

# 11 ways to disrupt the insurance industry

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**OVER THE COURSE OF THE LAST FEW MONTHS, OWLS SOFTWARE HAS TAKEN AN IN-DEPTH LOOK AT THE TECHNOLOGICAL TRENDS THAT WILL FUEL CHANGE IN THE INSURANCE INDUSTRY AND ITS MANAGEMENT PRACTICES.**

As noted, while some insurance companies have made significant modifications courtesy of disruptive digitalization, most carriers trail behind. This does beg the question – why has the insurance industry failed to adapt?

For those that are still speculating on the necessity of these disruptive changes, we take a look at eleven ways digital transformation has impacted the insurance field over the last decade.

## 1. INTERNAL WORKFLOW AUTOMATION

Firstly, the internal workflow can now be automated to reduce company costs on routine work and refocus the employees to more creative tasks. Preferable on cloud-based software which would also lower costs.

## 2. MACHINE LEARNING IN INSURANCE

The automation of claims processing can eliminate human error with machine learning algorithms that calculates accurately from vast data sets.

## 3. NEW WAYS OF CLAIMS AND POLICY MANAGEMENT

Companies are redefining traditional ways of claims and policy management in the age of digital insurance. Software solutions now process an entire business process from claims registration to payment, recusing staff cost and delighting customers with ease of use and time efficiency.

## 4. IOT AND SOCIAL MEDIA

The internet-of-things along with social platforms will rock insurance pricing with personalized products. Insurance carriers sit with personal data at its fingertips which can lead to more accurate risk assessments, stable margins and ultimately satisfied clients.

## 5. TELEMATICS INSURANCE

Innovative insurance products like telematics insurance allows car insurers to create tailored insurance plans and improve risk management. It also opens to door for disruptive business models, such as usage-based insurance (UBI), pay-as-you-drive (PAYD) and pay-how-you-drive (PHYD). \*worth noting is how easily users in the Covid-19 age would adapt to these products.

## 6. DISRUPTIVE BUSINESS MODELS - P2P INSURANCE

Due to available technology, peer-to-peer (P2P) insurance

is on the rise and very appealing to the cost-sensitive customer. Even though there are known risks, P2P seen as an insurance disruption.

## 7. INSURANCE BLOCKCHAIN DISRUPTS REINSURANCE OPERATIONS

By using blockchain, the reinsurer won't need to interact with the insurer to access data on the client, reducing the verification and validation time and completely eliminating errors.

## 8. CONVERSATIONAL INTERFACES POWER VIRTUAL AGENTS AND BROKERS

Insurance agents spend countless hours supporting customers, when chatbots, reporting tools, mobile interfaces and voice recognition algorithms can automate most of these operations.

***“WHY HAS THE INSURANCE INDUSTRY FAILED TO ADAPT?”***

## 9. INSURANCE APIS AS AN EASY PASS TO INNOVATION

The old business models that block industry innovation can negatively impact modern customers who expect flexibility, speed and ease of use. Application programming interfaces address this lack of flexibility as they share information with third parties.

## 10. INSURANCE FRAUD DETECTION SOFTWARE BRINGS INDUSTRY TO THE NEW LEVEL

Real-time information is at the forefront of risk prevention dealing with duplicate claims, inflated claims, fake diagnoses and the like. Providing insurer with actionable analytics that indicate suspicious claims.

## 11. INSURANCE MARKETPLACE BRINGS PRODUCT DISTRIBUTION TO ONLINE SPACE

Brick and mortar is steadily replaced by the web, leading customers to insurance products tailored to their needs. Pet insurance is one market that has embraced this point of distribution wholeheartedly and has gained popularity through this visibility.

**Finally, this brings us back to the initial question, ‘Why are so many insurance carriers trailing behind the disruptive curve?’ It truly is the age of adapt or die, and the survival of insurance will depend greatly on its ability to adopt to these new ideas of doing business. And with all the benefits associated with disruptive digitalization, it is no wonder that this old industry is finding itself on the way to digital transformation.**