

Press release

Study by adesso insurance solutions identifies factors that will impact composite insurance in the future

Dortmund, January 9th, 2018 – If composite insurers want to ensure their future viability, they must be in control of exponential increases in data volumes and have a command of methods for analyzing them. That was the result of a recent study carried out by adesso insurance solutions and Versicherungsforen Leipzig (Leipzig Insurance Forums).

adesso insurance solutions and Versicherungsforen Leipzig carried out a comprehensive investigation to find out which factors will be crucial to the future viability of composite insurers. The authors of the study first analyzed sociological and technological megatrends such as artificial intelligence, big data and cybercrime, and assessed their impact on each of the areas in composite insurers' value chains. They summarized recommended courses of action based on that impact in propositions and discussed and adjusted the propositions in interviews with leading industry experts.

Based on an online survey of 128 industry representatives, the authors then ascertained the status quo in the industry. As part of a "gap analysis", they then compared the propositions with the status quo and calculated the gap between them. Using this gap, they were ultimately able to identify practice-related fields of action for each of the areas in the value chain.

The central results:

- **Product management:** In spite of the increasing flexibility of product offerings, the growing complexity of product options needs to be reduced or the offerings need to be developed in favor of individual pricing processes using artificial intelligence. An indispensable part of this will be connecting IT interfaces with data maintenance and data analysis.
- **Underwriting:** Underwriting means developing a cross-sector, customer-based mindset that facilitates product development and promotes sales.

The real-time analysis of unstructured data and predictive analytics will be an important lever for the automated underwriting process.

- **Inventory management:** Updating and analyzing as well as augmenting existing customer data will be the most important tasks for inventory management. They will help to uncover opportunities for cross-selling and up-selling and to improve customer retention.
- **Claims management:** Technologization is not only confronting claims management with new risk areas and questions of liability, but also transforming existing risk positions and allowing 2/3 companies to take preventative action to avoid them. Claims processing and fraud detection should be automated to the greatest possible extent within the claims process.
- **IT:** IT should utilize agile project teams to support the other areas in the insurance company's value chain as a decentralized company body. This will lead to a transformation of corporate culture and management.
- **Sales and marketing:** The role of the sales partner is being redefined by increasing technologization and the proliferation of personal digital assistants. This role will focus on providing empathetic support in the event of claims and digitally-based advice in complex questions of insurance.

“It is now clear to all market players that the insurance market is changing. Composite insurers are also feeling these changes,” says Justus Lücke, managing director of Versicherungsforen Leipzig. “The study has shown that there are a number of fields of action that we could and must start with in order to survive in the new market tectonics. Most important in this respect will be controlling increasing volumes of data and having a command of methods for their analysis. Another key to success will be collaborating with other companies, because it is not possible for one company to develop and maintain expertise in every area due to matters of cost and speed.”

“Our aim with the study was to evaluate and discuss the socially and technologically relevant factors that will impact future developments in composite insurance,” says Oliver von Ameln, managing director of adesso insurance solutions. “The study also aims to provide composite insurers with a practical tool

to evaluate trends individually and to prioritize them depending on their own business models.”

The study, “Die Zukunft der Kompositversicherung” (The Future of Composite Insurance) can be downloaded in German from adesso insurance solutions:

<https://www.adesso-insure.de/download/studie>

Versicherungsforen Leipzig

Versicherungsforen Leipzig provides research and development (R&D) services to the insurance industry. As a source of ideas for the insurance sector, its core competencies are identifying, picking up on and researching new trends and topics by means of studies and research projects conducted in direct collaboration with insurers. It develops and implements forward-looking solutions for the industry on the basis of the latest scientific and professional approaches.

Drawing on its specialist knowledge of insurance theory, information technology, actuarial mathematics and insurance law, Versicherungsforen Leipzig provides a basis for solutions to the complex new challenges facing the industry. Its interdisciplinary scientific approach and extensive practical experience allow it to take a broad view of the field and provide deep insights: www.versicherungsforen.net.

adesso insurance solutions GmbH

adesso insurance solutions GmbH houses the adesso Group's own product portfolio for the insurance market and develops software and services for handling technical business processes on behalf of customers. The company offers compatible standard software products for inventory and claims management, to include all insurance segments, on the in|sure platform and is responsible for their integration into customers' application landscapes. Apart from the core applications for private health, composite and life insurers, the portfolio offers a partner management application (in|sure Partner), a product modeling application (in|sure Product Manager) and a system for software-supported migration (in|sure MIGSuite). For further information please go to: www.adesso-insure.de.

Press contact:

adesso insurance solutions GmbH

Melanie Weiler

Agrippinawerft 26

50678 Cologne

T: +49 (0)221 27850446

E: melanie.weiler@adesso-insurance-solutions.de

www.adesso-insure.de