

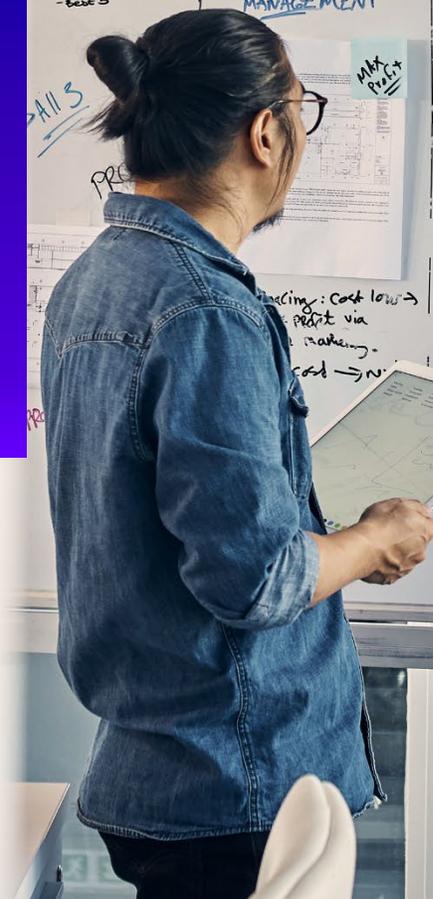
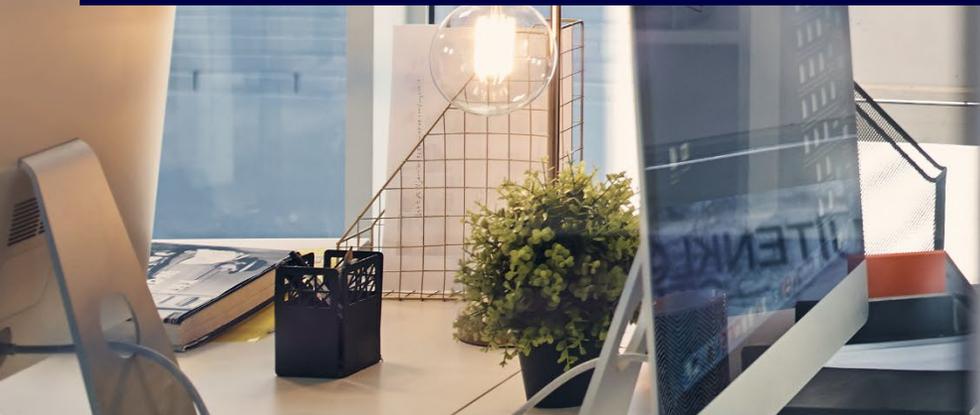
# Integrating the insurance value chain to tackle the impact of COVID-19

The insurer's guide to digitalize and integrate the value chain for COVID response and new normal readiness

PLANNING

PROGRESS	To-Do	REDO
Marketing Proposal Section B - #2 ZZI Swatches - test 3 MAX Profit	• Retouching at set cost minimum 30% online Volume • Re-engage CLIENT MANAGEMENT	25% 50% Management Party → Advertise !!!

Additional notes on the whiteboard include: 'The Note', 'Darius APPROVED', 'TRAFFIC Local online CT in pages', 'RT Redo online BATCH', 'Section 31 Portfolio', 'Finance Spreadsheet', 'Log Go', 'space to case', 'Larger font', 'Larger colour', 'make legs', 'Bigger font', 'cost low → profit via marketing - cost → profit', and 'TRAFFIC Local online CT in pages'.





The COVID-19 crisis has impacted businesses across industries and forced them to focus on cost optimizations to ensure business continuity. As social distancing becomes a norm, companies worldwide are observing a decline in human interactions, which leads to touchless or virtual servicing becoming the New Normal. While the lack of digital channels has severely impacted customer servicing, premium payments, and claims servicing, digitally-enabled companies are still able to serve their customers satisfactorily. Furthermore, customers are demanding personalized products, digital experiences, and faster servicing ubiquitously. Insurers must transform their value chains and automate their operations to achieve the desired cost optimizations in light of all these developments. Additionally, they also must enhance their customer journey by integrating the value chain and enabling customer self-servicing.

With this whitepaper, we aim to give insurance companies a closer look at how the situation has impacted the value chain, customer journey, and core processes. Moreover, we are going to talk about how the current situation and trends are logically leading towards the New Normal in the Insurance industry. And how insurers can build essential technological capabilities to be ready for it

# Challenges faced by insurers today

## Impact of COVID-19 across the customer journey

	Discovery	Advice & Quotation	Customer Onboarding	Policy Creation & underwriting	Pay Premiums	Manage Policy	Make Claims	Renewal
Description	Customer finds out about the product or is approached by the company	Agent helps customer in choosing policy and quote generation	Policy is finalized and the customer signs up	All the necessary checks and policy underwriting is done	Customer starts paying premiums	If required, policy details are changed	Customer raises claims in case of incidents.	Customer renews the policy if she wishes to
COVID Impact	Call centers not able to operate	Agents not able to have physical interactions	Agents not able to collect documents and assist	Customers not able to schedule assessment appointments	Policyholder's income impacted. Agents not able to collect checks	Increased load on call centers. Agents not able to collect documents and assist.	Increased number of claims. Field service agents not able to operate.	Agents not able to assist. Customers not able to schedule assessment appointments
Mitigation Steps	Deploying 24x7 Omnichannel Digital Contact Center	Enabling Virtual Agents and Customer Self-servicing	Digitalizing across the channels for Digital Customer Onboarding	Implementing advanced risk assessment models and leveraging historical data	Implementing Digital Payment Gateways	Enabling Virtual Agents, Customer Self-servicing and data-driven underwriting	Digitally enabling field service agents and using data for faster claims processing	Deploying Digital Contact Center and enabling Virtual Agents

# Challenges faced by insurers today

## Selling insurance products

Currently, insurance providers not equipped with digital channels are facing severe issues while selling their products. For instance, whenever a customer buys a new policy, she must go through multiple interactions with the agent to finalizing the right product. After a suitable policy is finalized, she must submit her documents manually or via email to get onboarded. Once that is done, the tedious process of underwriting begins, which involves different assessments like health, property, car, and financials, subject to the nature of the product she is buying. And finally, she must make the initial payment. The customer journey in purchasing a new insurance product is lengthy and filled with many manual interventions. The new generation insurance providers promising lesser duration, and the least number of physical interruptions for policy creation stand a better chance of winning a customer

## Increased claims and service requests

Insurers are facing an increased number of claims and service requests because of the COVID-19 crisis. Contact centers are overwhelmed with different kinds of requests. Some insurers have already notified their customers to expect a delayed response. Besides, due to social distancing, call center employee strength is not up to the normal levels. Due to the sudden impact, many insurers couldn't enable remote working options for all the service center staff. The situation has put a double whammy on insurers, keeping them from providing the least acceptable service levels. Insurers must turn around this situation and work towards keeping their customers happy and loyal

At Least

11

**Labour intensive  
processes are generally  
involved in policy making**

# Challenges faced by insurers today

## Claims processing

It is undeniably the most critical part of the customer journey for both the policyholders and the insurance providers, has become increasingly challenging because of the pandemic. For instance, while making life insurance claims, customers already must go through a long and tedious process. It involves intimation, generating essential documents like death certificates, submitting the necessary forms, and verification. At the insurer's side, it includes a thorough investigation. The pandemic is increasing the difficulty of this process drastically; it is practically making the essential document generation and investigation infeasible. Likewise, processing auto and property claims have become time-consuming and insecure, where many manual interventions like damage assessment, incident inspection, document submission, and claims negotiation are required. All these reasons are severely hampering the customer experience, threatening their safety, and making customers with shorter policy durations think about switching their providers.

## Collecting premium payments

The COVID-19 crisis delays as well as complicates the premium payment and collection process. Electronic fund transfers and paper checks have been the dominant modes of premium payments in the insurance industry. The lockdown scenario and public fear about the virus have halted agent operations. Neither the agents are being able to collect the premium checks, nor can the policyholders drop these checks by themselves. Moreover, individuals whose incomes are affected due to the crisis are not able to pay premiums. This development severely hampers insurance providers' financial health, while policyholders are afraid of losing their policies in these already gloomy times

Up to

# 20%

**Increase in customer  
satisfaction score via  
digitalization**

# Challenges faced by insurers today

## Lack of Digitalization and Modernization across the Customer Journey

### Scale of severity

low medium high

	Discovery	Advice & Quotation	Customer Onboarding	Policy Creation & underwriting	Pay Premiums	Manage Policy	Make Claims	Renewal
Minimum manual interventions	Customers: 1 Company: 1	Customers: 2 Company: 3	Customers: 2 Company: 3	Customers: 4 Company: 8	Customers: 1 Company: 2	Customers: 3 Company: 4	Customers: 6 Company: 7	Customers: 3 Company: 7
Current Level of digitization	N/A	Tool based quote generation and product recommendation	Digital document acceptance and CRM	Underwriting augmented with data analytics	Policy administration system, automatic reminders	Underwriting augmented with data analytics, Digital document acceptance and CRM	None	Underwriting augmented with data analytics, Digital document acceptance and CRM
Current Data Usage	Existing customer data for targeting	Primary personal data (health, property) for quote generation	N/A	Personal , Financial, Health related, Vehicle condition, Telematics, adress	N/A	Additional data for the changes and underwriting related data	None	Personal , Financial, Health related, Vehicle condition, Telematics, adress
Number of Disparate Systems	Sales – call center agents	Third-party agents, Sales, Underwriting	IT, Marketing, Customer Relationship Management	Legal, Finance, Underwriting	Agents, finance	Legal, Finance, Underwriting	Third party agents, claims	Legal, Finance, Underwriting

# The new normal in Insurance



# The new normal in Insurance

The impact of COVID-19 is putting up severe cost and revenue implications for insurance companies. Insurers must transform their internal processes and customer interfaces by deploying cutting-edge technology and solutions to reduce costs, serve their customers better, and be ready for the new normal

## The rise of virtual agents

The need for contact-free interactions is becoming prevalent over human-based personalized experiences. More and more insurers are going to build this capability just to service their customers in these times. As this transformation would save time, deliver a more personalized experience to customers, and help insurance providers increase their profit margins, the virtual agents would become a new normal.

The role of agents in the insurance industry is to serve customers by suggesting a suitable product, generating a quote, giving personalized advice, getting them onboarded for policy creation, and once the policy is created, collecting premium payments if they are paper-check based. Insurers can digitalize or automate most of these tasks with the right technology solutions. For instance, when the customer approaches the insurance company from any channel like email or app-based messaging, she can be redirected to the onboarding portal.

On this portal, she will be served with ML-based personalized recommendations, curated with the help of information gathered during the signup. If the customer has additional queries, she can start a chat with the AI-powered bot, empowered to handle most of the questions. The bot can route the unknown or complex queries to agents in real-time while maintaining the conversation's whole context. For policies that the customer is interested in, she can quickly generate the quote with an analytics-based quote generation tool. And for the premium payments, digital gateways can be deployed.

Up to

**15%**

**of the premium can be saved as commission costs**

# The new normal in Insurance

## Traditional field servicing to become obsolete

Some of the leading insurers and 'insuretech' firms are already using IoT sensors and big data for either augmenting claims processing or fully automating it. There will be increased adoption of intelligent automation and data-driven loss prediction with the need for social distancing. Also, as customers become habitual to faster claims processing, insurance providers can save a fortune with automated and accurate claims processing. Field service agents will only be needed for very niche and limited kinds of insurance products.

Field service agents or the surveyors come into the picture during claims processing. They are required to visit the field to inspect and assess the damage or liability in properties and vehicles, adjust or negotiate the claim and get the essential documents filled and collected. Most of these processes can be automated and digitalized for faster claims processing.

In case of a car accident, accurate loss prediction and liability can be calculated by self-captured pictures of the car accident and telematics data fed into the predictive models (built with the help of Machine Learning and historical car accident data). In the case of property damage, accurate loss prediction can be made with self-captured images, data from IoT sensors, and imagery from drones. For preventing frauds, AR-based property markers can be used. Once the loss prediction is taken care of, other processes like filling documents can be done through the digital channels.

Up to

**70%**

**of claims can be  
handled through  
automation**

# The new normal in Insurance

## Self-enabled customers will become more common

Customer expectations are rising, and service is becoming a key battlefield for captivating customers. For most of the repetitive requests, customers shouldn't have to wait for agents to get free. Moreover, the service requests are rising due to the pandemic. Hence, to mitigate the situation and win customers, companies will have to provide self-servicing channels.

Presently, customers need to interact with different agents for various activities across the customer journey. The activities which are generally serviced by the agents and which can be automated or self-serviced by customers are finding the right policy, generating the quote, submitting the documents for onboarding or filing claims, requests like getting information about the status of policy and status of the payment made against a bill. As discussed in the previous parts, finding the right policy, generating the quote, submitting the documents can all be digitalized and automated with the help of technology solutions built on AI-ML and automation.

To service other kinds of requests, a digital contact center can be implemented. Customers can connect to these contact centers using multiple channels like voice, email, and text. They can get most of their queries resolved with the help of chatbots and natural language processing. These contact centers can also be augmented with context management across the channels for boosting customer experience. And with sentiment analysis to help the agents have better insights about the customers, in case the query must be forwarded to an agent.

Up to

**30%**

**Reduction in customer  
service costs can be  
gained via chatbots**

# The new normal in Insurance

## Insights driven customer engagement models

In the auto insurance sector, some insurers are already using data from telematics to get insights on driving behavior for risk modeling, which is also being used to provide discounts or personalized premiums. Customers are increasingly becoming aware of this and getting used to behavior-based discounts. They are soon going to demand usage-based insurance products in auto, and sooner or later in the property and health insurance sectors. Insurance providers must rapidly build technological capabilities to provide such usage-based products for attracting customers.

Currently, some of the insurers are providing usage-based insurance in the auto insurance sector with the help of telematics data gathered from the IoT sensors on vehicles. These providers can offer products like Pay As You Drive (PAYD – miles based) and Pay How You Drive (PHYD – behavior-based) based on the data they can collect. Health and property insurance players could soon provide insight-driven personalized products. Health insurers could leverage the data collected from wearables, and property insurers could use the data-driven insights gathered from IoT sensors, past behavior, historical weather, and GIS. To provide these products, insurers will have to invest in technologies like IoT, predictive data analytics, and machine learning.

Up to

**50B**

**IOT devices to be in  
use around the world  
by 2030**

# The new normal in Insurance

## Branchless insurance for CAPEX optimization

With self-enabled customers and contact-free insurance, the need for a physical branch office would cease to exist. As fixed costs associated with branch operations are one of the most significant cost expenditures for any service business, insurers switching to a branchless operating model would be able to become cost leaders and drive higher profit margins.

For becoming truly branchless, insurers will need to digitalize and automate their operations. Currently, customers might need to visit the branch of an insurance company to inquire, submit documents, update the policy, or file claims. Often, these tasks are done by agents on behalf of customers, and they need to visit or report back to the branch. The company might also need branch-based operations for hosting its call center staff and critical employees. To enable branchless services, insurers first need to self-enable their customers with solutions mentioned in the previous part of the whitepaper and then empower their call center staff and critical employees with remote working solutions.

Up to

**25%**

**of the operating  
expenses of an insurer  
are administrative**

# The new normal in Insurance

## Rebirth of packaged Insurance

Packaged insurance as a proposition has always been beneficial for both customers and providers. It enables customers to have all their insurance needs covered in a single policy, which means one renewal date, one policy number, one bill, and better coverage for them. For insurers, it means having an ability to up-sell to their existing customers with better confidence and lesser overhead costs. With data-driven insights being used increasingly by insurance players and customers becoming hooked to digital channels, packaged insurance will be reborn.

To efficiently sell additional insurance products to a customer and provide a packaged insurance policy, insurance companies will need to calculate the combined risk and accurately determine total premium cost. This can be done with the help of data gathered from various sources to predict user behavior. For instance, if a person has an auto insurance policy and seems to be a safe driver, he should ideally be approached for property insurance and can be given a combined policy. Similarly, he or she can also be sold health insurance, if wearable data can be accessed. With the help of existing information on customers and additional data-driven insights, packaged insurance can be made profitable and straightforward.

approximately

**80%**

**of insurers in the market  
have developed a data  
analytics strategy**

# The new normal in Insurance

## The Reimagined customer journey in insurance

### Customer Onboarding

In the re-imagined customer journey, once the user comes across the insurance product and installs the mobile application, all the processes from agent consultation to quote generation, onboarding, and policy creation will happen through the mobile or web application itself

- Discovery
- Customer Onboarding
- Advice and Quotation
- Policy Creation and underwriting

### Customer Lifecycle Management

With the help of digitalization, the customer will be able to pay premiums using the online payment portal. She could manage the policy changes with the help of virtual agents, get notifications about suitable products by CRM tools, and renew the policy without physical interventions

- Paying Premiums
- Managing Policy
- Policy renewal

### Claims Management

Everything from FNOL to raising claims, repairing, and the claims settlement will be tightly knit. The automation and constant updates provided on the web or mobile application will present simpler FNOL and claims raising processes along with features to find repair shops and track claims status

- FNOL
- Raising Claims
- Repairing
- Settlement



Supported by 24x7 Cross-channel AI-powered Digital Contact Centre throughout the journey



# The new normal in Insurance

## The integrated value chain for seamless customer experience

Currently, a typical insurance customer goes through many broken processes filled with numerous manual interventions and spends days before getting a policy. The same happens with claims processing. This is because of the disparate internal processes and departments working in silos. However, the picture is different for companies that have digitalized their channels and automated the manual processes. As intelligent automation and digitalization are being increasingly adopted, the integrated value chain will be an essential business driver for insurers due to the current crisis.

Insurers can integrate their value chain with the help of a range of technology solutions as automation and digitalization are required across different value chain points. Discovery, advice and quotation, customer onboarding, and policy creation are currently separated in the customer journey. By digitalizing the customer onboarding, automating the advice & quotation, and augmenting policy creation with AI-ML and big data, the whole journey till policy creation can be integrated into one stage.

By digitalizing premium payments and supporting policy management, and renewal with digital contact centers, everything in the customer lifecycle can be integrated into a single-stage. By automating the complete claims processing from FNOL to calculating loss exposure, scheduling repairing appointment, and the payout with data from IoT sensors, predictive data analytics, ML algorithms, all the claims related stages can be integrated into a single-stage called claims management. And all these integrations can be made robust by implementing a blockchain-based data storage solution, which would promote centralized data usage and updates across the departments and help reduce data redundancy and fraud

Up to

# 30%

**reduction in claims  
expenses can be gained  
with digitalization**

# Zensar's point of view

Insurers are facing multiple challenges right now and stand at a defining moment where building the technological competencies at a rapid pace to deal with these challenges has become decisive. Insurers must collaborate with the right technology and managed services partners to be able to operate and compete in the new normal. Zensar is committed to serving its clients by effectively transforming their business processes, digitalizing customer interfaces, strengthening existing competencies, and building essential technological capabilities in an agile and timely manner. For the insurance industry, Zensar has developed a holistic solution, the Digital Insurance Accelerator, that spans across the insurance value chain, aiming to help insurers operate efficiently and effectively. Key offerings provided by Zensar's Digital Insurance Accelerator include :

## 1. Risk assessment and quote generation

Risk modelling & assessment, quote generation, self-service assistance, rule-based process automation, and underwriting.

## 2. Digital customer onboarding

Portfolio risk assessment, online document submission, digitally-enabled policy construction and issuance, AR-based property marker as a check against fraudulent claims in the future, payment and billing services

## 3. Partner Relationship Management

This package encompasses the authority-validated decentralized identities, key data validation on request, blockchain recording of user validation, and capability to validate authority verification of user shared information

## 1. Claims Prevention and Digital FNOL

Pre-emptive weather notification, DIY videos for measures against catastrophe damages, digital FNOL, AR property marker authentication, rule-based real-time validation

## 2. Digital Claims Assessment

Digital mapping of a surveyor with zip code, smart routing for surveyor scheduling, contactless surveyor scheduling through the app, digital interface for surveyors – connected through the app, pre-emptive weather notification and more

## 3. Digital Contact Center

24\*7 live support, omnichannel support & context maintenance, customer self-service via FAQ based chatbot, call deflection & reduction enablement, first contact issue(s) resolution, contact center analytics & real-time view.

# About Zensar

Zensar Technologies is a leading digital solutions and technology services company that specializes in partnering with global insurance, retail, and IT organizations on their digital transformation journeys. We are a technology partner of choice, backed by a strong track record of innovation, credible investment in digital solutions, and unwavering commitment to client success. Zensar's comprehensive range of digital and technology services and solutions enables its clients to achieve new thresholds of business performance.

Corporate Headquarters: Pune, India

Global Offices: US | UK | Europe | South Africa

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