

INSURER INVENTIVE

DON'T JUST FOLLOW THE PACK — **LEAD IT.**

58%
of all policy holders are showing high interest towards new insurance models.

However, only
26%
of insurance companies have demonstrated interest in new business models.

Evolving customer expectations, new types of risks, emerging technologies, and technology-savvy new entrants are changing the insurance market in a dynamic and powerful way. Traditional insurance business models are not enough to capture new markets, defend market share, or simply survive the shifting landscape.

Currently, gaps exist between emerging risks and the coverage offered by the legacy insurance portfolio. For example, the market for cybersecurity insurance is expected to increase fourfold to over \$20b by 2024. In addition, worsening natural disasters continue to cost carriers billions of dollars in short periods of time. Insurers that are not prepared for this reality will miss out on new areas of business and suffer increasing expenses due to climate-related risks.

Customers are also demanding products that provide more comprehensive coverage. 58% of all policyholders are interested in new insurance models, and 37% of customers are willing to share personal data to help mitigate risk and receive personalized products.

However, only 26% of insurers have demonstrated interest in new business models, with roughly a quarter being able to access consumer data. Insurers are considerably behind consumer demand for more relevant and personalized policies.

Carriers cannot innovate at the speed and scale necessary to address these changing customer needs. Collaboration with nimble and sophisticated partners can help, but incumbents' existing business models and technologies are incapable of developing and sustaining ecosystems that enable cooperation with InsurTechs, other carriers and/or additional third parties.

For these changes to occur, traditional operating models must evolve to be leaner and smarter, incorporating new ways of thinking, working, and collaborating to sustain market share. Automation is one way to increase customer satisfaction by 60%, save up to 50% in operations and add up to 6% to revenue, but only 8% of carriers have implemented automation at scale. With this wealth of opportunity in changing times, established carriers and new entrants alike will need to be INVENTIVE.

*Mordor Intelligence and
Capgemini World Insurance
Report 2019*



IT'S SUFFICIENT TO USE AN ESTABLISHED SAFETY NET. IT'S BETTER TO INVENT A NEW, FUTURE-PROVEN ONE.

Inventive Insurer

Customer Centric



- Building a deeper knowledge of the customer to customize policies
- Leverage data as an asset by offering targeted value-added services to customers that reduce risk and adjust premiums based on behavior

Product Agility



- Carriers must swiftly develop new products, policies, technologies, and/or services and deploy them at scale for new risks
- Culture to enable innovation at scale, covering customers' missions (not just assets) and helping prevent risks instead of just covering them while leveraging new technologies like 5G enabled IoT

Intelligent Processes



- Making claims, underwriting, and back-end business processes more intelligent, efficient, and effective using automation, analytics, and AI
- Data-driven culture with robust governance and strong compliance

Open Ecosystem



- Modern platform with open architecture for providing bouquet of offerings for all types of insurance policies
- Enables seamless integration with Insurtechs, new data sources and distribution models, and facilitates collaboration with third party

Benefits of becoming an Inventive Insurer:

Up to 60% increased customer satisfaction

50% savings on operational costs for insurers

Up to 6% increased revenue

And yet, only 8% of insurers have implemented automation at scale.

Capgemini Growth in the Machine Report, 2018, and Insurance Information Institute



At Capgemini, we believe that carriers need to embrace and adopt the capabilities of the Inventive Insurer to be successful in this dynamic environment.

To become an Inventive Insurer, a carrier will need to understand customer expectations and market trends, build the right ecosystems, and create the right partnerships to invent the future at speed and scale.

Inventive Insurers leverage data to exceed customer expectations and create a personalized customer experience. Their operating models enable them to agilely incorporate ecosystem partners and new technologies. They devise innovative new products and services that capitalize on fast-changing trends using intelligent automation and compelling CX design.

Inventive Insurers lead the insurance industry into the future and push the envelope in an ever-changing landscape.

Capgemini's Inventive Insurance approach brings the Capgemini Group's dexterity together to deliver the next generation of digital insurance business models, including skills in strategic innovation, creative design, and intelligent operations. Our deep strategic and technological expertise accelerates the development of breakthrough ideas and irresistible customer engagements.

Our out-of-the-box model platform can create, test and scale the capabilities that form the basis of competitive advantage, enabling deeper customer connections and growing your business with innovative and market-leading products and services.

Now is the time to leave the established dogmas behind and become open, product-agile, intelligent, and customer-centric. In other words: it's time to disrupt the disruptors.

CAPGEMINI'S INVENTIVE INSURANCE APPROACH INCLUDES THE ESSENTIAL BUILDING BLOCKS FOR A SUCCESSFUL ORGANIZATIONAL TRANSFORMATION.

Capgemini's proven methodology will help insurers develop the roadmap to obtain, implement, test and scale the necessary capabilities of an Inventive Insurer.

First you will need to define your future mission/role, which will determine how to add value to your targeted customer and, in turn, decide what key capabilities to focus on.

Your next three actions should be completed in parallel: acquire and build out your necessary key capabilities for the new business model, design and implement an open ecosystem to enable collaboration with strategic partners, and incorporate new

ways of working to instill the operational dexterity required to accelerate your transformation journey.

Finally, you must calculate and steer your transformation journey with meaningful KPIs that forecast and track your results. Determine the upfront investment, measure the financial returns, and reap the benefits of becoming an Inventive Insurer who leads the pack and defines the future state of insurance.



Begin your journey

Defined Future State

Understand your **future state** in the insurance market place. **Define the customer experiences** you want to offer along with how you will drive **innovation** and how you will **embrace an “automation first”** mindset.

Execute in parallel

Acquired Key Capabilities

Capabilities build out or improve your operating model and/or skill set in Customer Analytics, UX/UI, Innovation at Scale and Speed, AI/ML, Intelligent Automation, Core Platform Modernization, API management, and Cloud.

Designed Ecosystem

Identify partners, including InsurTechs, and other incumbents and **build a platform** to quickly integrate new offerings, capabilities and services.

Incorporated New Ways of Working

Introduce **agile** methodology at scale, build out **DevOps** processes and toolsets, and develop **human and customer-centric design** capabilities.

Finish

Projected and Tracked ROI

Define your lean **business case**, identify relevant **KPIs** and develop methodologies and tools to **track the success** of the transformation.

DON'T JUST SET THE BAR — REINVENT IT.

COMBINING RETAIL, INSURANCE, AND TECHNOLOGY

John Lewis, the well-known UK retailer wanted to enter the insurance market but was challenged by a lack of innovation, and control over the customer experience. Capgemini helped them develop a new proposition by turning the insurance proposition on its head.

John Lewis built its new business proposition around top-list partners, vendors and suppliers, with an Agile at Scale operating model. The model was designed to orchestrate their providers based on ~250 identified capabilities. The creation of 32 customer journeys helped to map the proposition's experience, brought together in a single CX architecture, which led to John Lewis' success.

From project start to public launch, John Lewis harnessed Capgemini's Inventive Insurance approach and platform to innovate, build, test and scale the new products, processes and services. As a result, John Lewis infiltrated the insurance industry as a strong, lean, and innovative market entrant and is now a scaling insurance business in its own right. All guided by our Inventive Insurer concept.

INVENTIVE INSURERS BEAT THE PASSIVE AND THRIVE ON THE DYNAMIC.

DRIVING CUSTOMER SUCCESS:

Disrupting the insurance model at John Lewis



32 customer journeys in
one CX platform



Agile at scale operating
model



New proposition with
top ecosystem partners

The screenshot shows the John Lewis Finance website. At the top, the logo 'John Lewis FINANCE' is centered. Below it is a navigation bar with a home icon and dropdown menus for 'Partnership Card', 'Insurance', 'Loans', 'Currency', and 'Money Transfer'. The main content area is titled 'INSURANCE' and features a large banner with a background image of coffee being poured into white cups. The banner text reads: 'TRUST US TO GIVE YOU MORE', 'Earn double points when you buy our Insurance with your Partnership Card', a 'Find out more >' button, '18.9% APR REPRESENTATIVE VARIABLE', and a link 'Credit subject to status. T&Cs apply'. Below the banner, the text 'WITH JOHN LEWIS FINANCE, YOU ALWAYS KNOW WHAT TO EXPECT' is displayed.

7,000+ people worldwide
working together as **one team**



Helping Our Clients Perform



Innovation & Strategy



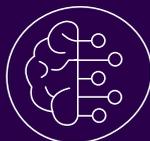
Customer Engagement



Future of Technology



Insight-driven Enterprise



Operations Transformation



People & Organization

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ABOUT CAPGEMINI INVENT

As the digital innovation, consulting and transformation brand of the Capgemini Group, Capgemini Invent helps CxOs envision and build what's next for their organizations. Located in more than 30 offices and 25 creative studios around the world, its 7,000+ strong team combines strategy, technology, data science and creative design with deep industry expertise and insights, to develop new digital solutions and business models of the future.

Capgemini Invent is an integral part of Capgemini, a global leader in consulting, technology services and digital transformation. 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. It is a multicultural company of over 210,000 team members in more than 40 countries. The Group reported 2018 global revenues of EUR 13.2 billion.

Visit us at www.capgemini.com/invent

People matter, results count.

