



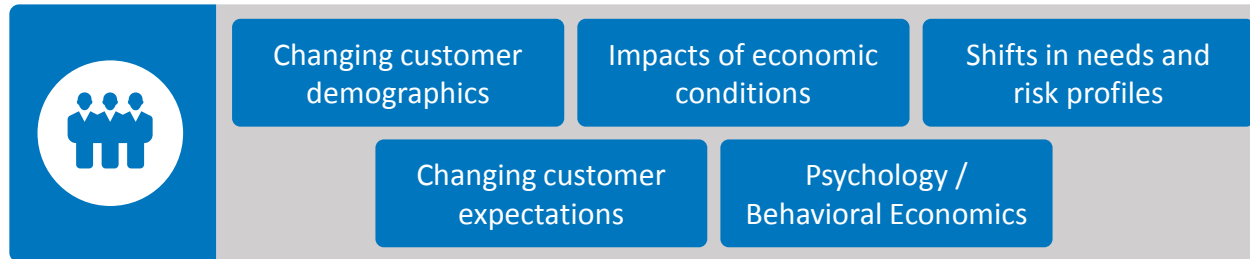
A New Age of Insurance: Digital Insurance 2.0

November 2017



Pressure on Insurance Industry: Driving New Expectations, Innovations and Competition

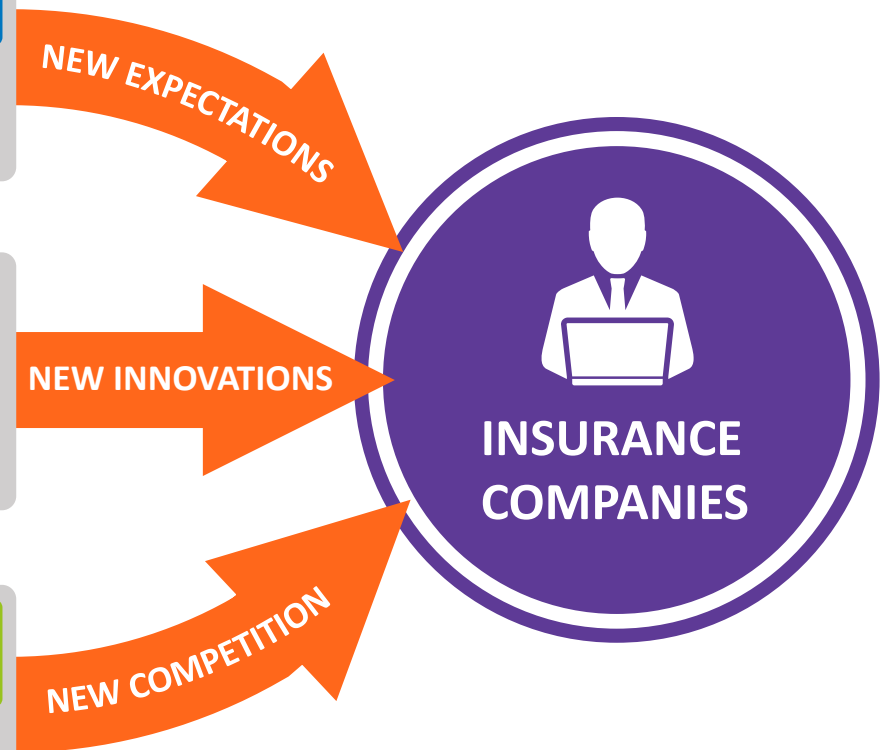
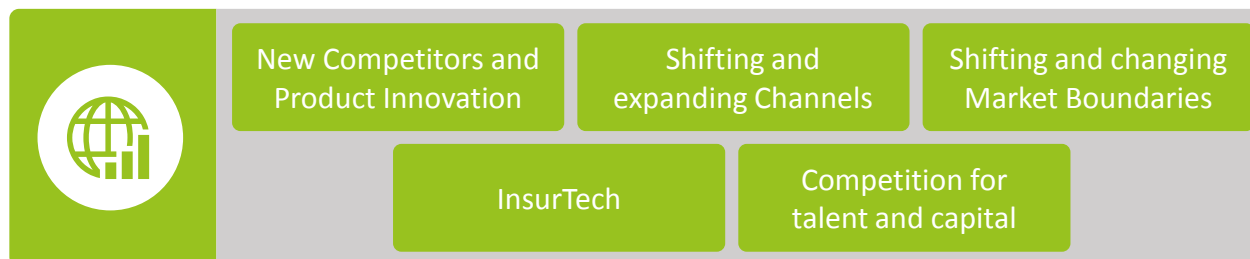
People



Technology

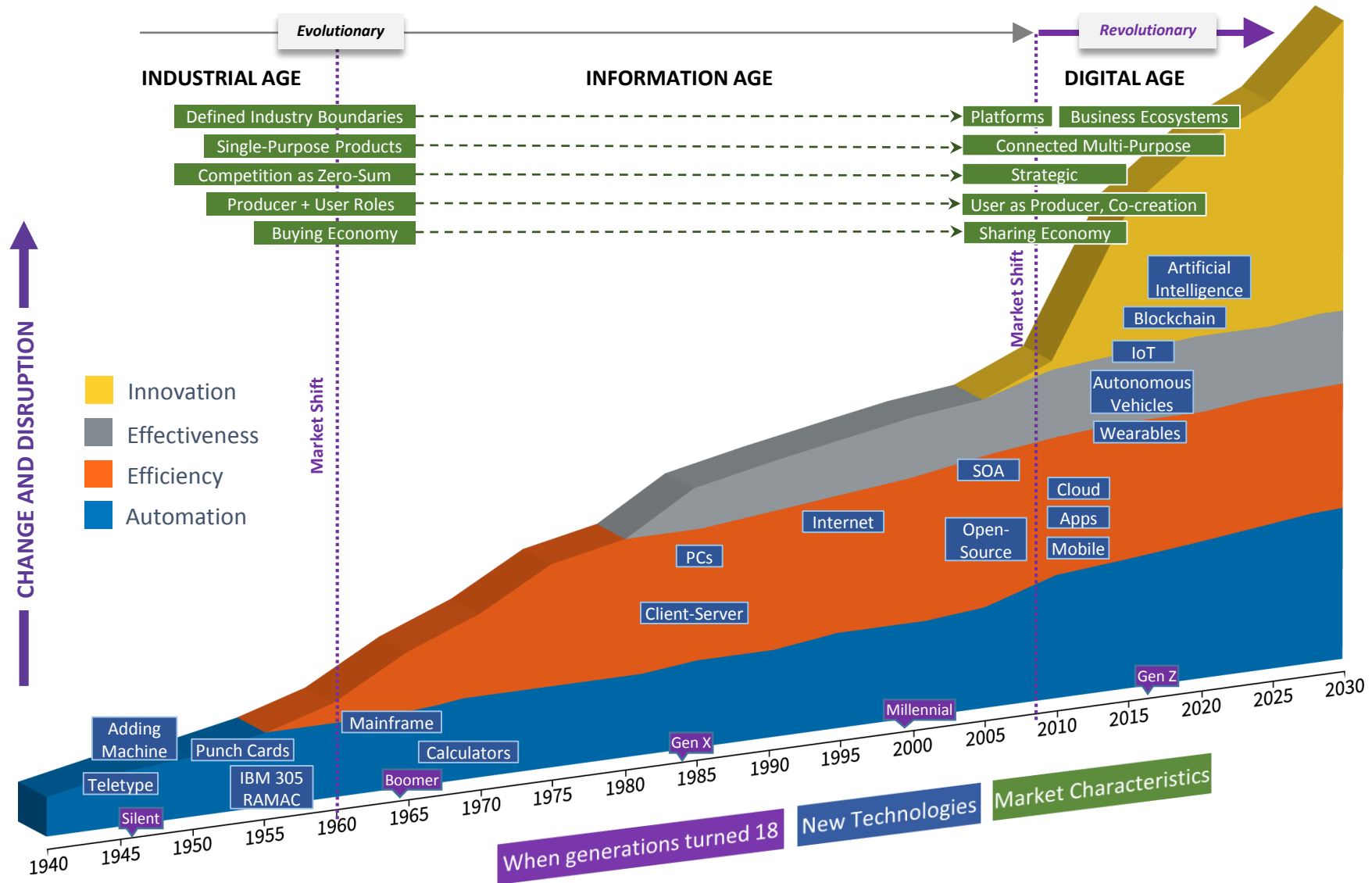


Market Boundaries



Source: Majesco 2017 Future Trends – The Shift Gains Momentum

Disruption Model - Digital Revolution



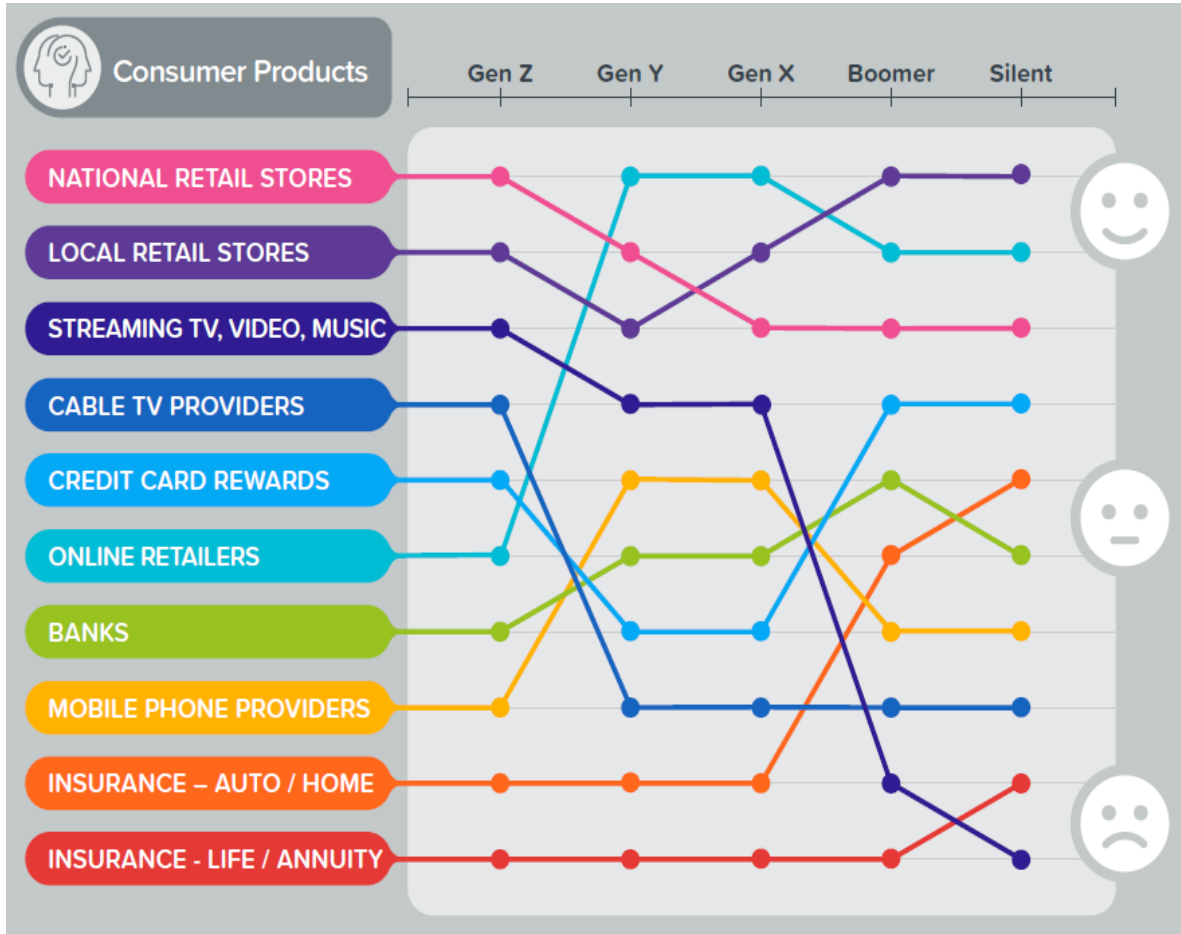
Source: Majesco 2017 Future Trends – The Shift Gains Momentum

The background features a network of white lines connecting various icons such as a cloud, a smartphone, a Wi-Fi signal, a laptop, a truck, and a house. These icons are overlaid on a dark blue gradient that transitions into a city skyline at the bottom. The skyline includes several skyscrapers and a body of water in the foreground.

People

New Expectations

Consumers: Insurance Not Easy To Do Business With



MAJESCO

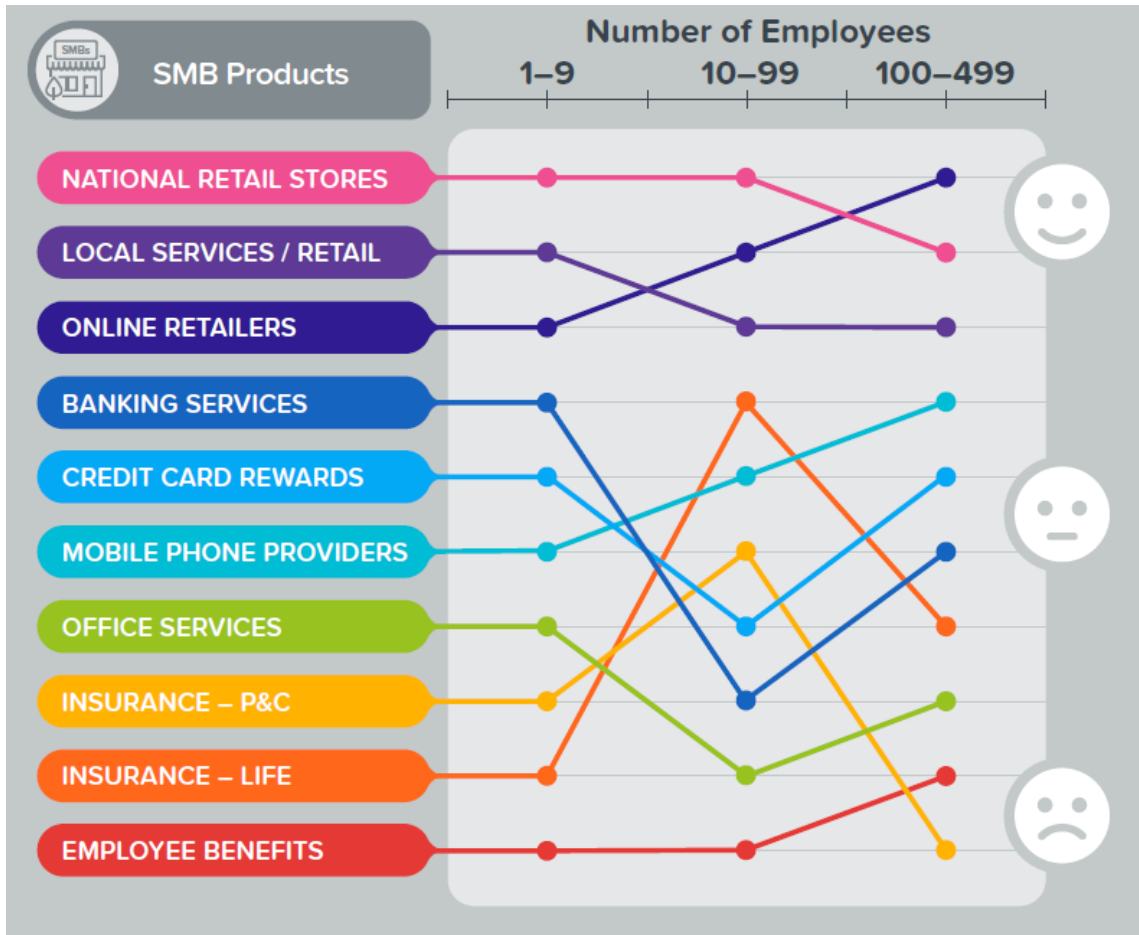
Customers whose entire insurance journey is easy give up to 76-point higher NPS scores

76pt.
HIGHER NPS

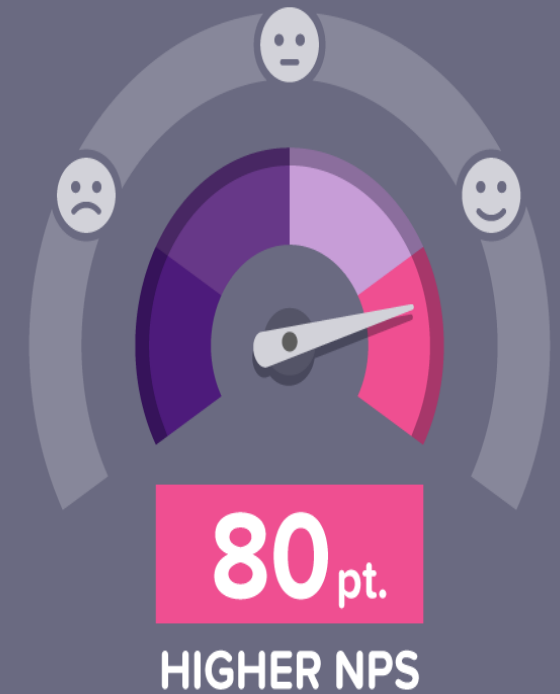
Download the report to learn more: *The Rise of the New Insurance Customer: Shifting Views and Expectations – Is Your Business Ready for Them?* <http://go.majesco.com/new-ins-customer>

CONSUMER

SMB: Insurance Not Easy to Do Business With



Small-Medium business customers who rate research, purchase and service aspects of their insurance journey as “easy” give up to 80-point higher Net Promoter Scores compared to customers who rate even one part of the experience as “not easy.”

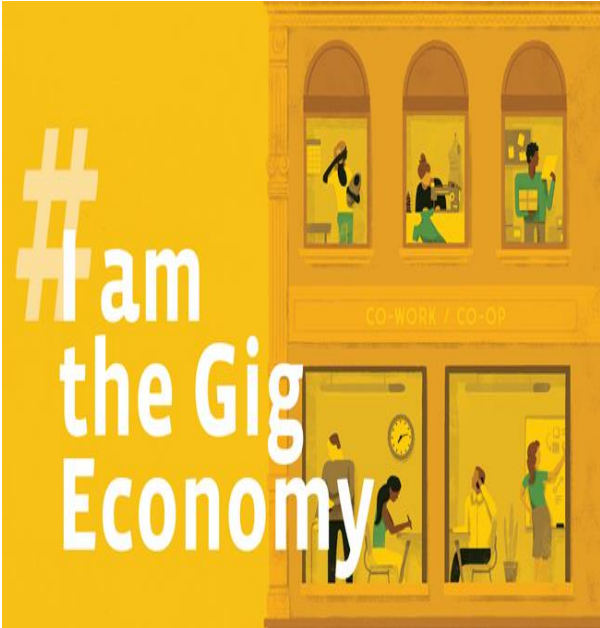


Millennial and GenX Influenced by Digital Technology and New Economy

Digital Technology



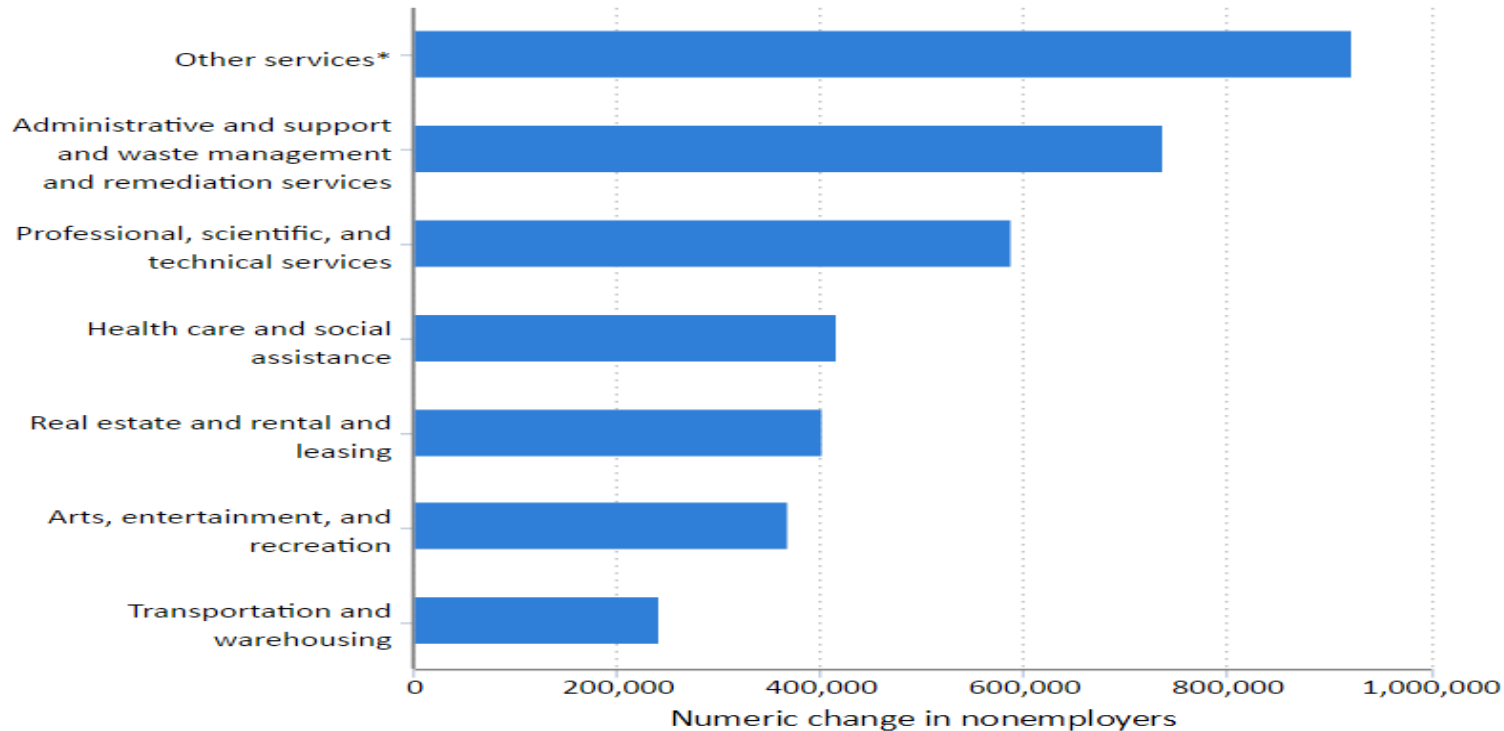
Gig and Sharing Economy



By 2020, more than 60% of small businesses in the US will be owned by Millennials and Gen Xers — who prefer to do as much as possible digitally. The gig and sharing economy is an example of the significant digitally-enabled changes in people’s behaviors & expectations redefining the nature of work, business models and risk profiles.

New Economy (Gig & Sharing) in Early Stages of Growth

Non-employer business growth by industry, 2003-2013 (U.S. Census)



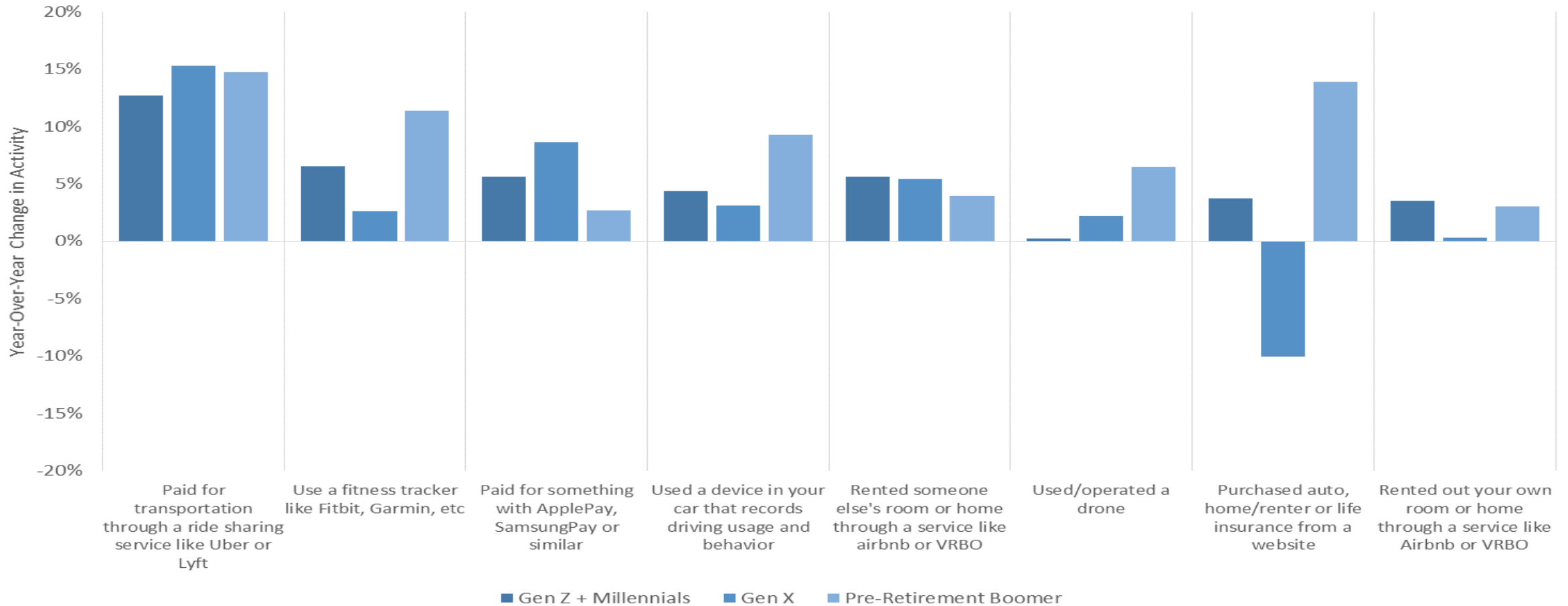
The “other services” sector gained the most with nearly 1 million non-employer businesses, including occupations that involve on-demand services, such as pet sitting, appliance repair, etc. well suited to gig employment

- Marketplace platforms make it easier for businesses and freelancers to make supply and demand connections across a wide variety of disciplines like:
 - [Freelancer.com](https://www.freelancer.com)
 - [Upwork](https://www.upwork.com)
 - [Guru](https://www.guru.com)
- 2016 Upwork and the Freelancers Union’s annual survey estimated that **55 million people or 35% of the U.S. workforce** chose freelancing (defined as “Individuals who have engaged in supplemental, temporary, project- or contract-based work, within the past 12 months”) as their means of work

Behaviors and New Expectations Impacting Insurers

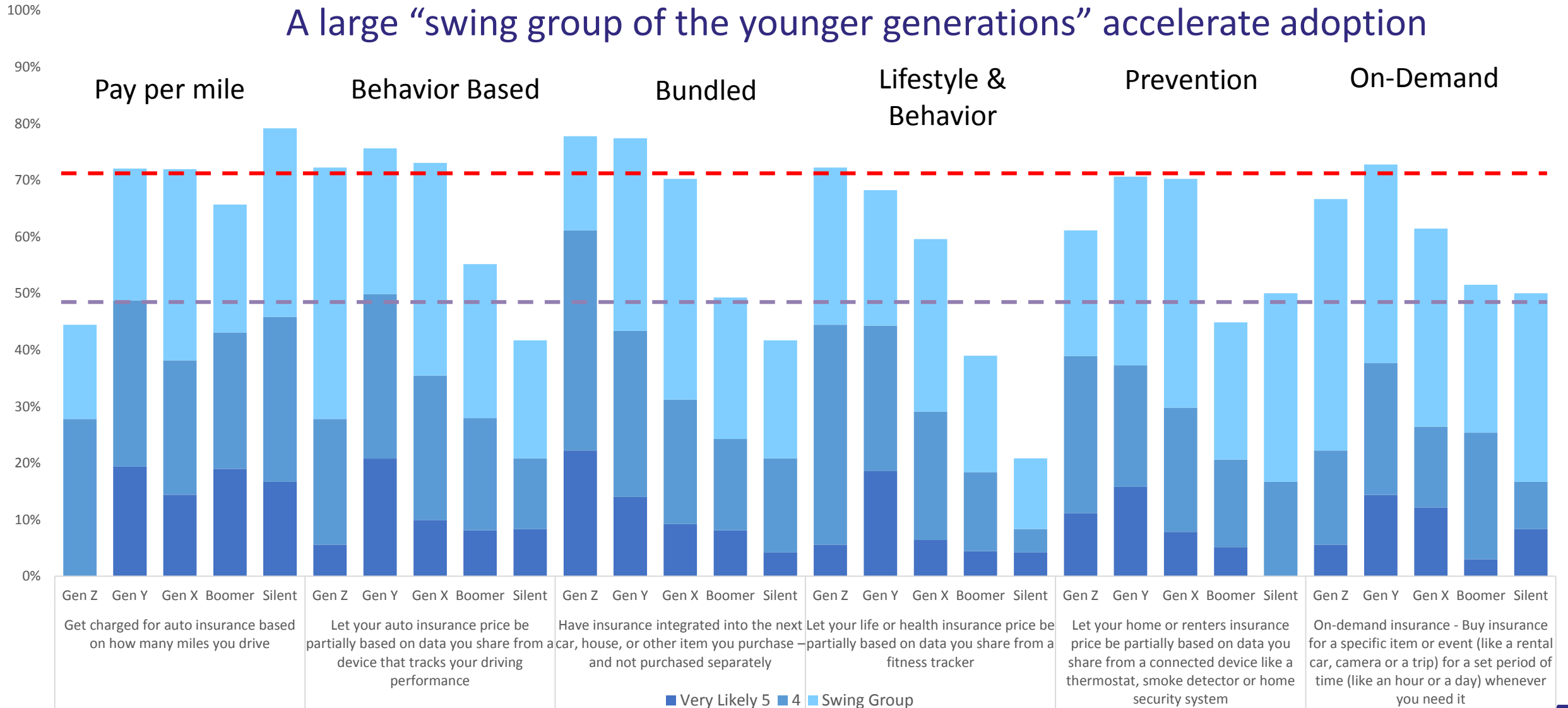
	Gen Z (1995-1999)	Millennials (1977-1994)	Gen X (1965-1976)	Pre-Retirement Boomers (1953-1964)
Paid for something with a company's app (e.g. Amazon, Starbucks)	62%	63%	42%	30%
Paid for transportation through a ride sharing service like Uber or Lyft	45%	49%	35%	29%
Use a fitness tracker like Fitbit, Garmin, etc	41%	46%	39%	34%
Used a cloud-based software application with a monthly subscription fee (e.g. Microsoft Office)	36%	24%	16%	16%
Paid for something with ApplePay, SamsungPay or similar	34%	35%	24%	11%
Purchased auto, home/renter or life insurance from a website	31%	38%	22%	27%
Owned/used a smart home device like a thermostat, smoke detector, etc (e.g. Nest)	30%	23%	16%	17%
Bought insurance for an item or event for a specific period of time (e.g. camera, vacation, wedding, etc)	23%	29%	21%	27%
Used an app or service to monitor your home (e.g. Ring, ADT, etc)	18%	16%	15%	15%
Rented someone else's room or home through a service like airbnb or VRBO	17%	23%	18%	17%
Used a device in your car that records driving usage and behavior	17%	17%	11%	14%
Used a 3D printer or an item produced by one	16%	10%	5%	4%
Purchased health insurance through an online exchange	16%	11%	12%	13%
Rented a car through a service like Zipcar or Turo	14%	6%	5%	3%
Used/operated a drone	14%	13%	8%	10%
Worked as an independent contractor/freelancer	13%	17%	17%	20%
Rented out your own room or home through a service like Airbnb or VRBO	10%	7%	2%	1%
Bought pet insurance	10%	5%	7%	7%
Worked as a driver for a ride sharing service like Uber or Lyft	7%	4%	3%	1%
Rented out your own car through a car sharing service like Turo or Getaround	6%	2%	2%	2%
Paid for something with Bitcoin	5%	2%	1%	0%
None of the above	6%	5%	15%	16%

Year on Year Change in Experience



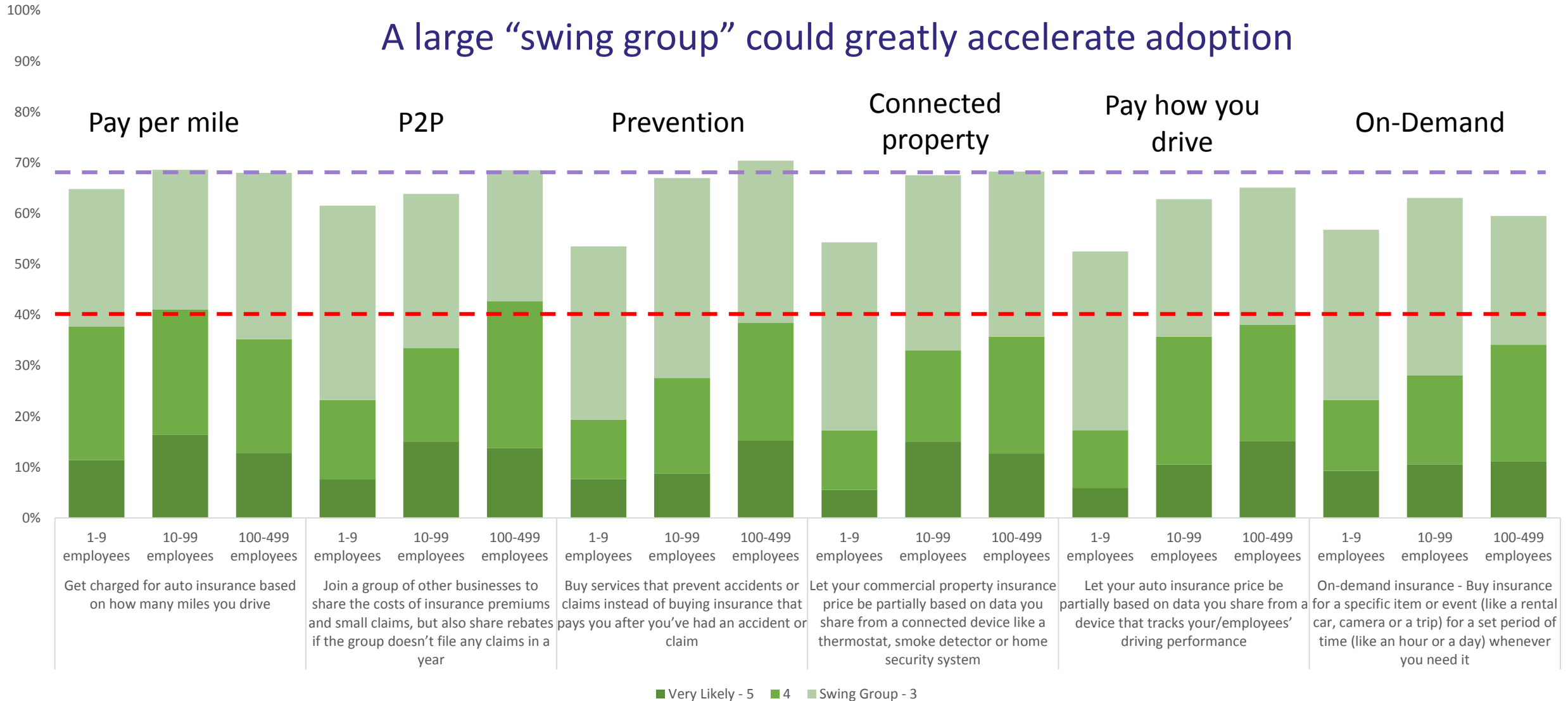
Interest in New, Innovative Products & Channels Rapidly Growing for Consumers

A large “swing group of the younger generations” accelerate adoption



Interest in New, Innovative Products & Channels Rapidly Growing for SMBs

A large “swing group” could greatly accelerate adoption



Market Shift: Customer's Life Journey

Insurance 2.0 Insurers engage customers with services that create value for them across their life journey



First Car



First Job



Marriage



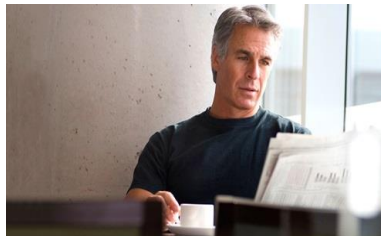
New Home



Birth



College



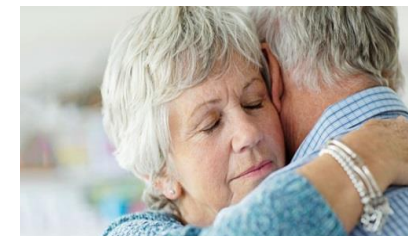
Job Change /
Start Business



Accident
or Illness



Vacation



Death

Source: Upcoming consumer and SMB report



Technology

New Innovations

Advances in Technology Create Challenges and Opportunities



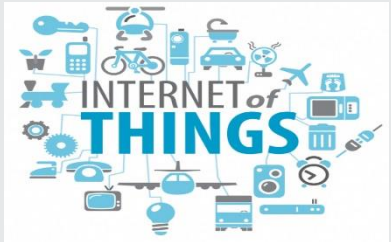
Autonomous Vehicles

- Premium Decline
- Embed insurance in Subscription
- Rental Fleets
- Commercial Fleets



Cognitive / AI

- Digital Intelligence
- Customer Engagement
- Game-changing knowledge
- Learn & adapt
- Talent expansion



Internet of Things

- Vehicle
- Property
- Safety
- Rehab / Recovery



Alternative Payments

- Mobile (Apple Pay)
- PayPal
- Messenger Services
- Bitcoin



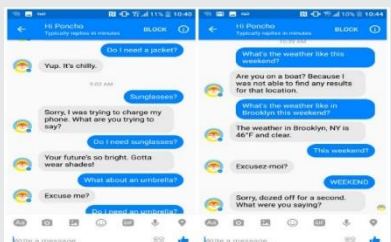
Drones

- Underwriting
- Claims
- Vehicle & Property
- Cat Events



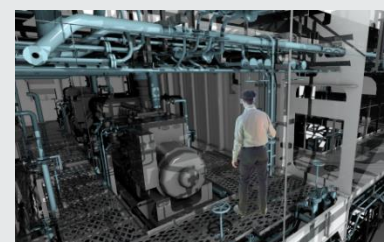
Blockchain

- Commercial & Wholesale markets
- Reinsurance & London Market Consortiums
- US Market – The Institutes Consortium



Chatbots / Robotics

- 80% business use by 2020
- New native app & replace “mobile apps”
- Robo Advisors / Agents
- Customer Engagement



Virtual / Augmented Reality

- Claims
- Loss Control
- Rehab / Recovery
- Customer Engagement
- Training

Explosion of Data Offers Challenges and Opportunities

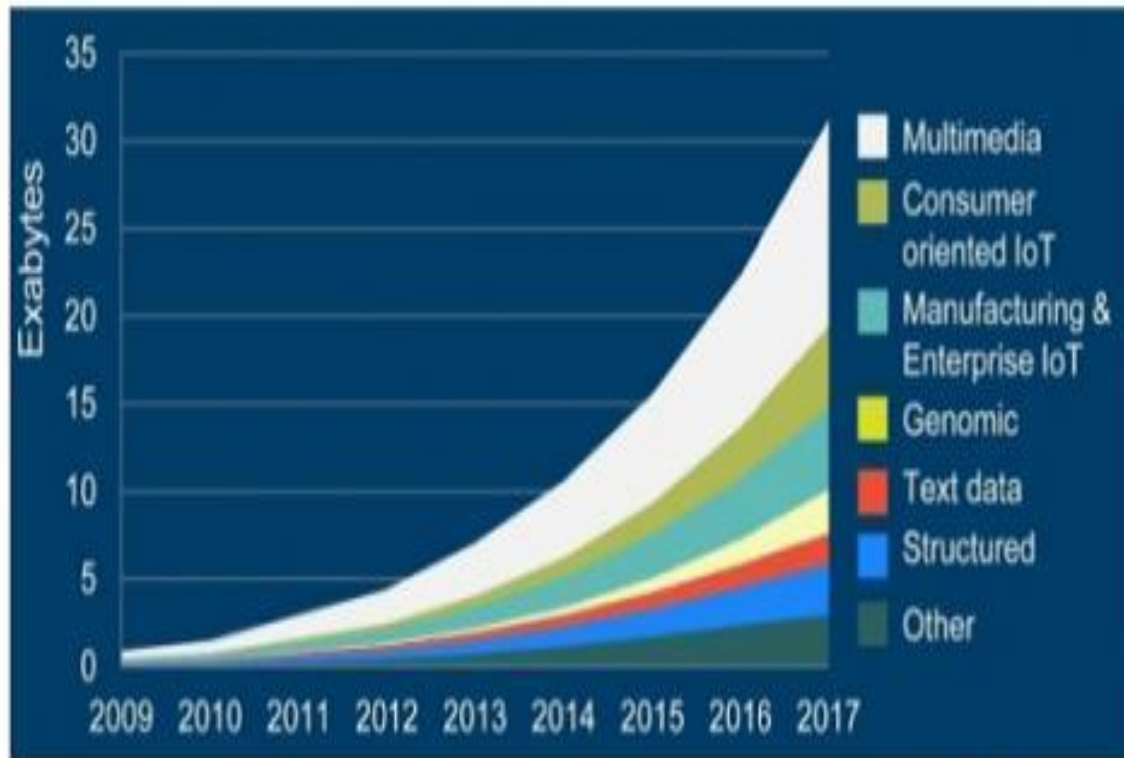
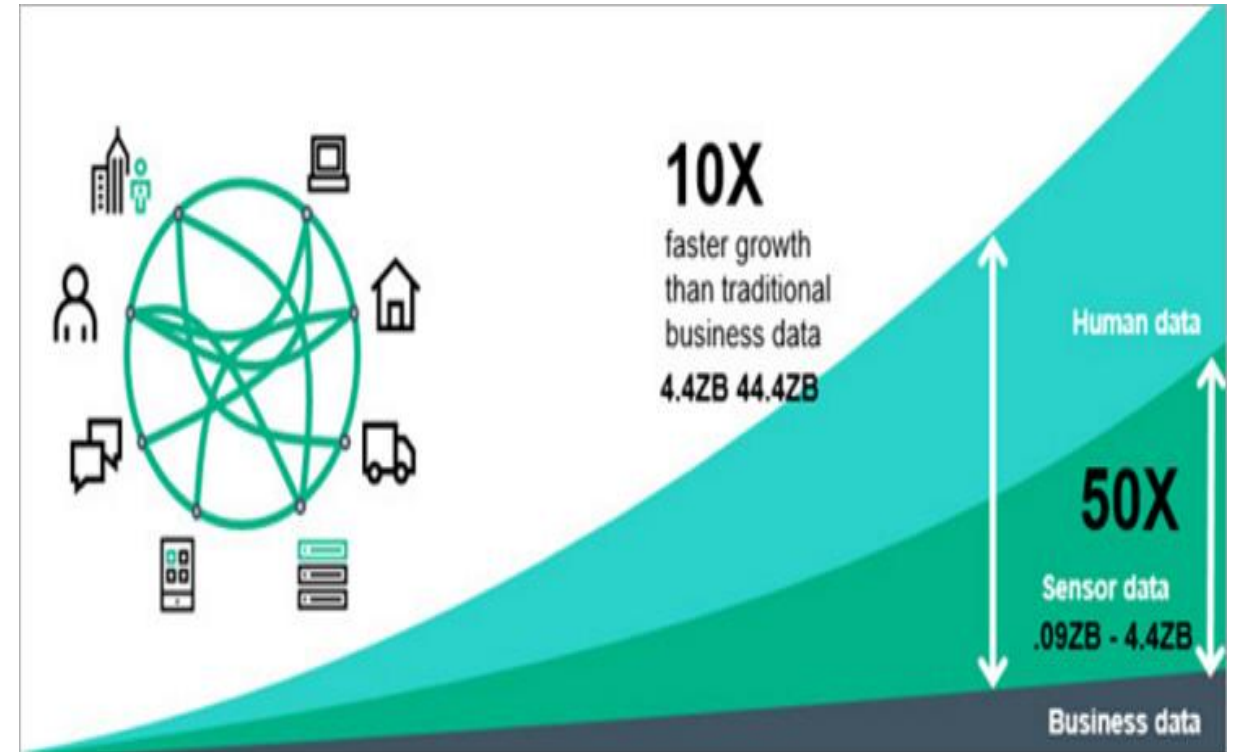
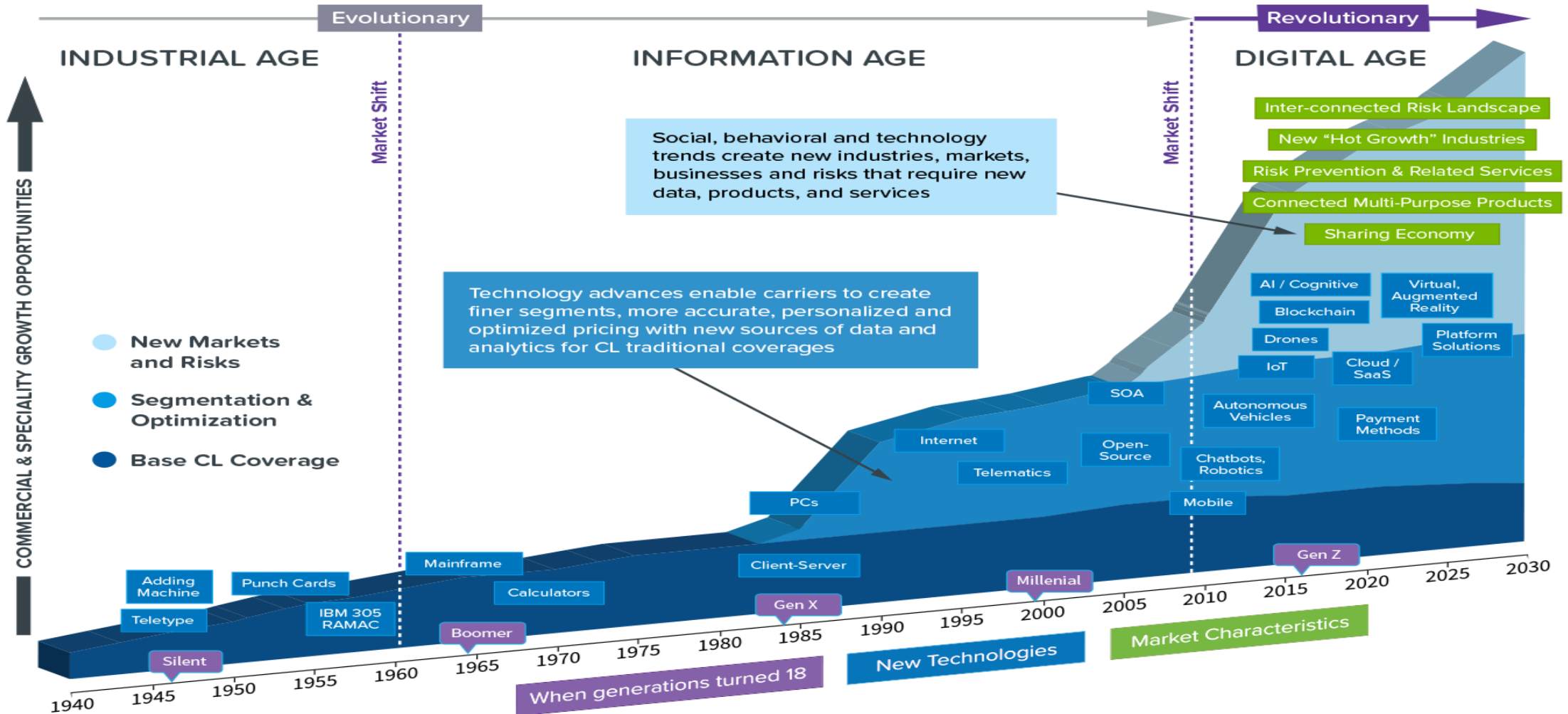


Fig. 2. Estimated data growth in various categories and overall.¹



Source: Majesco Winning in a New Age of Insurance: Insurance Moneyball

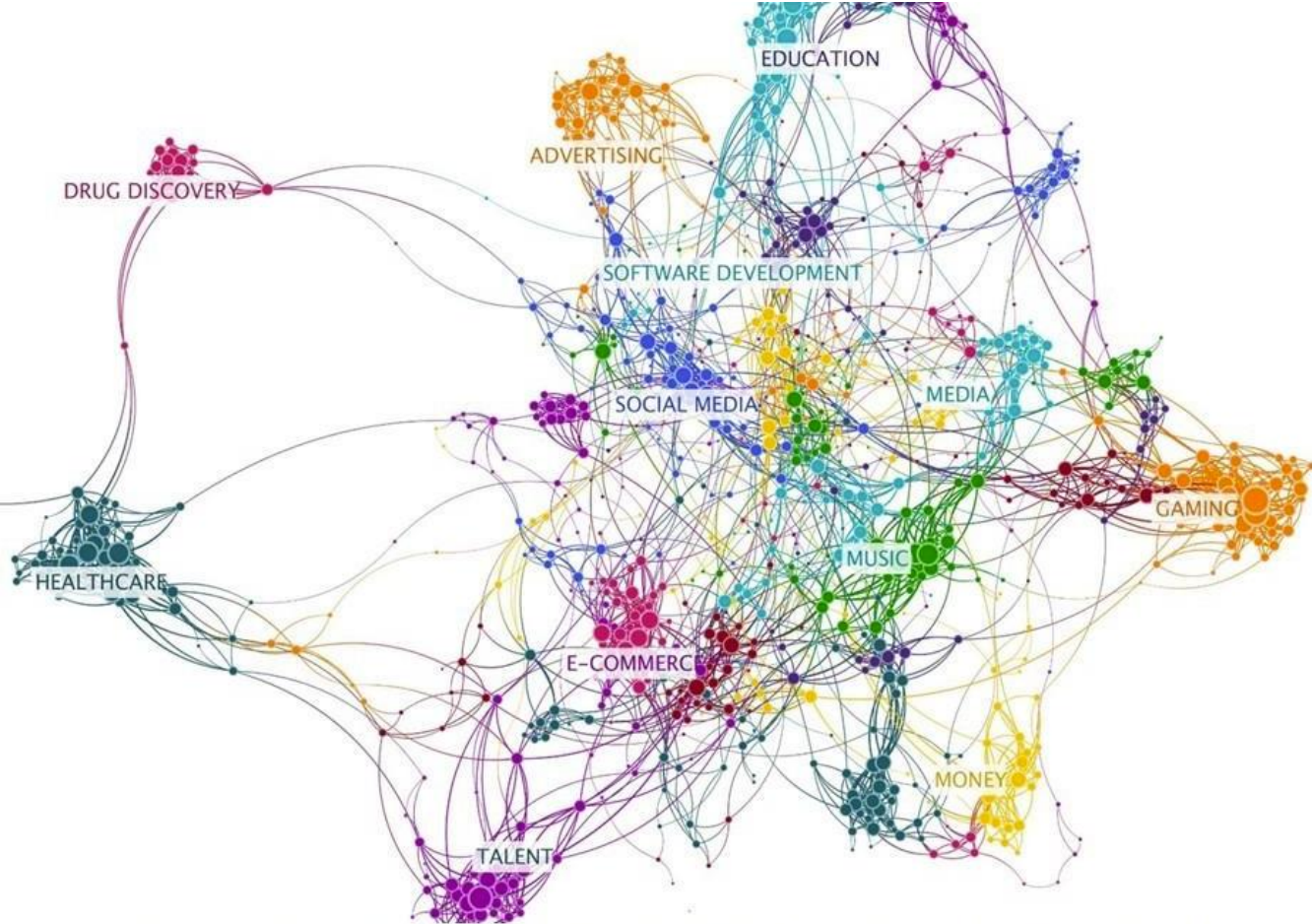
Decline of Traditional and Growth in New Opportunities



Source: Majesco A New Age of Insurance: Growth Opportunities for Commercial and Specialty Insurance in a Time of Market Disruption

Rise of the Platform Economy

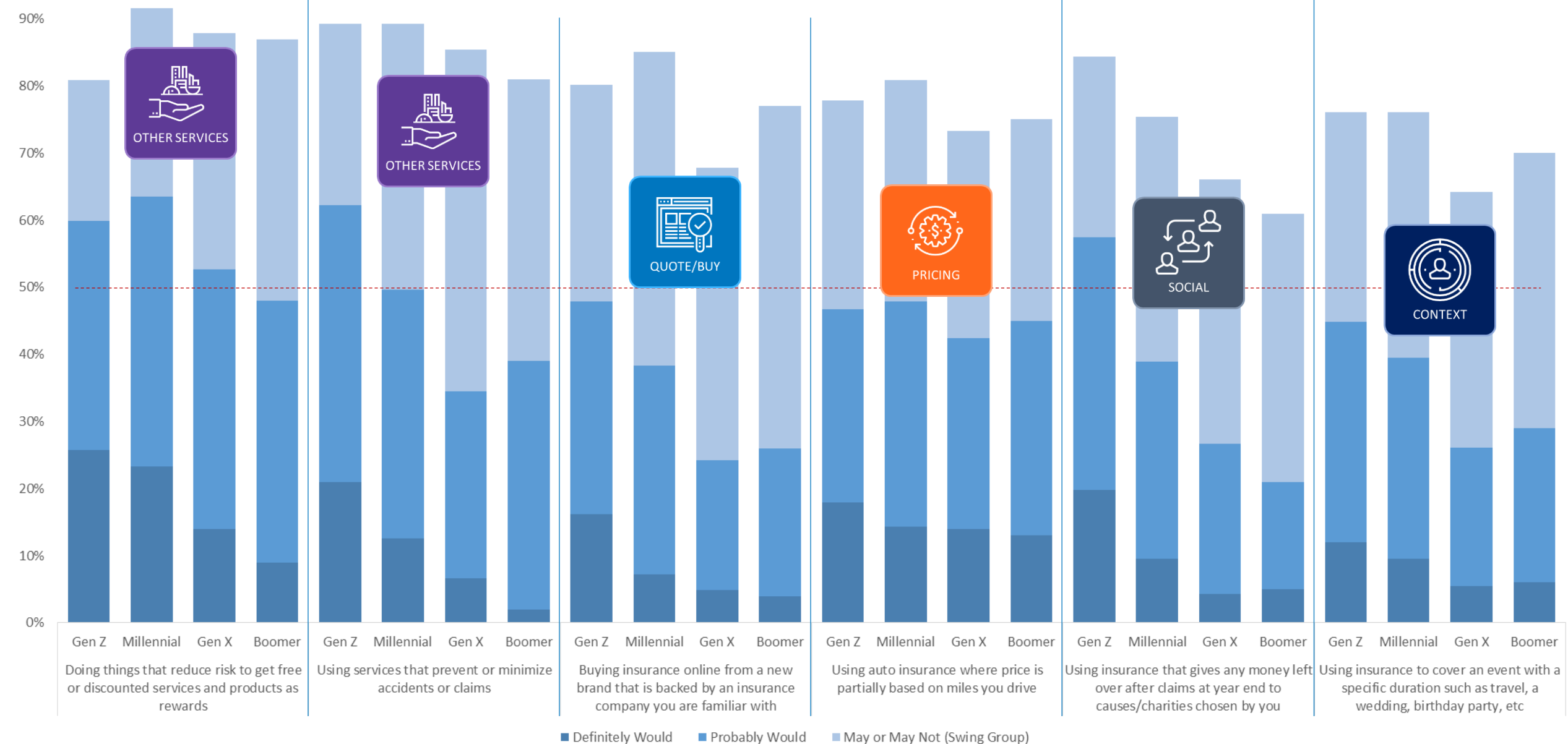
Platforms: Disruptive Force Redefining Business Models, Industries, Economies, & Society



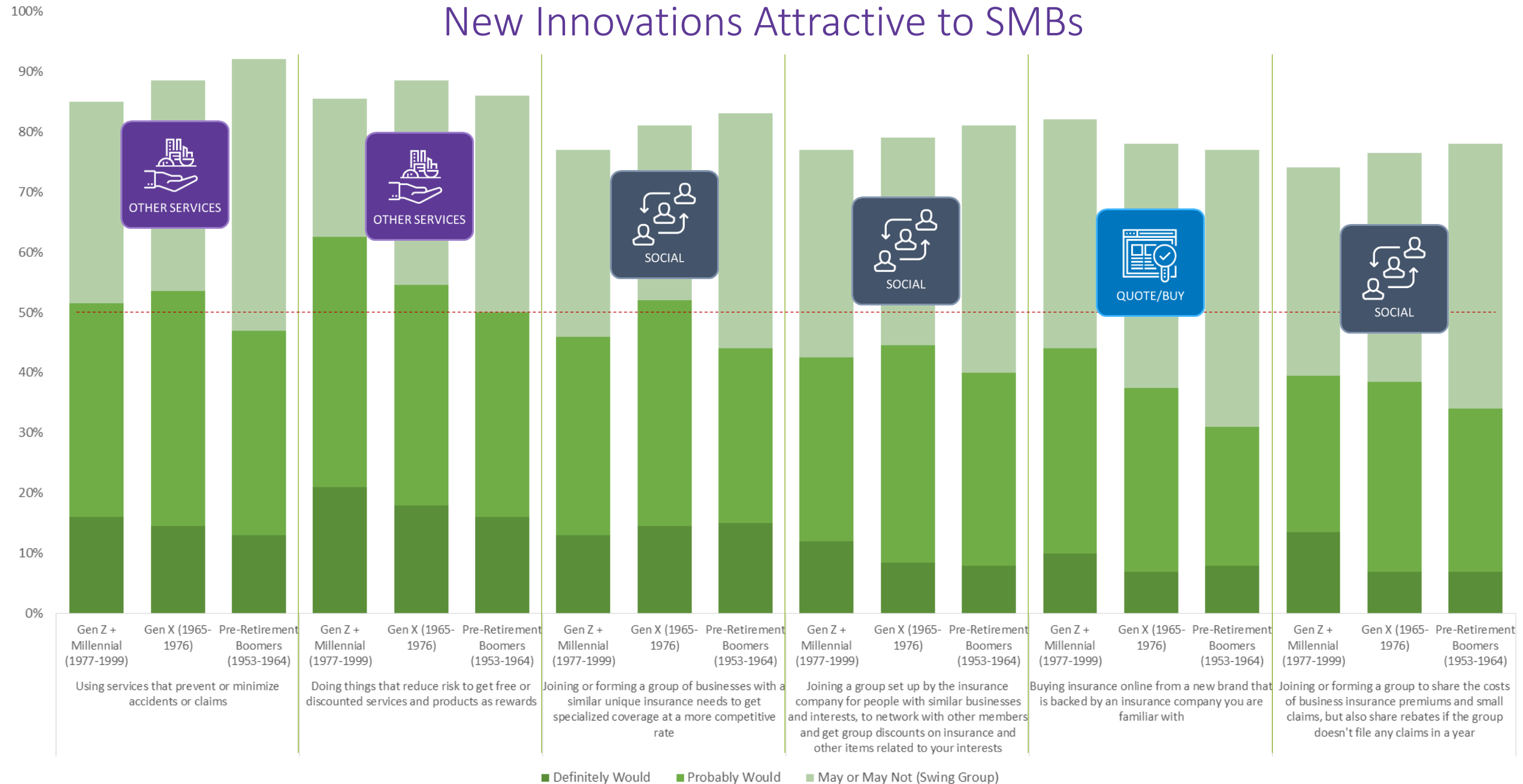
Source: Upcoming Cloud Business Platform Report

New Innovations Attractive to Consumers

100%



New Innovations Attractive to SMBs





Market Boundaries

New Competition

Multi-Channel Dominates

Consumers rely on multiple sources and channels

Used 2+ **sources of information** to research purchase/renewal

	Bought	Renewed	Total
Auto	51%	32%	35%
Home/Renters	32%	28%	30%
Life Insurance	68%	13%	46%

Used 2+ **methods / channels** to do research (among those who did research)

	Bought	Renewed	Total
Auto	66%	53%	56%
Home/Renters	44%	63%	54%
Life Insurance	60%	38%	55%

Businesses use multiple sources and channels – particularly larger ones

Used 2+ **sources of information** to research purchase/renewal

	Bought	Renewed	Total
1-9 employees	35%	34%	34%
10-99 employees	47%	38%	39%
100-499 employees	62%	46%	50%

Used 2+ **methods/channels** to do research (among those who did research)

	Bought	Renewed	Total
1-9 employees	47%	49%	49%
10-99 employees	50%	59%	57%
100-499 employees	66%	64%	64%

Source: The Rise of the New Insurance Customer and SMB Research

Consumer Interest in New Offerings

How likely would you be to consider buying this offering the next time you were in the market for insurance?

100%

90%

80%

70%

60%

50%

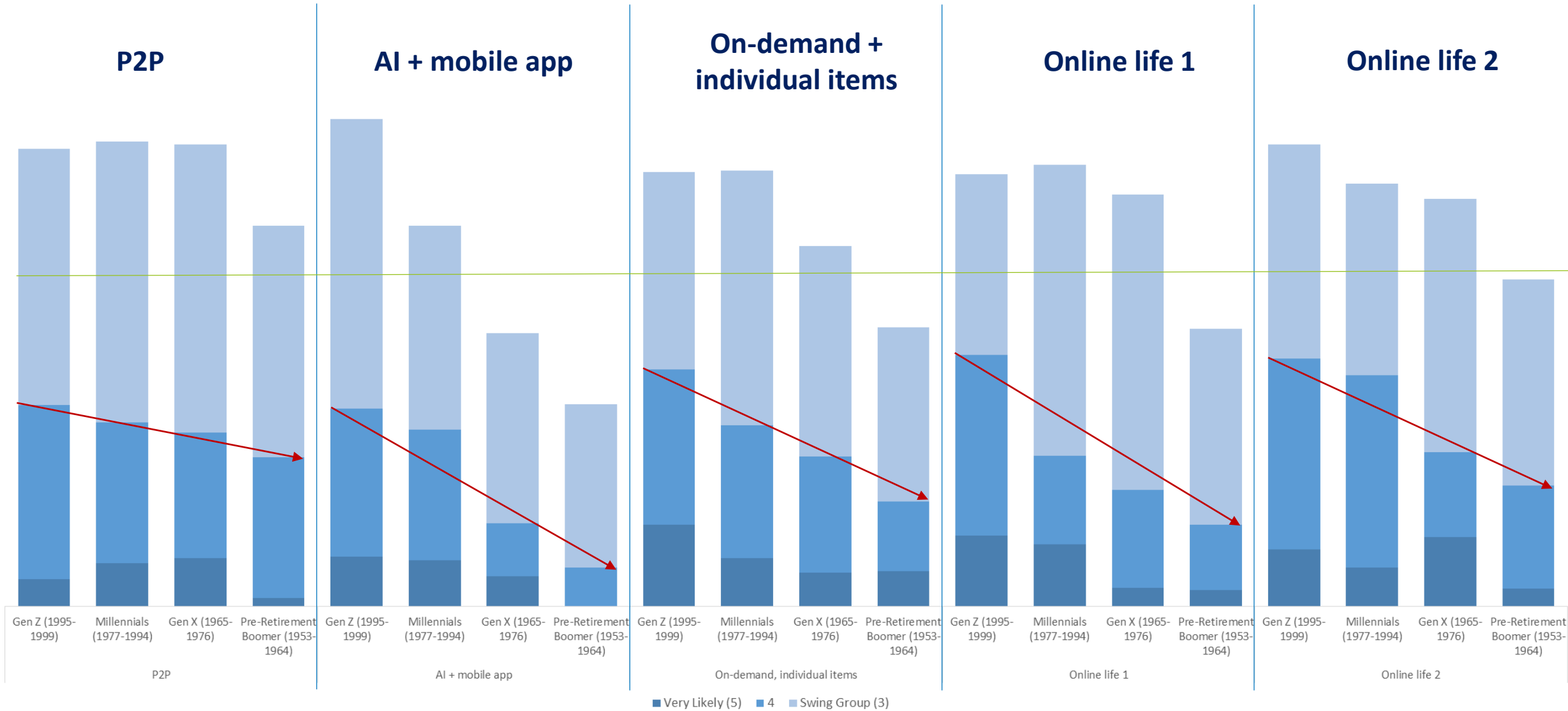
40%

30%

20%

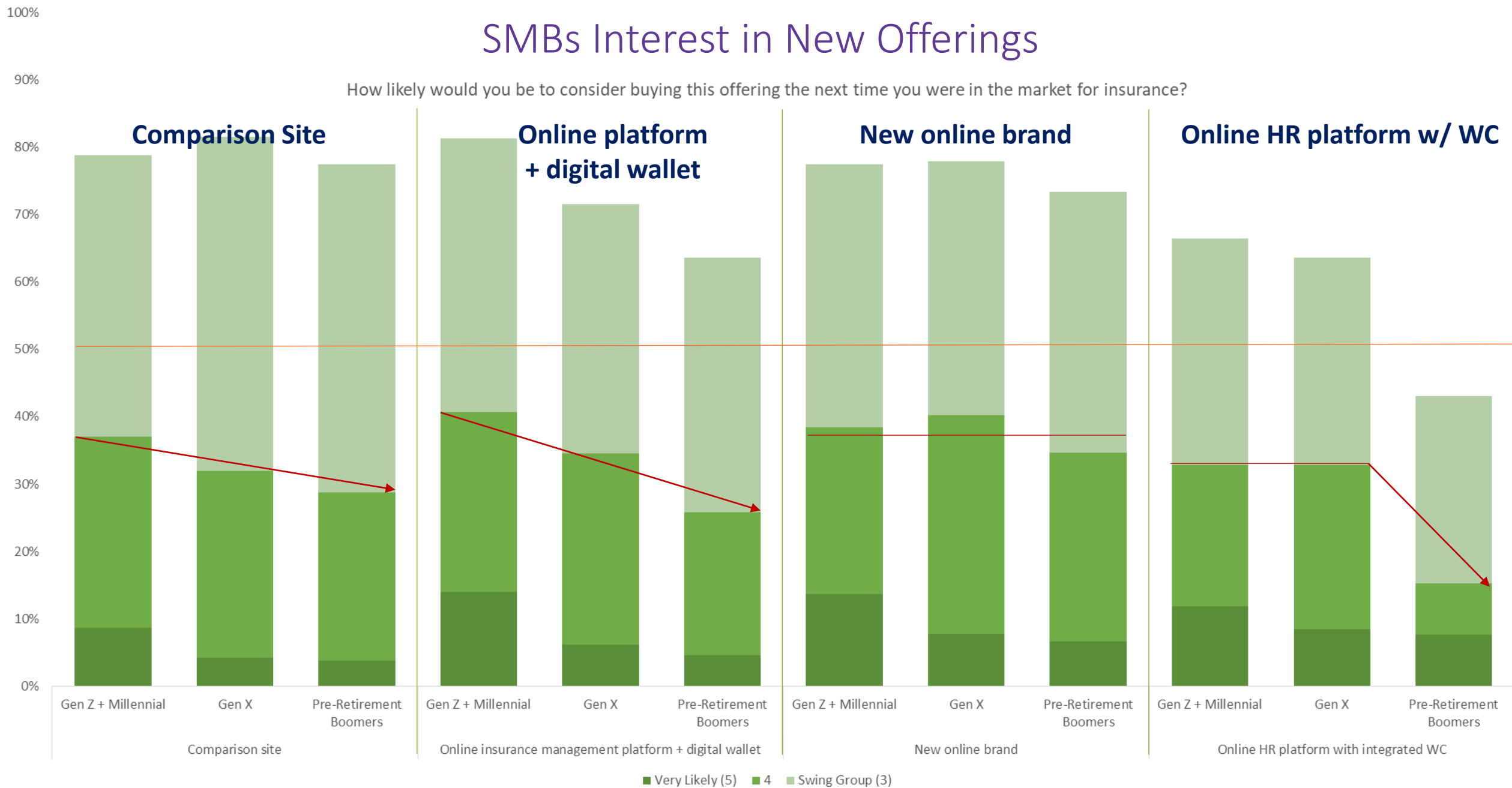
10%

0%



SMBs Interest in New Offerings

How likely would you be to consider buying this offering the next time you were in the market for insurance?



Comparison to Current Insurer: Consumers

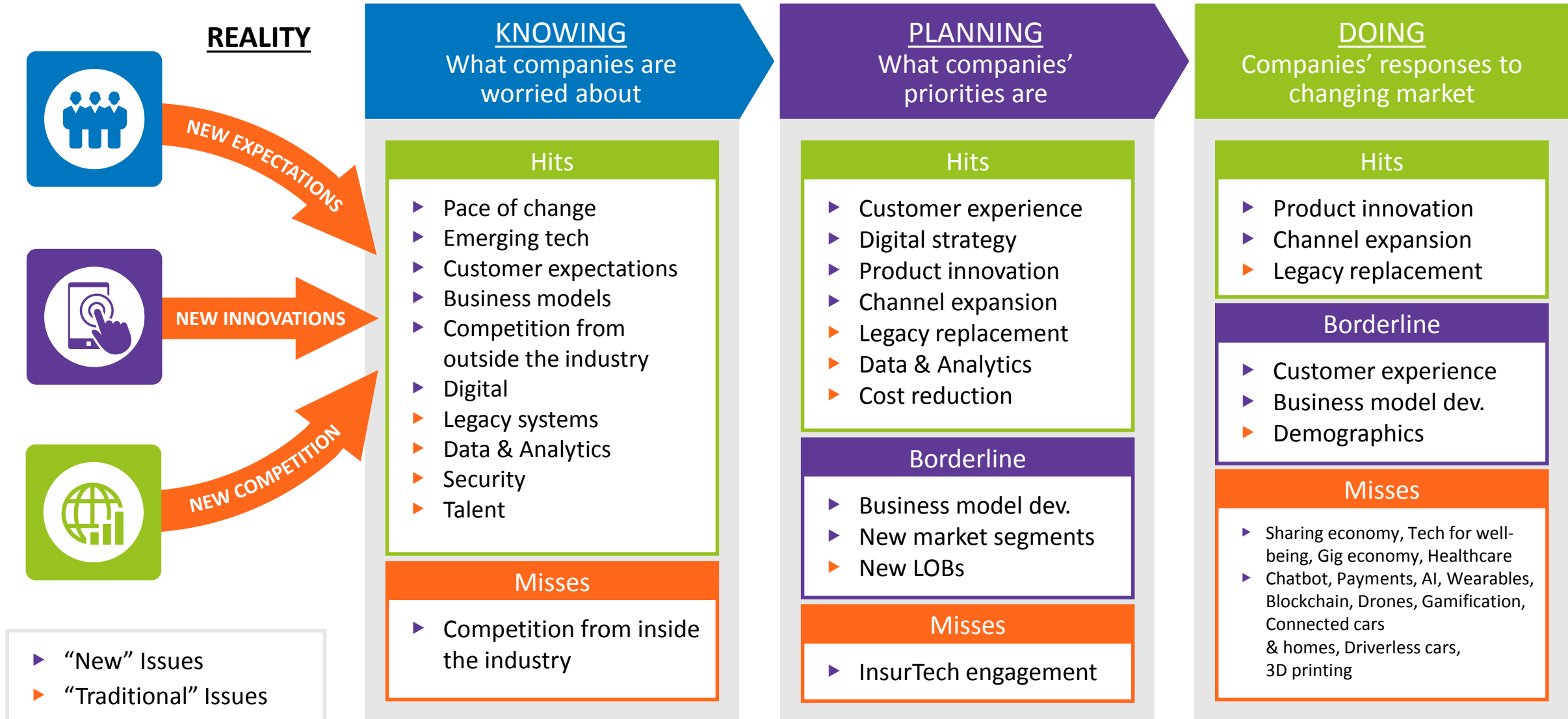
		Gen Z (1995-1999)	Millennials (1977-1994)	Gen X (1965-1976)	Pre-Retirement Boomer (1953-1964)
P2P	Is easier to use?	2.50	2.55	2.54	2.46
	Is easier to understand?	2.31	2.50	2.58	2.33
	Meets your needs better?	2.69	2.72	2.80	2.68
AI + mobile app	Is easier to use?	2.93	2.65	2.35	2.26
	Is easier to understand?	2.83	2.63	2.30	2.18
	Meets your needs better?	2.75	2.49	2.24	2.15
On-demand + individual items	Is easier to use?	2.91	2.76	2.53	2.31
	Is easier to understand?	2.78	2.78	2.47	2.27
	Meets your needs better?	2.79	2.76	2.44	2.24
Online life 1	Is easier to use?	2.91	2.84	2.71	2.40
	Is easier to understand?	2.80	2.84	2.71	2.40
	Meets your needs better?	2.78	2.77	2.59	2.32
Online life 2	Is easier to use?	2.78	3.07	2.99	2.84
	Is easier to understand?	2.90	2.99	2.93	2.50
	Meets your needs better?	2.69	2.93	2.85	2.45

Source: New Upcoming Consumer Research Report



Industry Response

Industry Pressures and the Knowing – Doing Gap



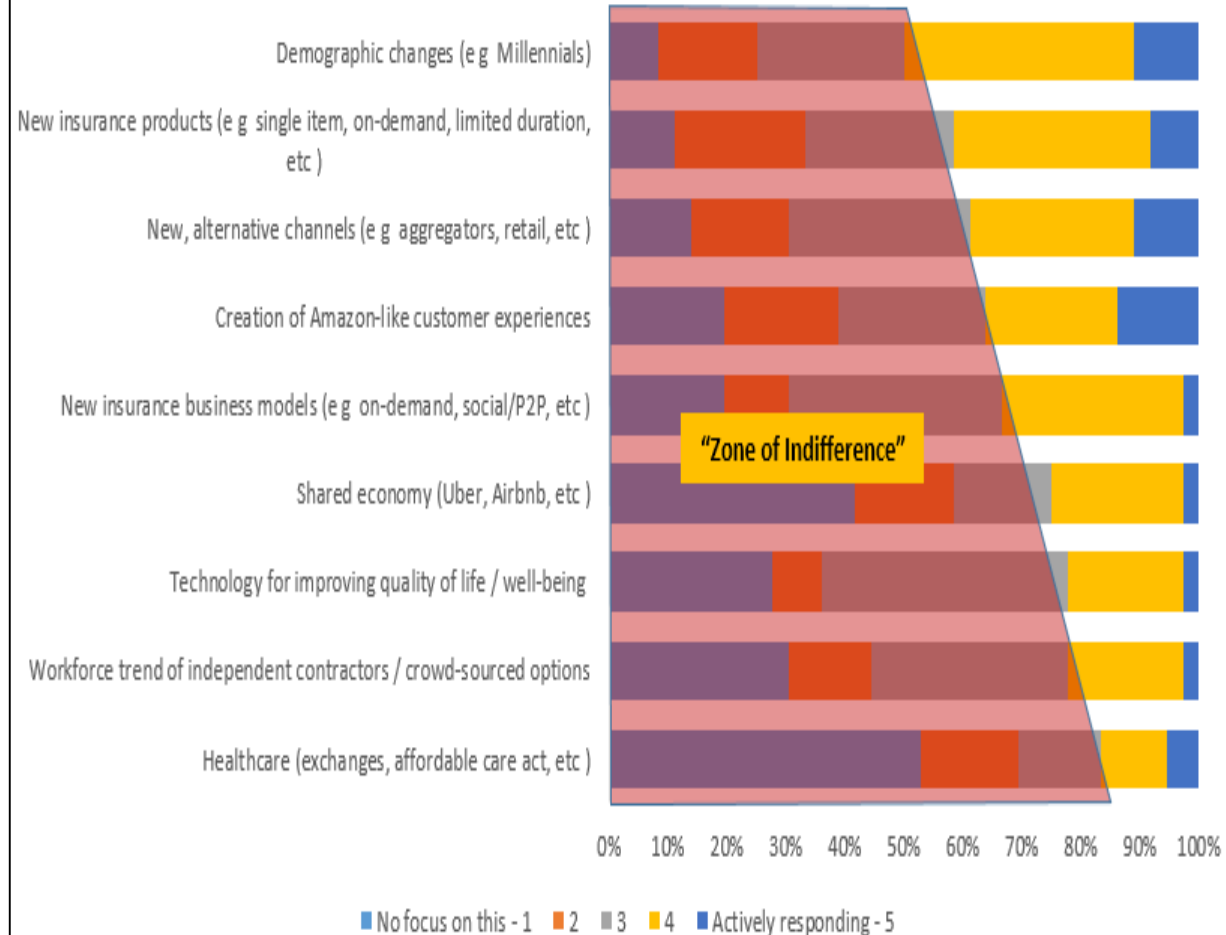
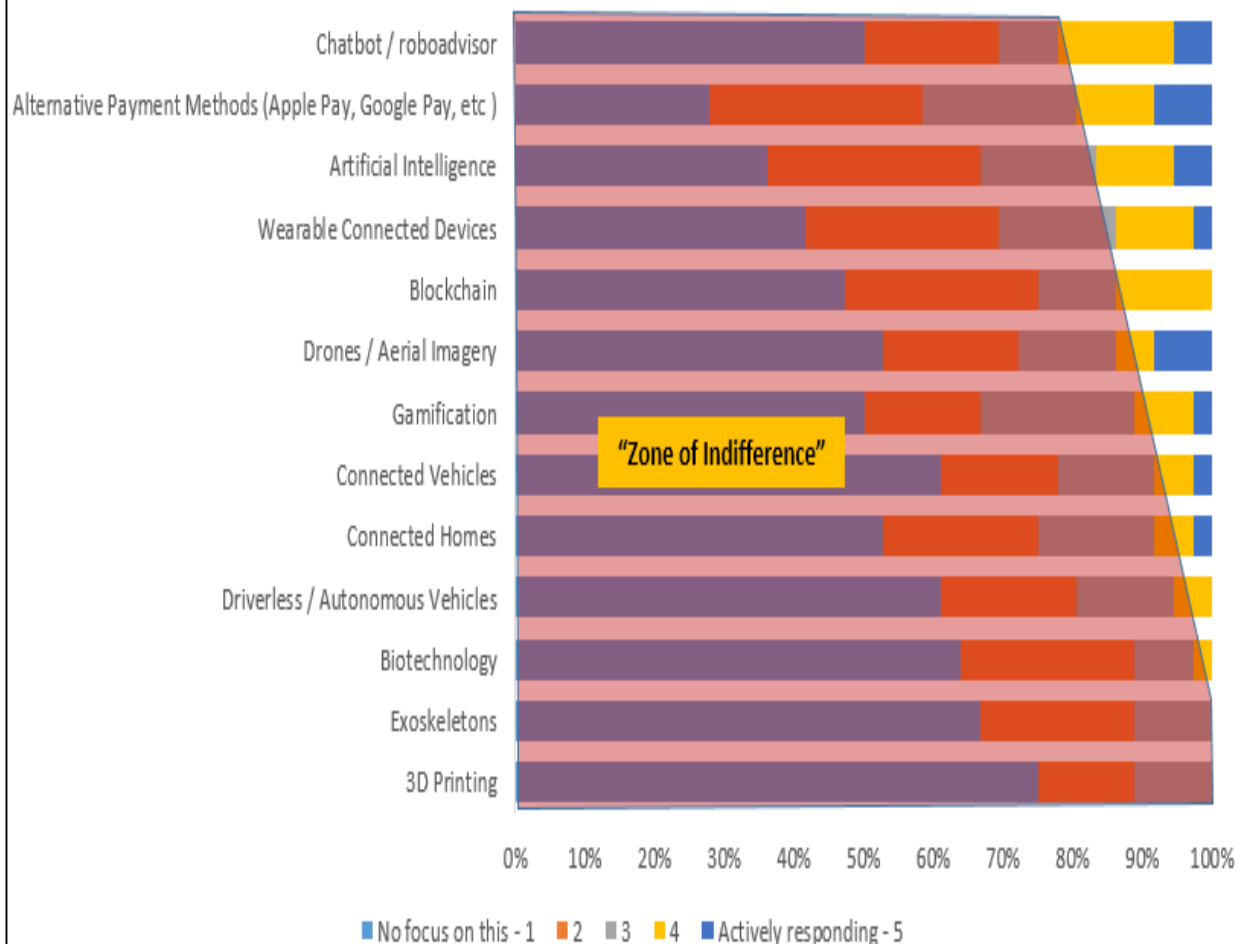
Source: Majesco 2017 Strategic Initiatives: Knowing vs. Doing

Response to Technology Trends ... is Weak

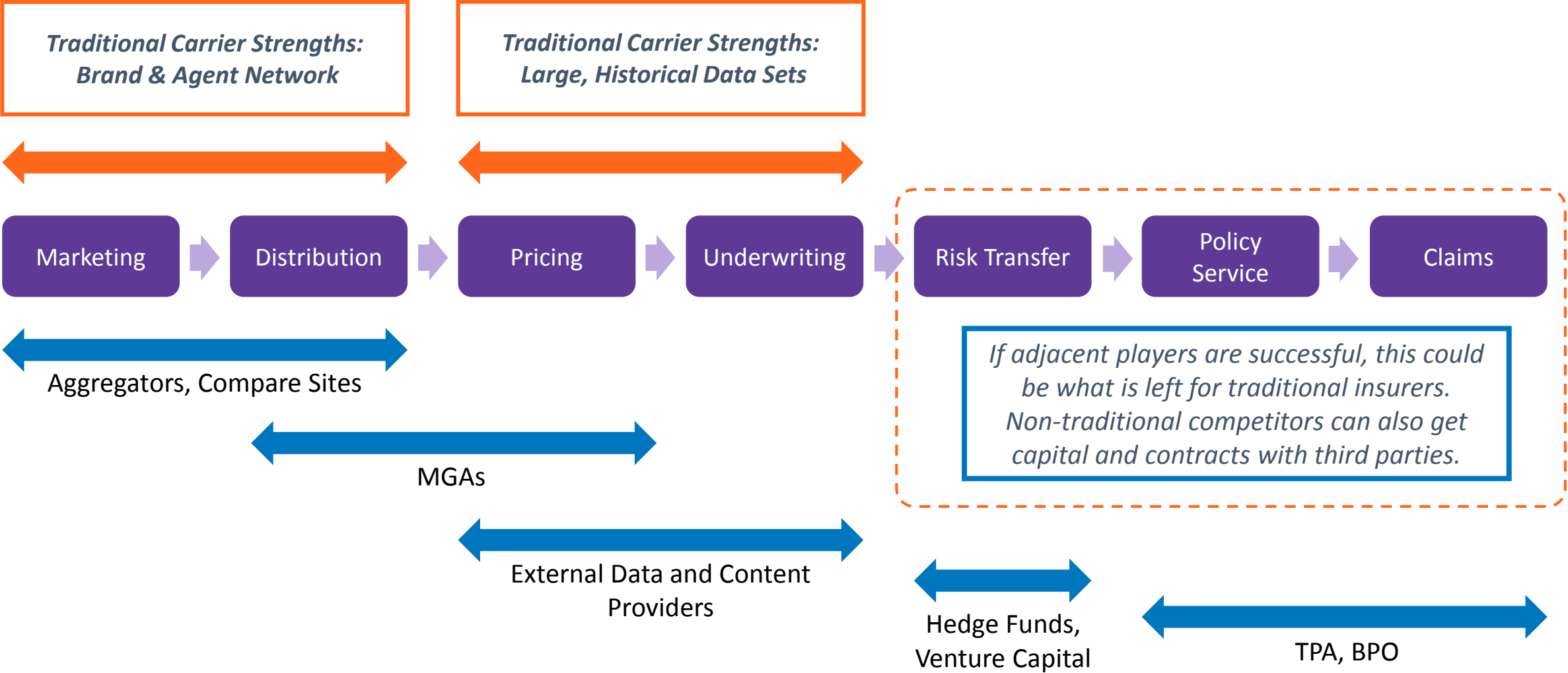
Response to Business Trends Better ... But Not Great

How actively is your company responding to/applying these emerging technologies to your strategic initiatives/planning for 2017-2019?

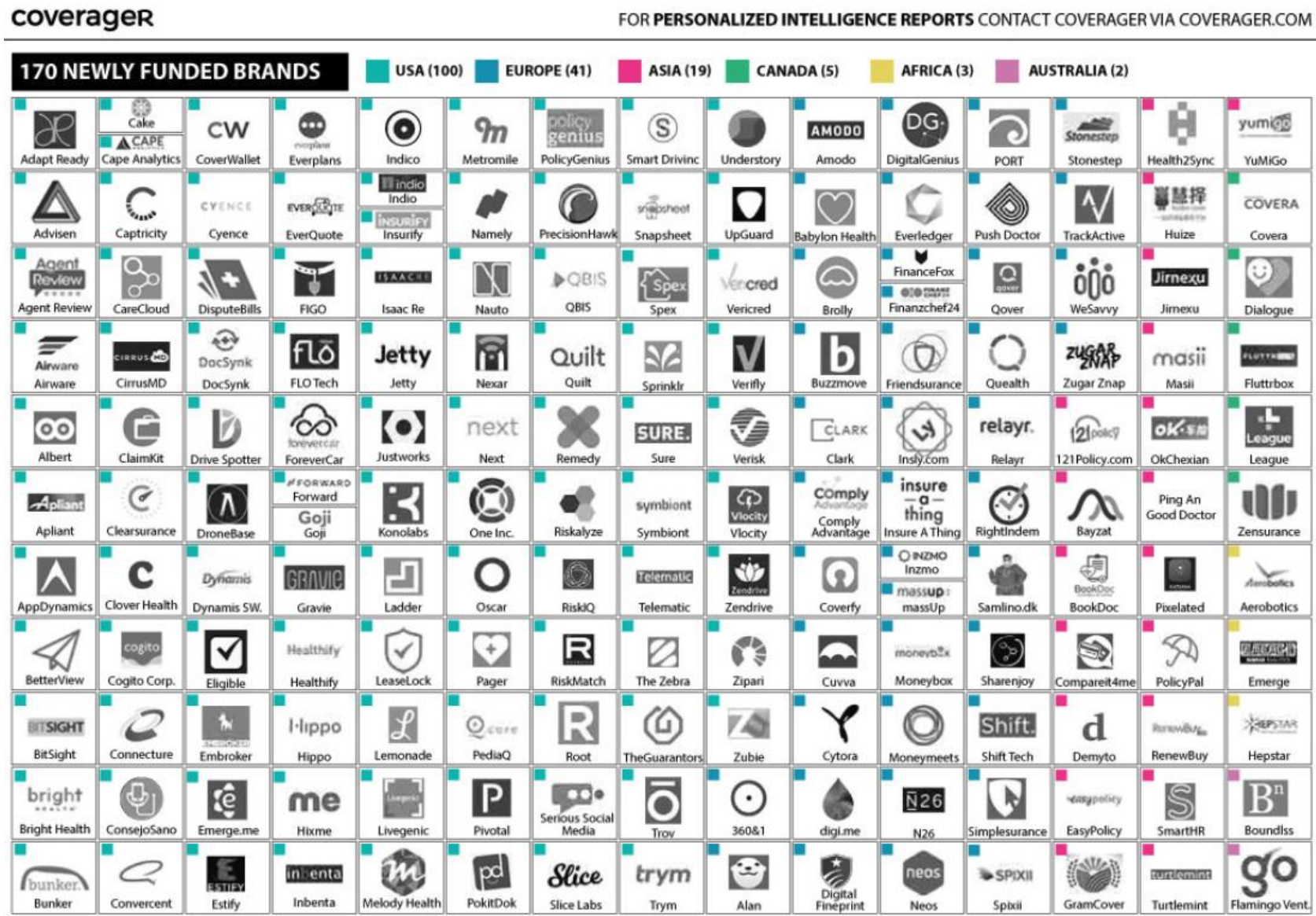
How actively is your company responding to/applying these business trends to your strategic initiatives/planning for 2017-2019?



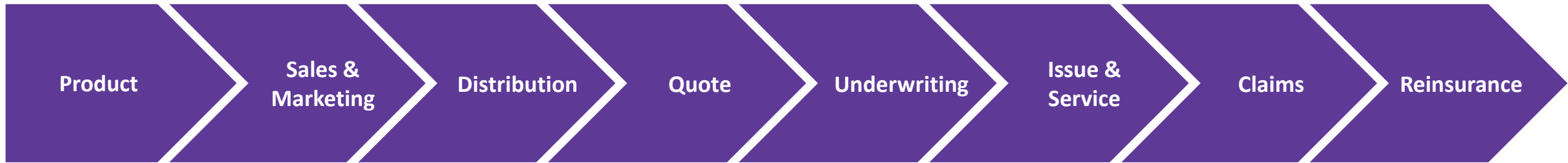
Result: Disruption of Insurance Value Chain



InsurTech Filling the Gap of Unserved or Underserved Needs



InsurTech and New Entrants Creating New Business Models



AssureStart.com, HAVEN life, HISCOX, Lemonade™, Quilt, Business.com (COVER YOUR, A BERKSHIRE HATHAWAY COMPANY), John Hancock, Vitality, Metromile, say

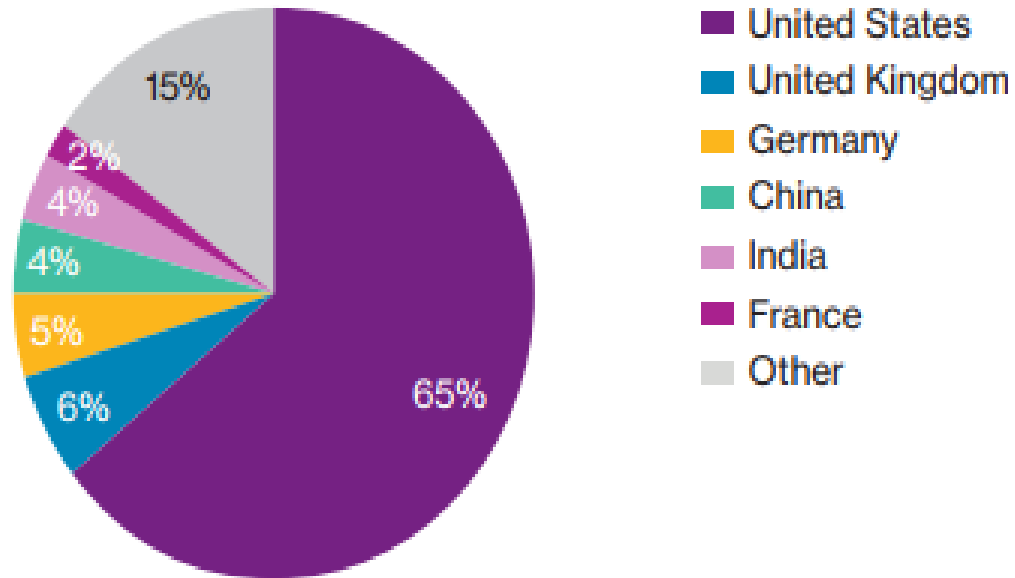
BOLD PENGUIN, AskKODIAK, Denim™, indio

insureon, Slice, trym, compare.com, sureify, trōv, nextinsurance, coverwallet

nauto, Elafris, ViewSpection, accuScore, datacubes, dropin, TERRENE Labs, elagy

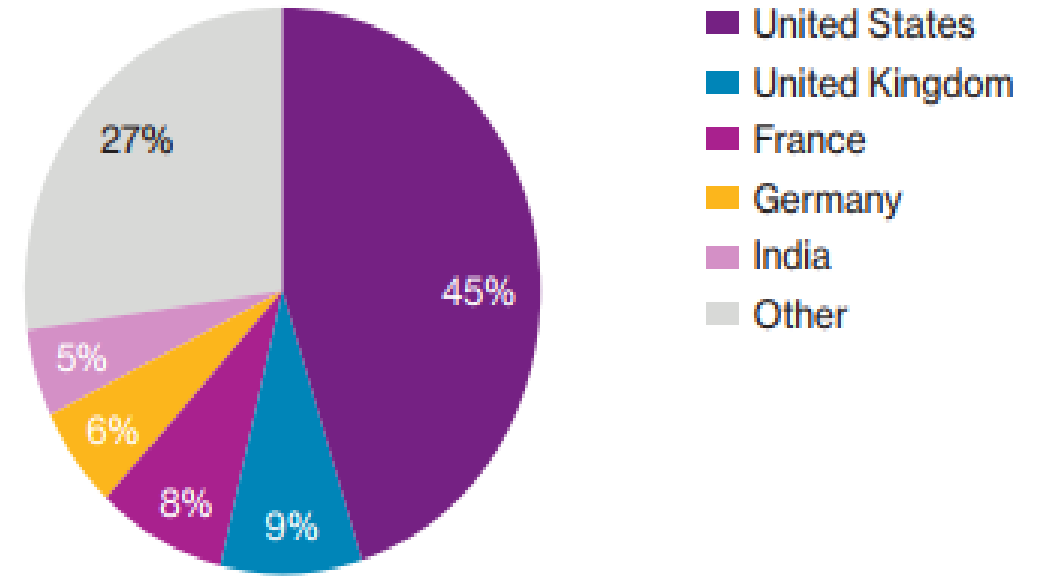
InsurTech Funding

2012 – Q2 2017



2012 – Q2 2017 Transactions: 605

Q2 2017



Q2 2017 Transactions: 64

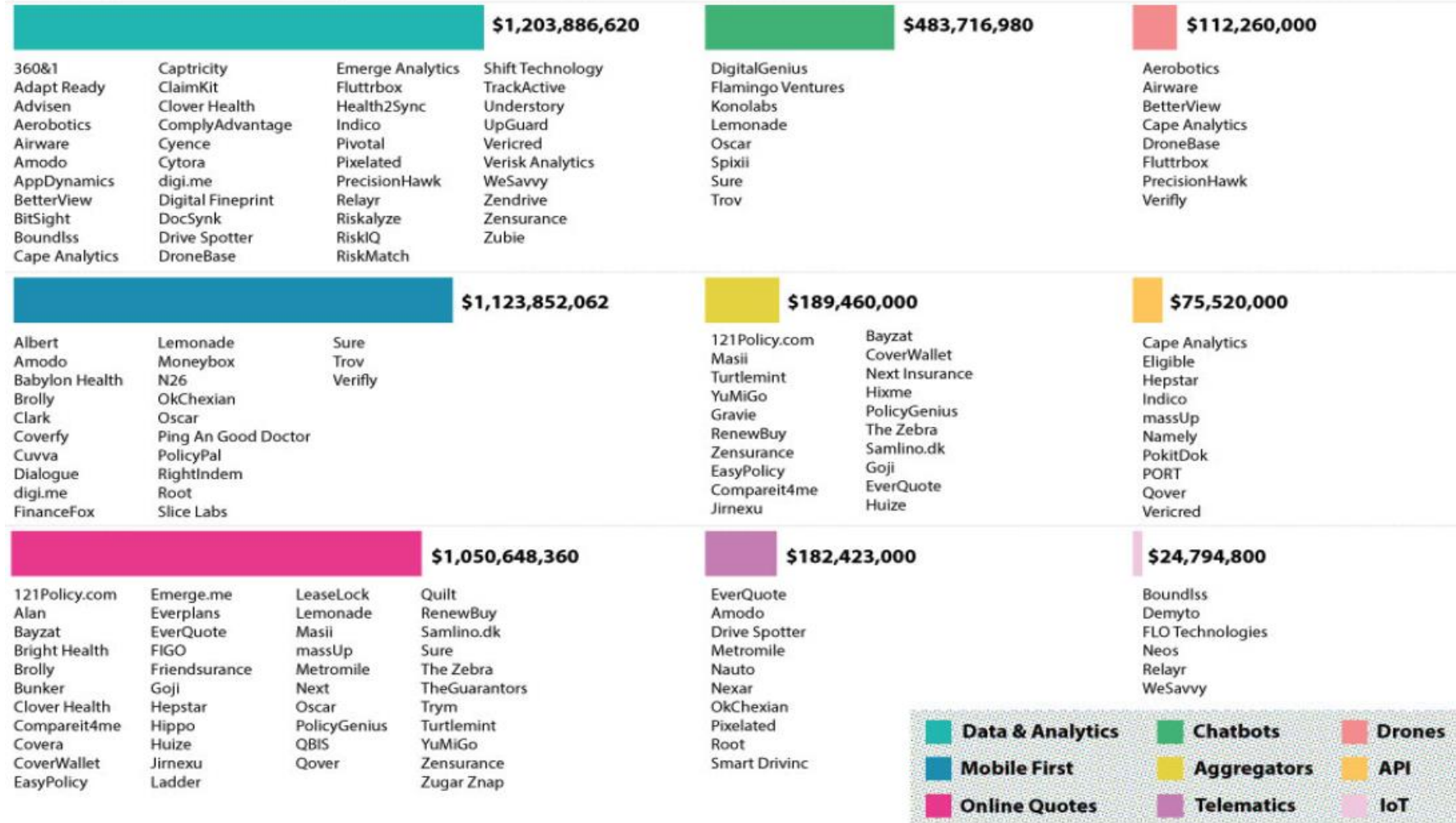
Source: Quarterly InsurTech Briefing Q2 2017, Willis Towers Watson

InsurTech Investment

coverager

FOR PERSONALIZED INTELLIGENCE REPORTS CONTACT COVERAGER VIA COVERAGER.COM

FUNDING BY INNOVATION



Source: Majesco Greenfields and Startups Report

InsurTech Accelerators

Insurtech Accelerators

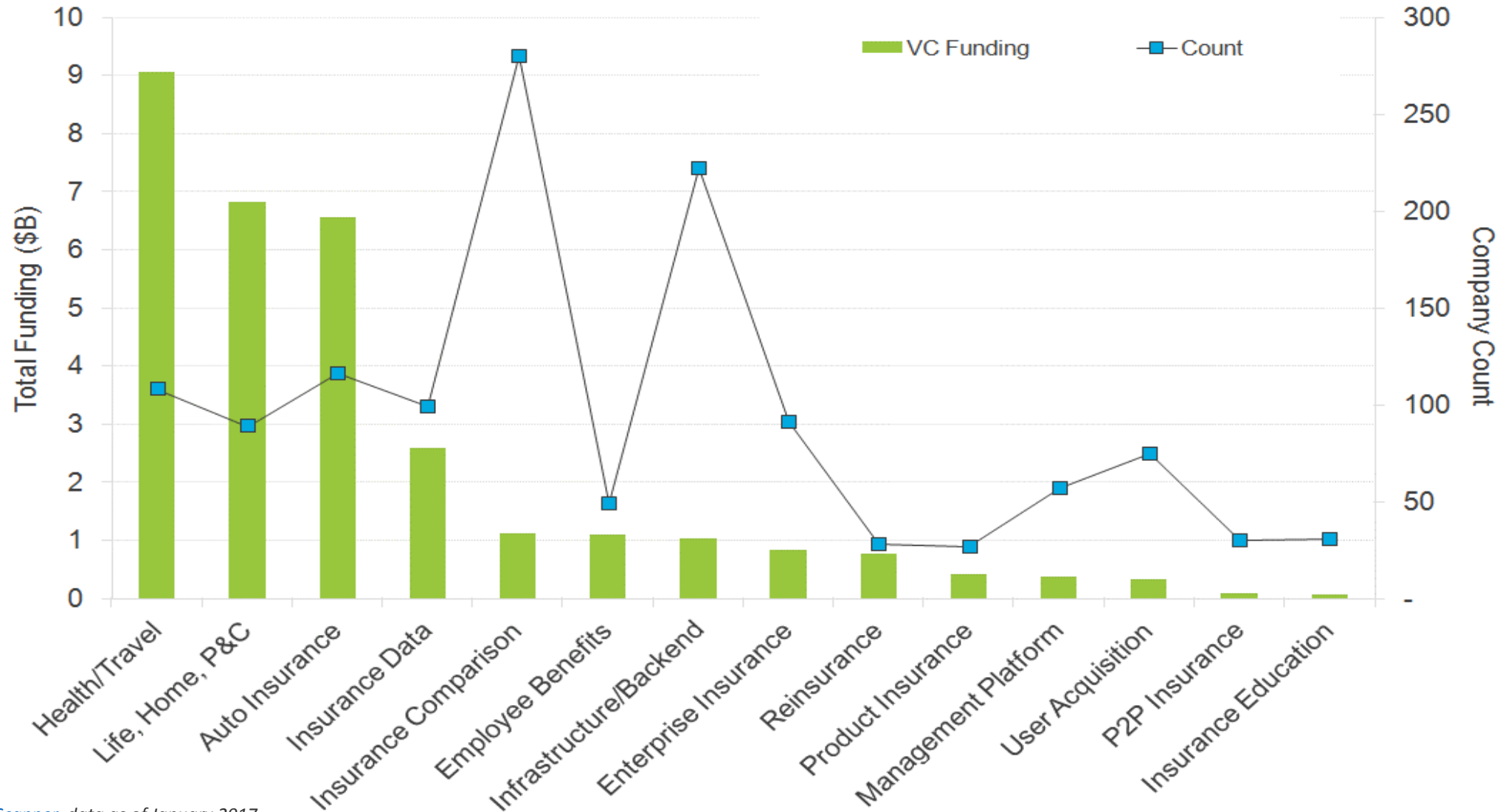
 AIA Accelerator 	 DMZ Insurtech Accelerator 	 FINTECH 7/ 	 collab 	 KICKSTART ACCELERATOR 
 SUPERCHARGER 	 Accélérateur Allianz 	 Gener8tor 	 income FUTURESTARTER 	 FUSION 
 DARWIN STARTER 	 L'Accélérateur by L'ATELIER FinTech & Corporate 	 GLOBAL INSURANCE ACCELERATOR 	 KPMG Digital Village™ 	 Helvetia Insurtech Accelerator helvetia 
 Kiwibank FinTech Accelerator 	 A company of Allianz 	 HARTFORD INSURTECH HUB POWERED BY Startupbootcamp 	 MundiLab Powered by Munich RE 	 Generali Health & Welfare Accelerator GENERALI 
 Swiss Re Insurtech Accelerator Swiss Re 	 WI InsurTech 	 Plug and Play InsurTech PLUGANDPLAY 	 Startupbootcamp InsurTech 	

Source: Coverager

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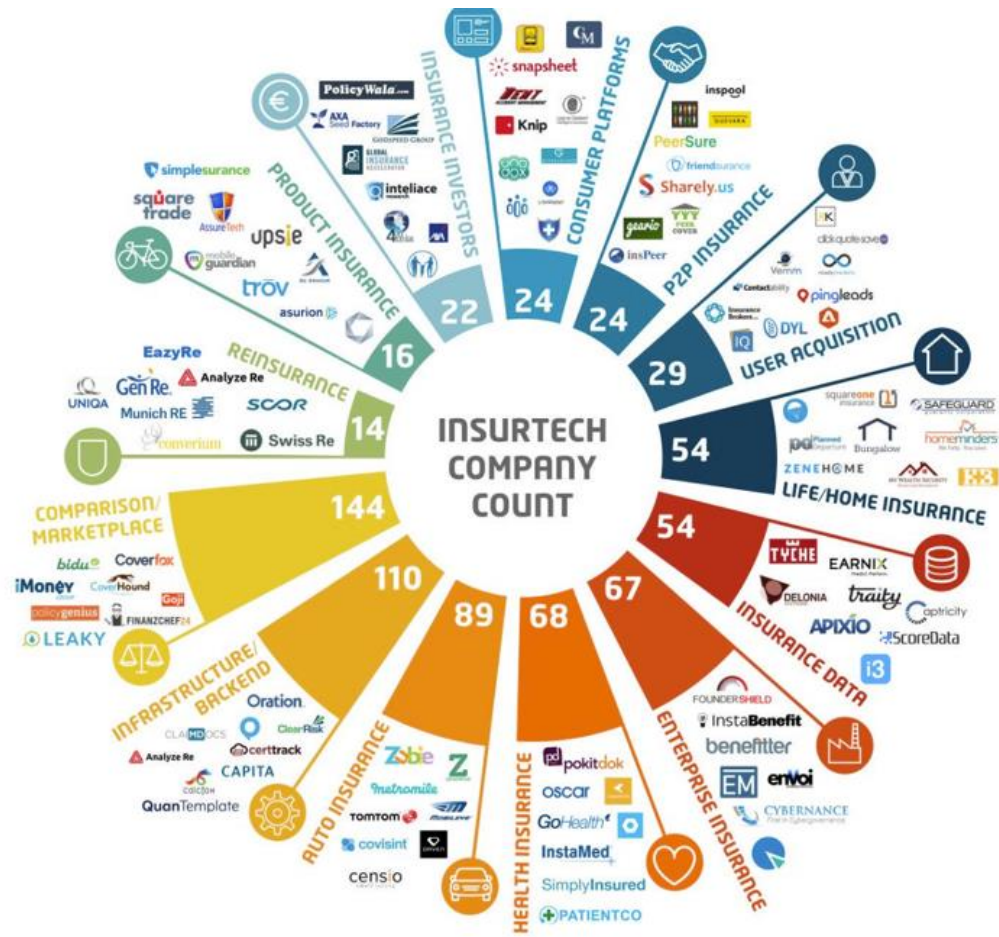
Insurance Technology Funding and Count



Source: [Venture Scanner](#), data as of January 2017

InsurTech 1000+ Companies

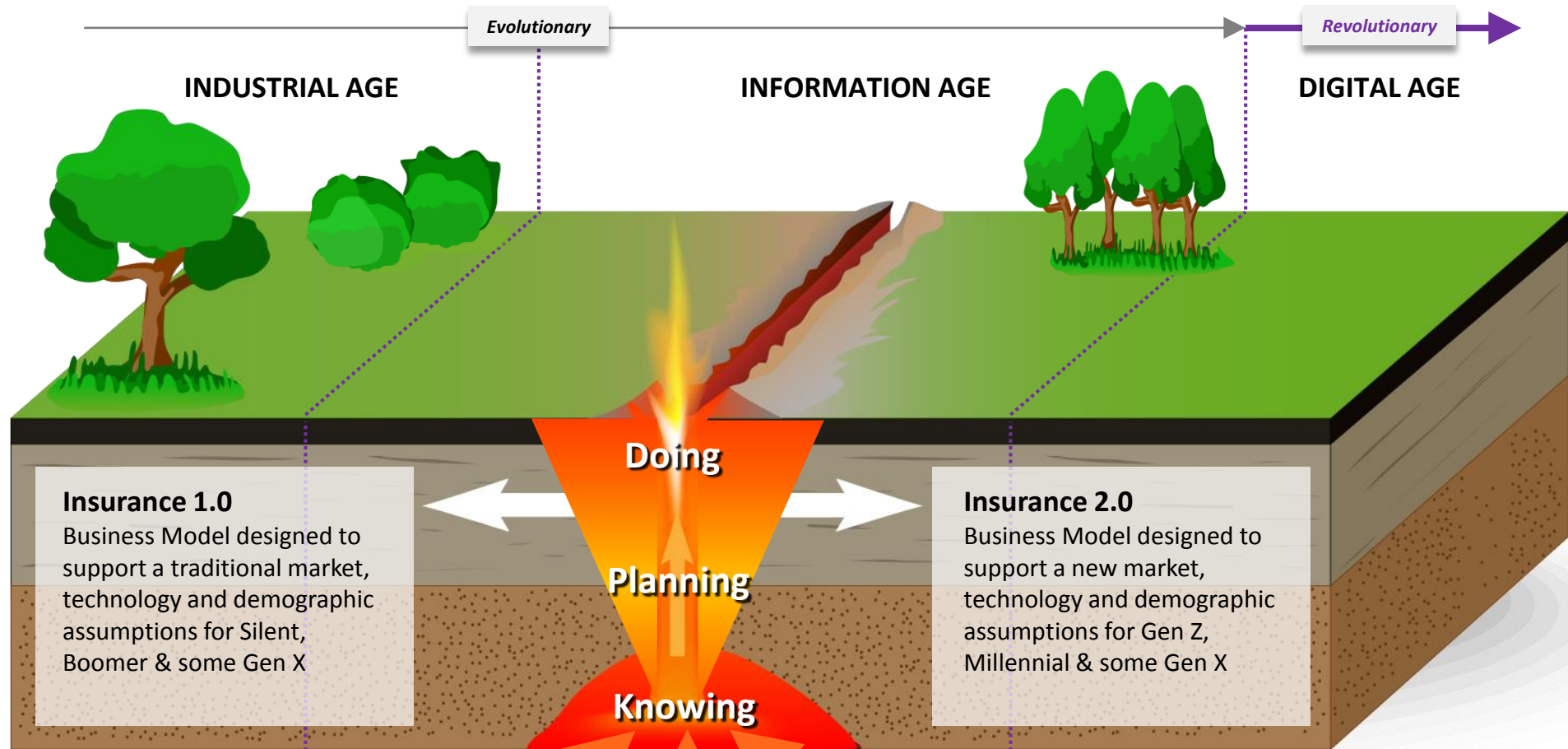
No Single Entity Can Out Innovate an Ecosystem of Thousands





The Path Forward

Digital Age – Driving a Revolution of Disruption and Change

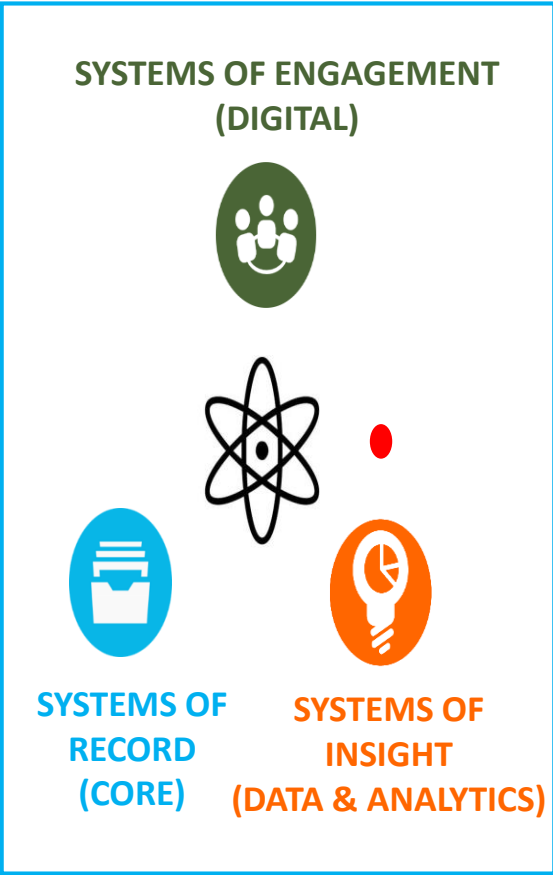


Source: Upcoming Cloud Business Platform Research

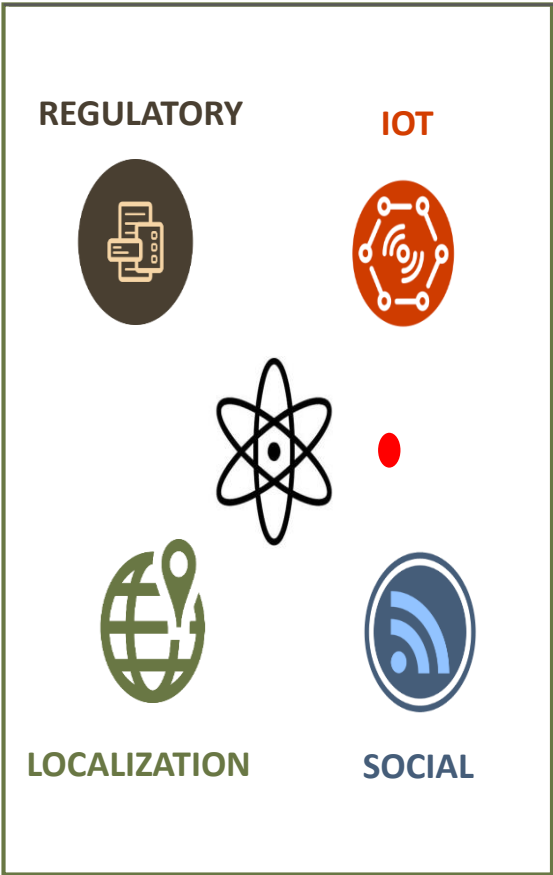


Digital Insurance 2.0 Platform

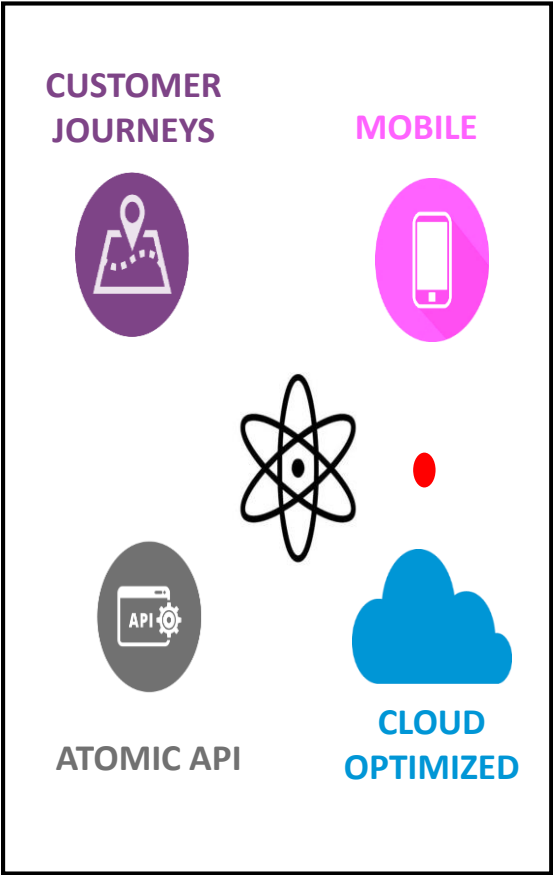
APPS



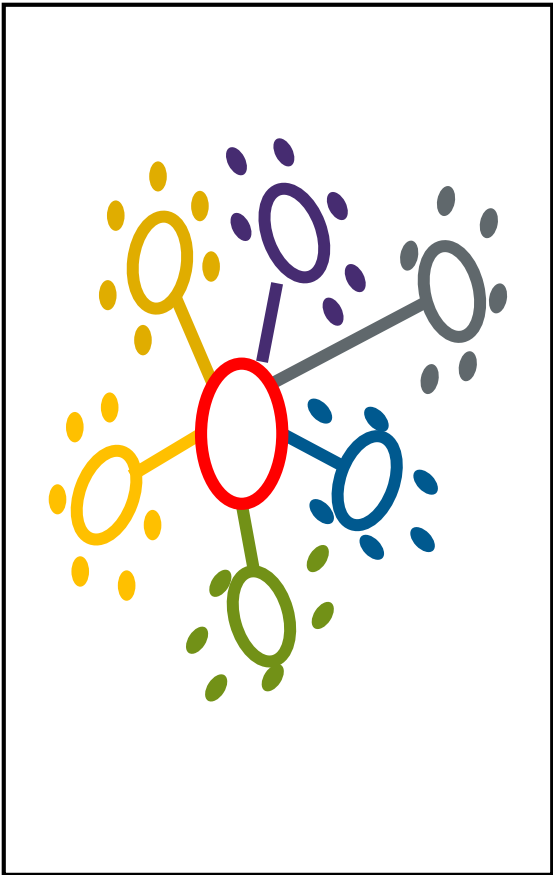
CONTENT



DISTRIBUTION & INTEGRATION



Partner Digital EcoSystems



Source: Upcoming Cloud Business Platform Research

Yin-Yang of Core Insurance and InsurTech



yin-yang (陰陽) describe how seemingly opposite or contrary forces may actually be complementary, interconnected, and interdependent in the natural world, and how they may give rise to each other as they interrelate to one another.

CORE SYSTEMS

INSURTECHS

**SEEMINGLY
OPPOSITES**

- SUPPORTS TRADITIONAL BUSINESS MODELS
- PROCESS / TRANSACTION ORIENTED
- BACK OFFICE SYSTEMS
- DEEP INSURANCE ROOTS

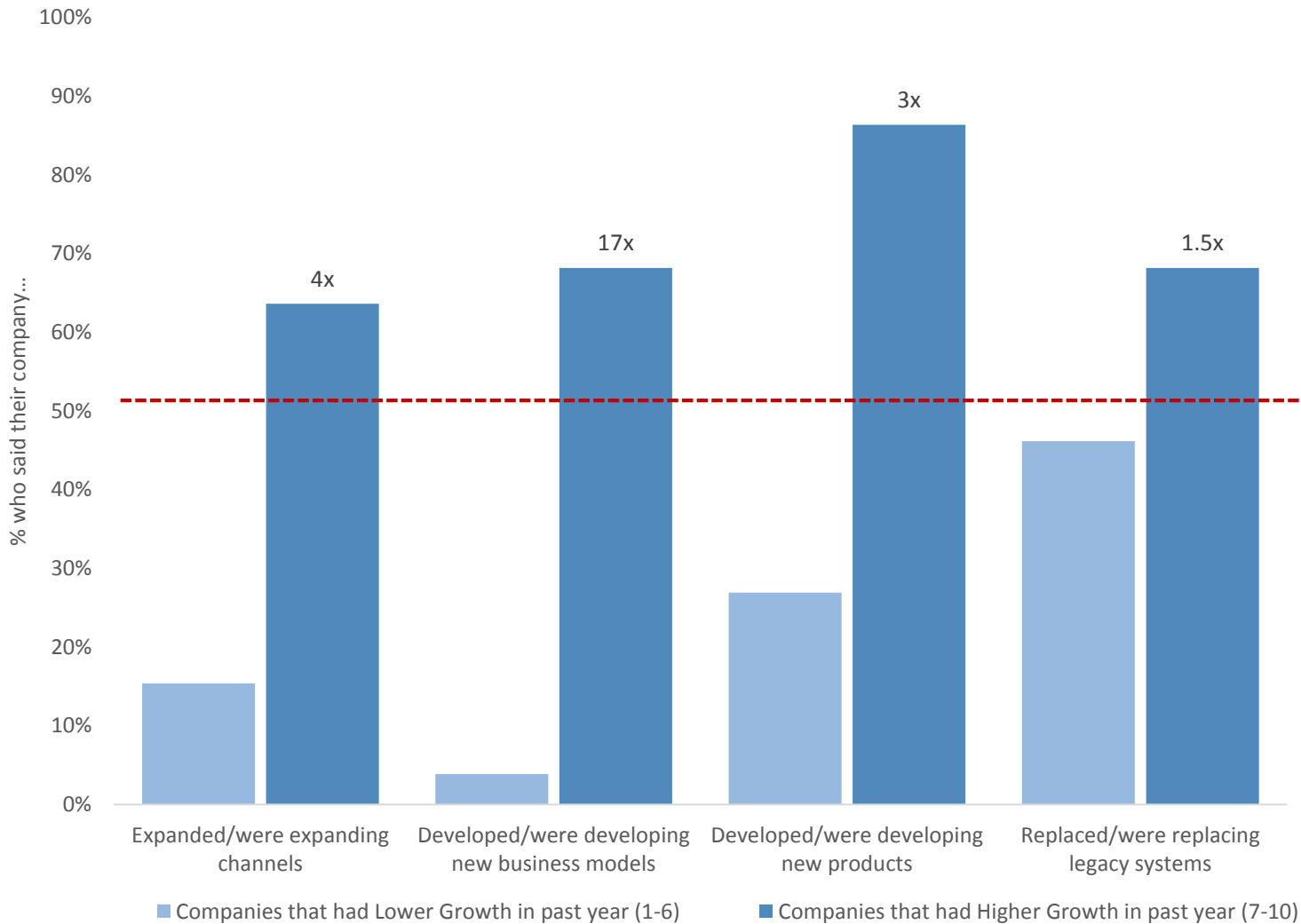
- SUPPORTS NEW BUSINESS MODELS
- ANALYTICS / ENGAGEMENT ORIENTED
- FRONT OFFICE SYSTEMS
- DEEP TECHNOLOGY ROOTS

**COMPLEMENTARY
INTERCONNECTED
INTERDEPENDENT**

- CUSTOMER FOCUSED OPERATIONALLY EFFICIENT & COMPLIANT
- FUSION OF TECHNOLOGY AND INSURANCE – EFFECTIVE SOLUTION
- SUPPORT FOR TRADITIONAL & NEW INSURANCE BUSINESS MODELS

FUSION OF CORE SYSTEMS AND INSURETECHS ARE SHAPING DIGITAL INSURANCE PLATFORMS

Race to the Future – The Path Forward



Source: Majesco 2017 Strategic Initiatives: Knowing vs. Doing

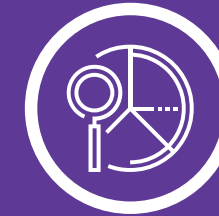
MARKET DRIVERS

Keep & Grow Existing Business -
Transform & replace legacy



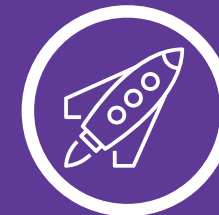
Modernization /
Transformation
Programs & Cloud

Optimize existing business while
creating new



Digital Front-End
and Engagement

New Business Model for New
Generation of Buyers



Greenfield &
Startup Initiatives

Investing in a Powerful Industry Platform for the Digital Era

Next Generation of Core Systems



Digital Platforms



MAJESCO

Cloud Computing



Ecosystem



A Renaissance in Insurance

Majesco is focused on transformation as a path to renaissance. Read our views on these influencers of change and how you can embrace them as a path toward a renaissance of your business.



THOUGHT LEADERSHIP

CHANGING INSURANCE FOR THE DIGITAL AGE

Co-written with David Smith, CEO of Global Futures and Foresight (GFF), this report provides a view on the disruption and change within the global insurance market with views from Majesco and GFF.

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THOUGHT LEADERSHIP **NEW**



Changing Insurance for the Digital Age

THOUGHT LEADERSHIP **NEW**



Winning in a New Age of Insurance: Insurance Moneyball

THOUGHT LEADERSHIP **NEW**



Greenfields, Startups and InsurTech:

RECENT BLOG POSTS

Explore All Blog Posts By

October 12, 2017 | By: Denise Garth

The Insurance Renaissance Rolls On



It has been a busy week engaging the industry and considering the future ... first at our customer conference, Convergence 2017, followed by InsurTech Connect. Both conferences had record attendance, a sign that insurers are both grappling with change and engaged in making ...

[Read More](#)

October 5, 2017 | By: Denise Garth

Wake Up! Insurance is Changing!



"Insurers must disrupt themselves — a path many are on, albeit at different stages." David Smith, Strategic Futurist The digital revolution is disruptive. It is rewriting the rules of business, and with it, redesigning organizational and business

www.majesco.com