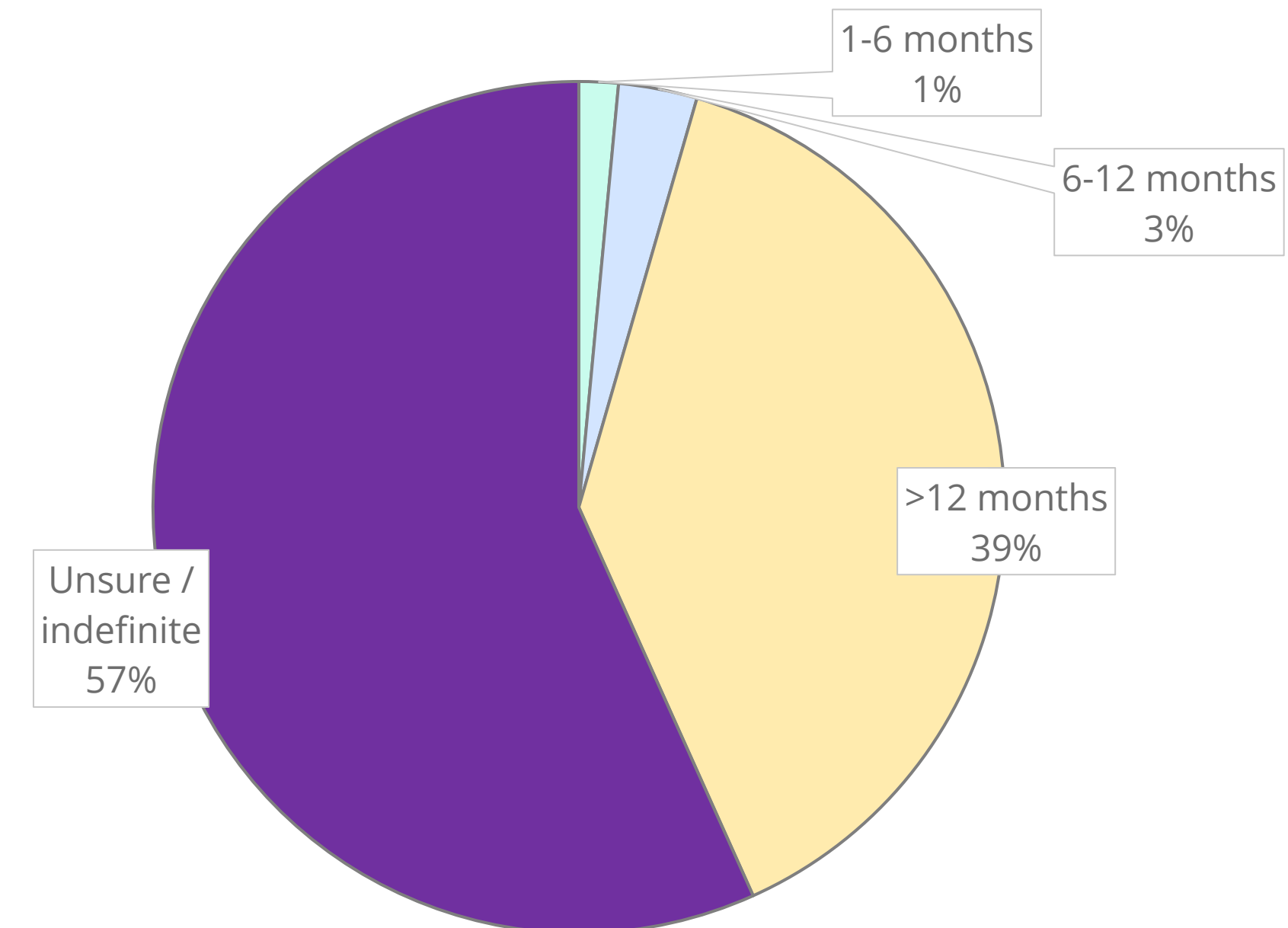
“Journey complete”

For those who considered their digital journey "complete", it took...



“Not complete”

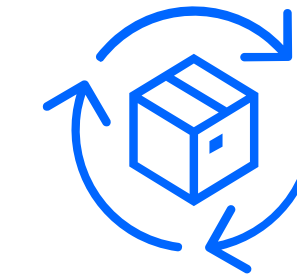
Those who consider their digitalization journey NOT complete, expect to work on it a further...



Conclusions

– digital product updates

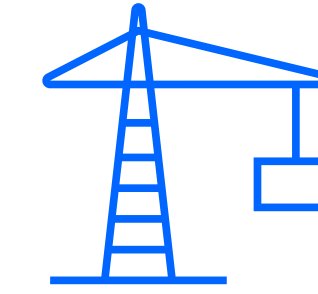
- Insurers who offer digital-direct models are highly active in product and app updates
- Insurance firms are wrestling with competing perceptions of digital transformation as a finite journey versus a continuous activity



- How are product updates prioritized, and how does the organization assess whether the intended success was achieved?
- Do people in your organization view “digital” as just another internal project?
- What do “done” and “good” mean in your strategy?

Conclusions

- aims of digital investments

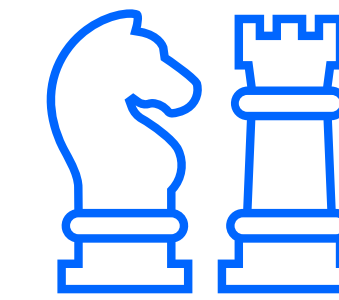


- Differing views on the aims for digital investment and innovation could compete within a firm
 - Internal pressures can lead firms to prioritize process efficiency and IT modernization over customer experience
 - Both incumbents and new firms have experienced frustration with digitalization
- Who is happy with progress on digital, and who isn't? Why?
 - Are the customers happy with what the firm has achieved?
 - Do the day-to-day priorities undermine the ability to make strategic investments in digital?

Conclusions

- “challenger mindset?”

- Digital-first firms define their strategy differently
- Executives in firms which identify as being “fully-digital” are self-critical about their progress
- Digital-first firms are running into “incumbent-style” concerns around compliance and operational efficiency



- What can larger, longer-established insurers learn from the strategy of more digitally-native competitors?
- How can new, digital-first firms avoid the frictions and contentions which seem to be associated with incumbent businesses?

Next, view the webinar panel discussion:

The graphic is a dark blue rectangular banner with rounded corners. At the top left is the fintechOS logo. At the top right, it says 'On-Demand Webinar'. The main title 'Insurance: The Challenger Mindset' is centered in large white font. Below the title is a horizontal row of five circular headshots of the speakers. Each headshot is accompanied by the speaker's name and their role/affiliation in white text.

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Insurance: The Challenger Mindset

Karl Lawless
VP Insurance
FintechOS

Dominique Roudaut
Chief Strategy, Partnerships,
Innovation Officer
Hannover Re Asia

Navdeep Arora
Strategist, Advisor, and
Investor in InsurTech
Digital Insurance

Ishaq Kothawala
CEO and Founder
Waada Digital
Insurance

Puneet Bharal
Digital Insurance Solutions
FintechOS