



# Open Insurance Transformation



# Harness the power of ecosystem business models to thrive in the Insurance marketplace of the future

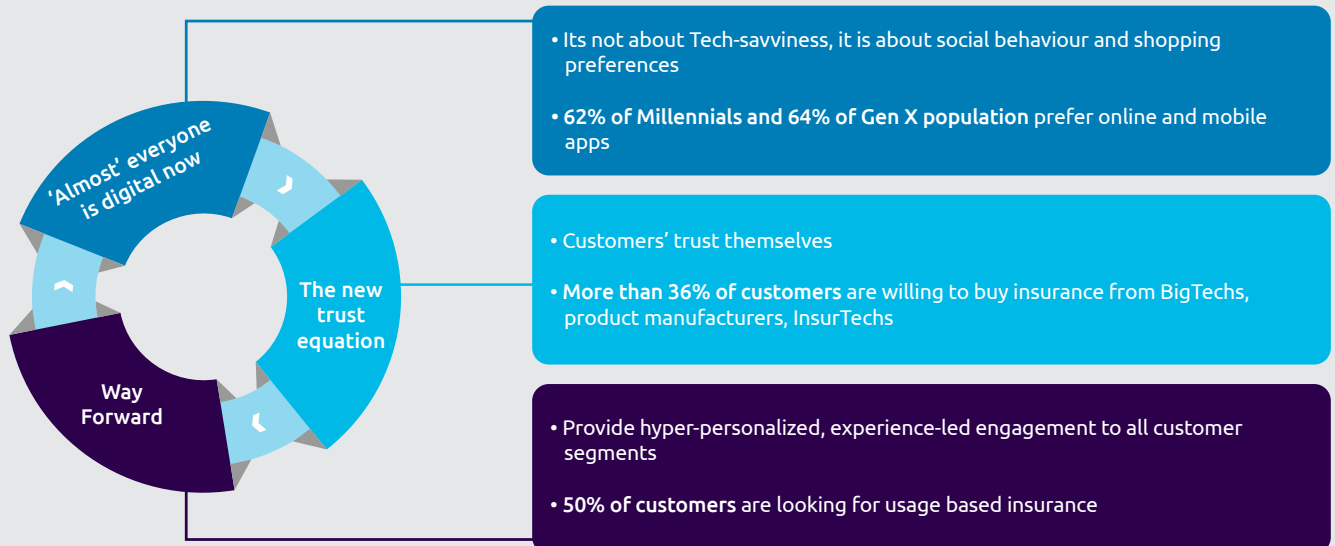


The insurance industry is rapidly evolving with customers' preferences, technology advancements, risks trends and the growing foothold of InsurTechs. All these industry dynamics are pointing to one prominent business model in the future which is "Open."

Gone are the days of a home office/field office orientation that was supported by underlying processes with technology driven by the needs of the traditional insurance industry approach. This model has now been turned on its ear with new types of products and new ways of selling and servicing.

Today, customers expect a digital experience with personalized offerings from their carriers. And in the COVID-19 era, there has been an increasing demand for more digital touchpoints for day to day transactions. The [World Insurance Report \(WIR\) 2019](#) highlighted that the three major business models, "Usage-Based Insurance", "Insurance with Value-Adds" and "Insurance as a Value-Add" are evolving fast while customers are demanding more. In fact, according to the [WIR 2020](#), Usage-Based Insurance is mainstream now. Moreover, the concept of trust in insurance is changing, as the customers' willingness to purchase insurance from BigTechs and product manufacturers is rising.

## World Insurance Report 2020: Key Findings



To address these evolving preferences, insurers need to engage within their ecosystem. These ecosystem partnerships help carriers create innovative products and services for customers allowing them to future-proof their business. Insurers need to implement **Open Insurance Architecture** to drive these types of business models. This architecture provides integration and interoperability with partners in their ecosystem including carriers and InsurTechs, digital MGAs, service providers, channel partners and other advanced technology/data providers.

## “Open” insurance business models



Open business models allow external and cross-industry collaboration with secure exchange of data, tasks and business functions to future-proof the businesses and augment revenue streams by building upon the growth in other industries. In the competition towards capturing new opportunities, business agility will play a vital role in defining the winners. Ultimately, customers experience higher value in purchasing and using insurance that meets their lifestyle and digital native demands.

**In response, Carriers will need to develop ecosystem partnerships to future proof and augment revenue streams**



Right offerings, right channels, and right time is essential to engage



Source: Capgemini Financial Services Analysis, 2020

Key Driver	Imperative Business Model Transformation
Reaching customers at the right and most impactful times	Customers buy insurance when true value is perceived, such as an expensive purchase, a new life event, catastrophe or global health crisis. Insurers, with the help of top-notch data analytics tools and techniques, should be reaching out to customers at such critical moments.
Customer engagement through right channel	Omnichannel presence is critical for insurers to provide seamless experience to their customers. A right mix of digital channels as well as offline models such as brokers, agents etc. is imperative to maintain a 360-degree view of customers.
Launch innovative products for delivering right value	Insurers should evolve from one-size-fits-all products to offering new and innovative products that align with policyholders' specific and individual preferences. For example, usage-based insurance is getting more prominence across all customer segments.
Reduce costs and focus energies on critical functions	Emerging players and InsurTechs are leveraging data to enable unforeseen levels of business process automation and orchestration. Insurers can embed these third-party services in their value chain to reduce costs.

# Capgemini's Open Insurance Transformation



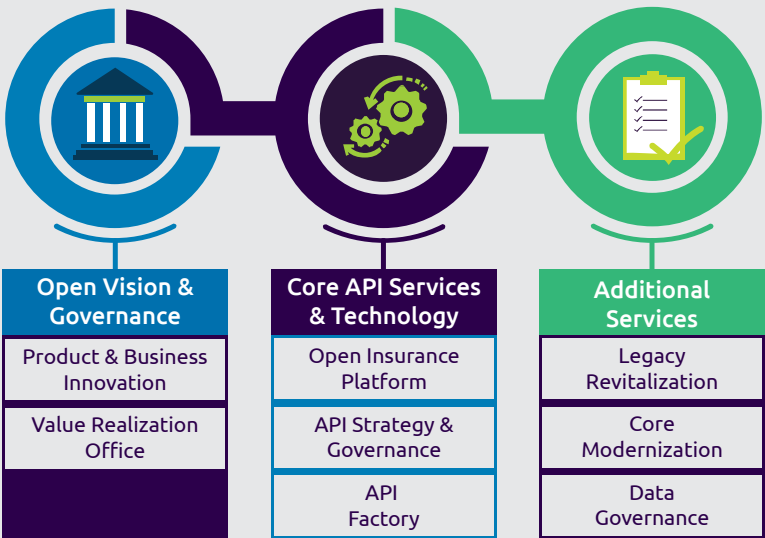
Capgemini's **Open Insurance Transformation** offering provides accelerated and risk-mitigated transformation with a robust operating model and an industrial development approach to achieve the business goals of the carrier.

The offering helps insurers to scale up their digital maturity and become **Inventive Insurers** that integrate new technologies into their processes, collaborate with ecosystem partners, and create a personalized digital experience for customers.

With Open Insurance Transformation, we bring a comprehensive set of modular services and proven IP to address the end-to-end open transformation needs. Every carrier is at a unique level of maturity and we will design the transformation adapting to the context.

## Capgemini brings comprehensive services and proven IP as the partner for your Open business transformation

- How do I leverage Open models for my business?
- This program is quite different, how do I govern and execute this?
- What technology is needed to embrace the open business model?
- What are the other considerations and actions needed?



The end-to-end offering's features include:

- Co-innovation with ecosystem partners
- Designing new experiences for customers and employees
- Highly secure and compliant platform for safely exchanging data with external partners
- Industrialized approach for delivering new APIs to the market quickly
- Embedded ACORD® next generation digital standards
- Revitalizing legacy to participate in Open Insurance
- Enhancing data governance to protect the interests of all parties

Capgemini Open Insurance Transformation brings in holistic offerings from vision to implementation to organizational change in accordance with the insurer's requirement to embark on an "open" approach.

## Capgemini brings comprehensive services and proven IP as the partner for your Open business transformation



The vision for the collaborative business models is key in driving the rest of the transformation. This vision requires a deep understanding of the market evolution, emerging risk, customer preferences and future ecosystem possibilities and coordinating them with the carrier's business strategy.

Our well-recognized Insurance business thought leadership from the World Insurance Report®, World InsurTech Report® and Capgemini Research Institute provide a robust base for the new business models. We have extensive experience in delivering such business model innovations starting from the vision to the design and to the roadmap. Our network of Applied Innovation Exchanges® drive the collaborative innovation between the carrier and external business partners.

## Capgemini Open Insurance Platform

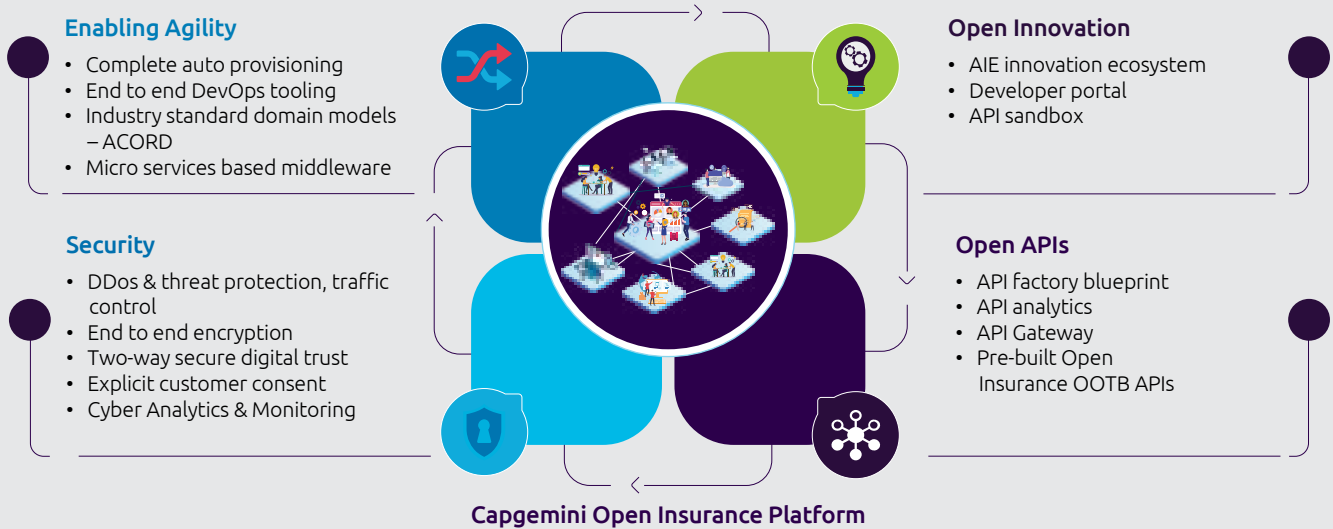


The ability to exchange data in a highly secure and compliance manner is the most critical capability that carriers must acquire. The Open Insurance Platform is a proven Capgemini proprietary solution with banking grade security and out of the box ACORD APIs for easier adoption.

It consists of an insurance API Gateway layer containing prebuilt APIs for external partners such as Aggregators, Digital MGAs, InsurTechs, data providers and more. It works with enterprise APIs to integrate with legacy and modern core insurance systems, along with supporting shared service capabilities.

As a pre-integrated platform containing abstraction layers, it allows interoperability with external partners. It can be deployed on-premises or on the cloud, enabling a highly agile, secure and efficient enterprise that can get products faster to market to keep up with customer expectations.

Capgemini's Open Insurance Platform is built per the 4 tenets, on proven technology with industry standards



## API Strategy & Governance

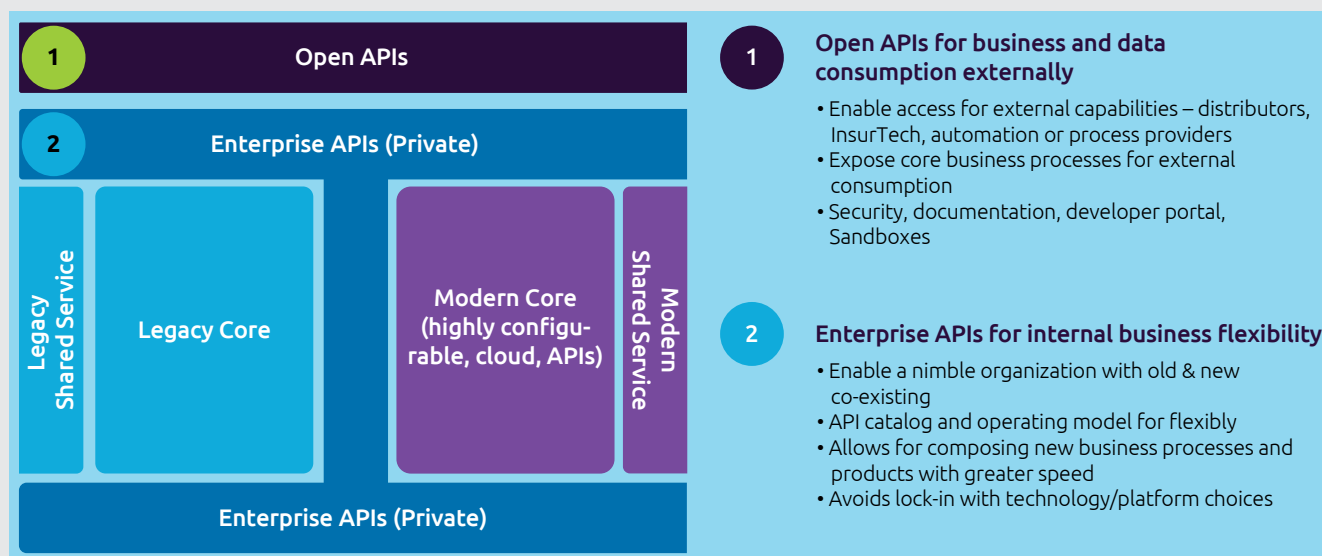


API-based enterprises are nimbler, making the ability to adopt an API ecosystem a key architectural transformation step needed for a successful Open Business model. This offering focuses on building the API ecosystem, providing insurers the much-needed agility for quicker product and service launch.

From API strategy to execution, we bring high-velocity, low-cost, and factory-based approach, design and build accelerators to transform the operating model for API-based architecture. Capgemini's distinct API assets approach enables carriers to achieve the external as well as internal flexibility to harness the full power of Open Insurance.



## Two distinct API assets need to be built for harnessing the full power of Open Insurance



We will also leverage Capgemini's proven tools such as [Economic Application Portfolio Management](#) (eAPM) and CAP360. These solutions combined with our industry leading expertise on insurance digital platforms will provide high quality and predictability.

## Benefits of Capgemini's Open Insurance Transformation



- **Future-proof Business** - Fosters ecosystem partnerships for product and service innovation and new distribution models as well as enable insurers to be a partner and preventor.
- **Business Agility** – APIs and cloud-ready platforms enable faster time-to-market.
- **Accelerated Business Transformation** – With marketplace of APIs on Open Insurance Platform, quickly implement evolving business models and distribution models.
- **Improved Customer Experience** – Deliver new purchase and usage experience for insurance with connected policies and value-added services.
- **Interoperability** – Alignment to industry (ACORD open API digital standards) allows easier switching to newer external capabilities and partners.
- **Reduced Costs** – Open Insurance Platform provides an industry best practice solution and reduces the investment needs. Using external partners across value chains reduces the costs

## Open Insurance Transformation in Action

### Designing new products for new consumers via new channels

Capgemini developed a portfolio of digitally-native products to put life insurance in the reach of the millennials. An operating model was established by Capgemini that allowed friends and families to gift life insurance to new parents through popular third party baby registries such as babylist in the US.



### Combining retail, insurance, and technology

Capgemini helped a retail client enter into the insurance business by providing intelligent insurance that included smart processing thru connected home devices and maintenance services. A new business model was developed to support the customer experience and operations, ensuring a feasible commercial model.



### Leveraging social apps for customer acquisition and policy servicing

Capgemini Solution helped client to integrate their mobile app, website with a popular social messaging app in China to acquire new customers by providing a personalized product and service policies of existing customers.



## WHY CAPGEMINI

We bring powerful and proven end-to-end capabilities and assets to rapidly enable your business to agilely engage with external partners and develop solutions that meet evolving customer needs.

Capgemini's Open Insurance Transformation solution is very uniquely positioned to transform your organization to be future-ready. Our unsurpassed capabilities have been integrated together in this offering to deliver high impact. Our proven partnerships with industry providers such as Guidewire, Duck Creek, Majesco, AWS, MuleSoft, ACORD etc. enable us to bring best-of-breed technologies to our client. We also collaborate with leading InsurTechs, maximizing the business value for carriers. Additionally, we have successfully enabled multiple global insurers to innovate new products and distribution channels and optimize value chains.

For a detailed demo of our solution, email us at [insurance@capgemini.com](mailto:insurance@capgemini.com)







## About Capgemini

ACapgemini is a global leader in consulting, digital transformation, technology and engineering services. The Group is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms.

Building on its strong 50-year+ heritage and deep industry-specific expertise, Capgemini enables organizations to realize their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. Today, it is a multicultural company of 270,000 team members in almost 50 countries. With Altran, the Group reported 2019 combined revenues of €17billion..

Learn more about us at

[www.capgemini.com](http://www.capgemini.com)

## People matter, results count.

The information contained in this document is proprietary. ©2020 Capgemini.  
All rights reserved. Rightshore® is a trademark belonging to Capgemini.

For more information  
contact us at

[email@capgemini.com](mailto:email@capgemini.com)