

New insurance trends driven by digital transformation



By [Anton Keet](#)

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As industries around the globe seek to place their customers at the centre of everything, it is clear that the long-term insurance industry also needs to find new ways to service its clients better.



Source: Supplied. Anton Keet, head of Risk Services at 1Life.

This can take many forms, such as improving claim turnaround times, eliminating human error and ensuring that customer interactions are quickly, easily and effectively dealt with.

As we continue to battle the Covid-19 pandemic, it is clear that having life insurance is more critical than ever, but in these tough economic times, affordability and value are just as important. This, then, speaks to the need for a more agile approach to the provision of life insurance, and explains why so many insurers are now embracing digital more than ever – in fact, a key trend that will continue to grow and evolve into 2022.

More discerning customers

Customers today are more demanding, and increasingly expect their insurer to deliver personalised and tailored products and services. Furthermore, they expect the experience to be an efficient one, with claims processed rapidly and with greater versatility - essentially, they want it to be available anywhere, at any time, and by means of any channel.

When it comes to enabling such service offerings, technologies like artificial intelligence (AI), Robotic Process Automation (RPA) and digital underwriting are key, as these make it possible to flexibly meet the customers' demands, while still allowing the insurer to deliver value more quickly.

RPA and cognitive automation

RPA and cognitive automation are clear trends that are witnessing increased uptake across the sector. This is not surprising, as these solutions - when utilised effectively - improve speed significantly by reducing processing time and enabling agents to be more productive. After all, having a machine do much of the repetitive, administrative work not only helps to eliminate errors, but also plays a huge role in speeding up claims processing.



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Similarly, implementing predictive analytics allows insurers to more accurately understand and predict customer behaviour patterns. Predictive analytics is also beneficial when it comes to calculating risk factors - like potentially fraudulent claims or the risk of policy cancellation by existing customers.

It must be understood that although these technologies offer new opportunities to deliver the kind of future-focused insurance services that suit both customers' demands and their pockets, digital transformation also offers the opportunity to deliver far superior customer service.

Improved focus on customer service

Think about it: with RPA technology handling the tasks that are easily automated and processed, consultants will find they have more time to focus on what matters most - delivering the best possible customer service. In this way, processes are optimised, customers are kept happy, and profitability - in turn - receives a boost.

When faced with a pandemic, it is processes such as this that create efficiencies and drive better customer service. If we consider that, in the early months of 2020 for example, many insurers had to pull resources from other areas of their business to help service claims and ensure effective turnaround, the power of automation is a non-negotiable that can be a game changer when faced with rapid change in operating environments. Therefore, getting ahead of it now will be key in the coming months – where change is inevitable and ongoing.

Digitisation also lends itself to other solutions that can make life easier for the customer. Chatbots, for example, are an ideal solution for assisting them with common challenges, such as policy applications and claims filing.

Social-media platforms are also on the industry's radar, as these offer a new channel by means of which customers can access information, receive quotes and process claims.



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Wearable technologies

Perhaps the most important aspect of digital transformation is that it has enabled insurers to give their customers ownership

of their own health. By leveraging wearable technologies, they can track a customer's overall well being by monitoring their heart, activities and sleep patterns.

As these individuals improve their wellbeing, so they are also able to earn additional life cover. This is because access to the data from the wearables enables the insurance company to more clearly understand their risk profile and thus offer incentives to help people stay healthy, reducing their health risks and thus lowering their insurance costs. Value-adding offerings such as this won't only define the year to come but are essential in aiding policy holders to generate wealth and improve their financial position.

Looking at the trends affiliated to digitisation, we are seeing technology increasingly utilised by insurers in aid of fraud prevention, risk management and the development of agile policies. Equally, it is clear that technology innovation will play an increasingly fundamental role in encouraging a more customer-centric and resilient insurance business model – one that is ever evolving and highly competitive. The insurers that embrace technology and place customers at the centre of this development journey will reap the long-term rewards, while satisfying consumer needs.

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