

# New Product Innovation in Life Insurance

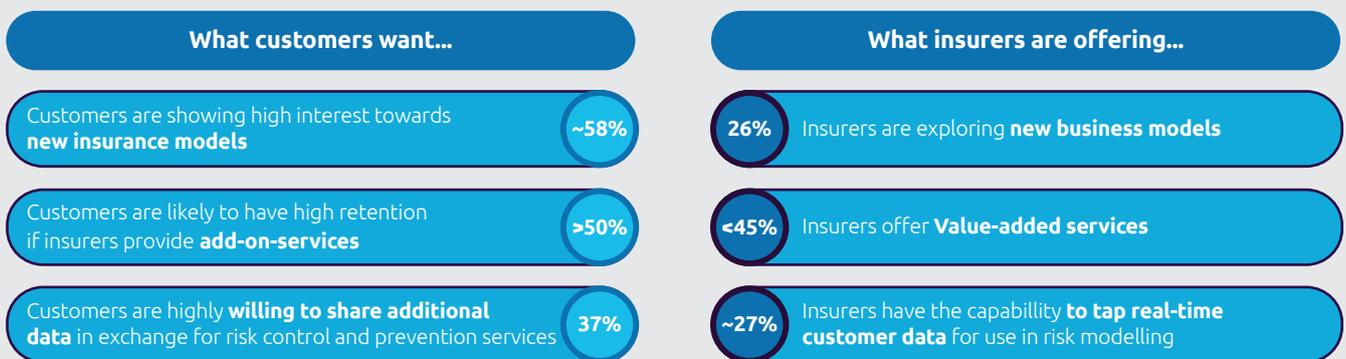
*Enabling an Agile and Efficient New Product Innovation Roadmap for Life Insurers*



During the COVID crisis, several new realities have forced life insurance companies to reconsider their workflow in favor of more digital operations. The inability of agents/brokers to physically meet with clients, and the inability of paramedical exam providers to examine prospective customers in person require that steps such as identity verification, reviewing product information, quotes, illustrations, paramedical exams, and more will have to occur online for customers to understand the full benefits of their coverage plans. The crisis has also propelled the introduction of younger generations into the life insurance market, creating a demand for affordable and understandable coverage options that are easy to purchase.

The pandemic has spurred an increasing number of consumers, faced with the possibility of contracting a fatal disease, to consider life insurance policies to protect their families and loved ones. Policyholders' satisfaction is a key imperative for insurers. Policyholders expect more convenient, highly-personalized products aligned to the evolving risk and insurance landscape, delivered with holistic experiences via digital channels. According to the World Insurance Report 2020 from Capgemini and Efma, 55% of customers expect value-added services and 58% seek innovative products<sup>1</sup> from their insurers.

### Comparison between customers' demands and insurance offerings<sup>2</sup>



There certainly are discrepancies between what customers want and what insurers are offering. Insurers must quickly act to strengthen the competencies necessary to offer customers tailored solutions. But doing so requires insurers to undertake strategic shifts to improve their overall efficiency, customer-centricity and agility to enable their near-term survival and readiness for long-term challenges. This requires profound modifications to the insurance innovation outlook.

<sup>1</sup> World Insurance Report 2020 ([www.worldinsurancereport.com](http://www.worldinsurancereport.com))

<sup>2</sup> Capgemini Financial Services Analysis, 2019; WIR 2020 Findings, WIR 2019 Executive Interviews, 2019; Capgemini Voice of the Customer Survey, 2019 ([www.worldinsurancereport.com](http://www.worldinsurancereport.com))

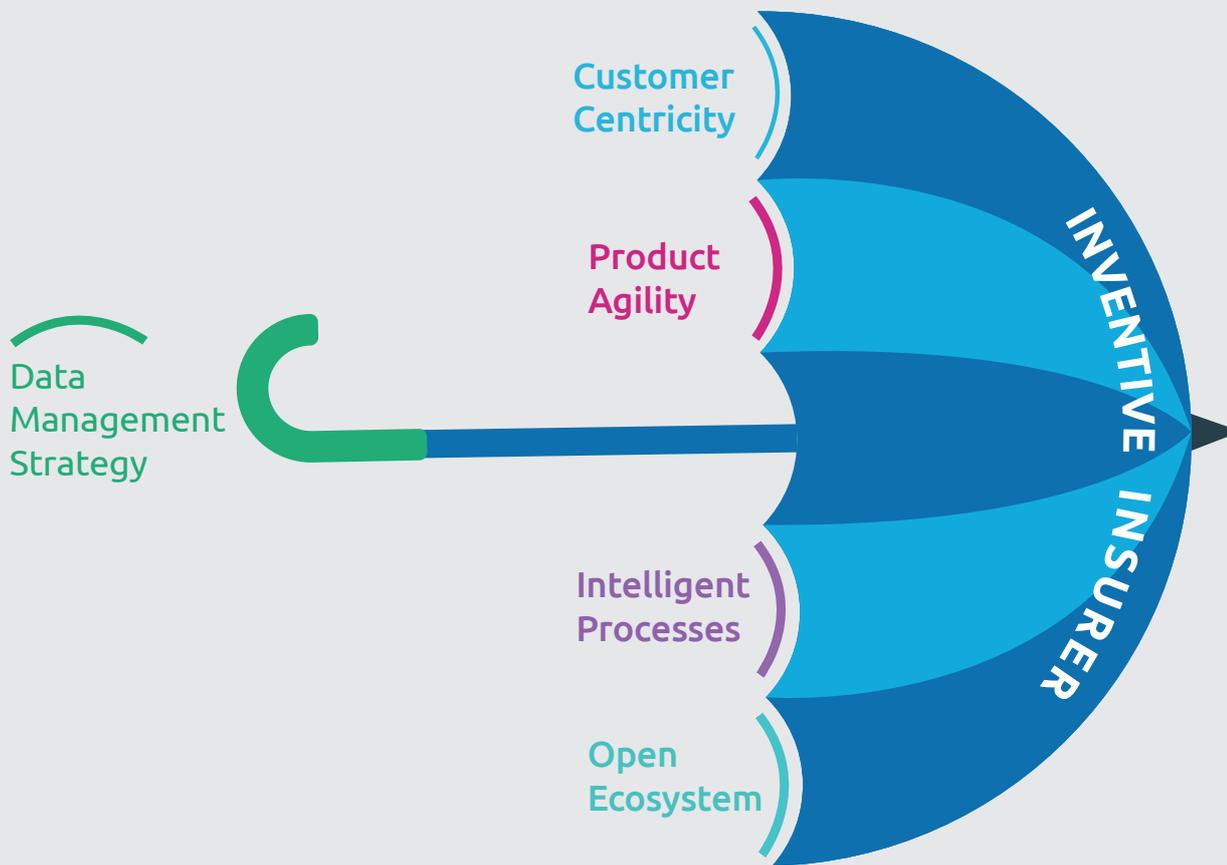
## Carriers have to adopt an inventive insurer mindset for future-proofing their business

Insurers need to manage changing customer preferences, align with the current business environment, and improve operational efficiency. They must adopt emerging business models to update and strengthen their digital product portfolio with newer, more flexible, relevant, segment-specific offerings. To do this, carriers can adopt an '**Inventive Insurer**' mindset<sup>3</sup> that orchestrates four core capabilities to face the headwinds of competition and allows them to thrive over the long-term:

1. Know customers better and **leverage data** as an asset to offer them customized products and value-added services.
2. **Accelerate development** of new products, policies, technologies and/or services and **deploy them at scale** by leveraging emerging technologies.
3. Make end-to-end business processes more **intelligent** and efficient using Intelligent Automation.
4. Implement a modern platform with an **open architecture** for all types of insurance policies and enable seamless integration with partners and new data sources, facilitating collaboration.
5. Build a **data-driven enterprise**, embracing data as a strategic asset and a transformational tool.

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<sup>3</sup> <https://www.capgemini.com/service/invent/inventive-insurer>



To effectively engage with today's knowledge-empowered prospects and policyholders, insurers must prioritize:

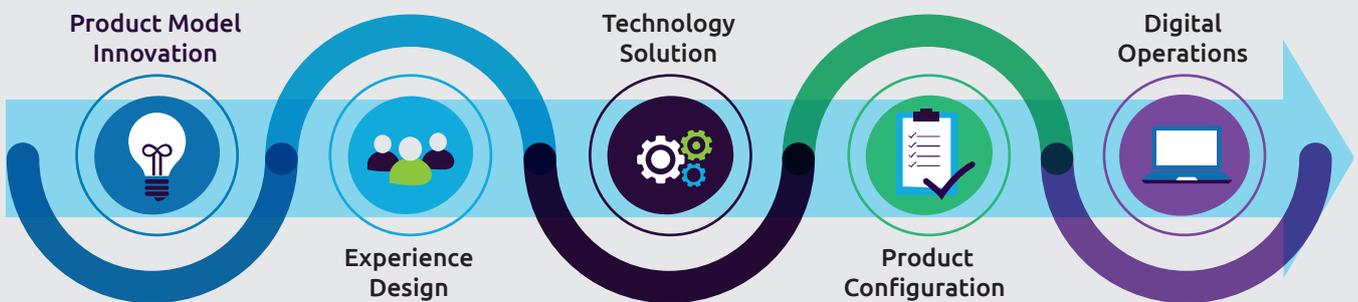
- **The Right Products** – Hybrid/combination of products that suit the evolving needs and preferences of customers.
- **The Right Time** - Predict customers' life situations and offer coverage when they need it the most.
- **The Right Channel** - That customers prefer and access the most.

Capgemini's **New Product Innovation** offering enables insurers to unlock the potential of a product innovation roadmap or framework by becoming Invention Insurers. We collaborate with insurers to develop an innovative product roadmap that takes into account four key areas - **Products, Market, Technology and Distribution**.



## What is New Product Innovation?

Our end-to-end offering covers product modeling and experience design coupled with technology solutions and digital operations that enable life insurers to develop and deploy innovative products with agility.



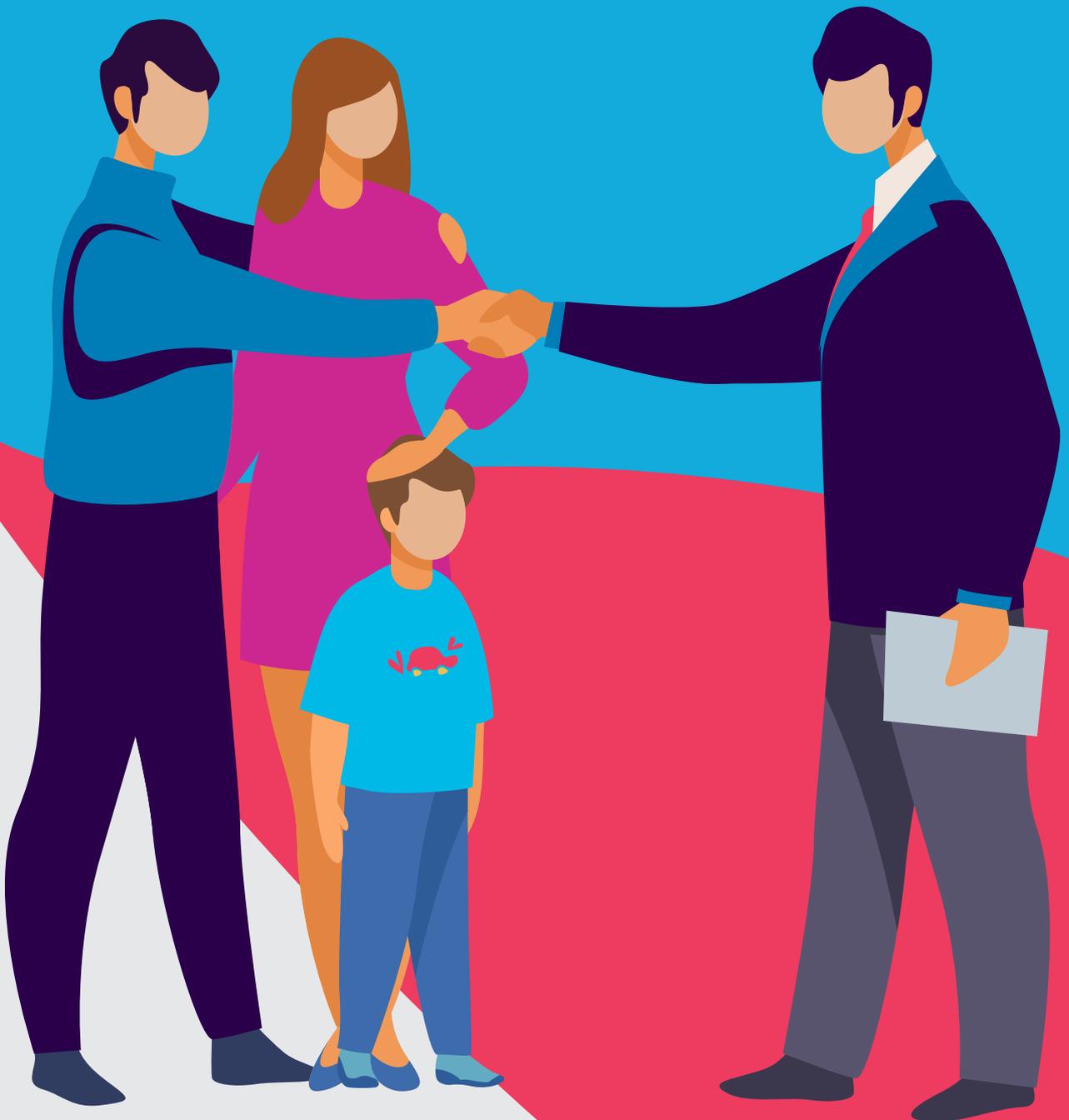
1. **Product Model Innovation:** Our approach delivers a winning innovation strategy, a portfolio of innovation concepts, and a prioritized set of new products, supported by a business case and execution roadmap to accelerate growth. Coupled with a fail-fast prototyping process, insurers can rapidly ideate, develop and launch new products.
2. **Experience Design:** We prioritize design thinking-driven human-centric product experience by understanding the new customer, designing their journeys and future-proofing the experience operations in times of disruptions.
3. **Technology Solution:** We employ our proprietary IP and best practices for launching products quicker. For faster blueprinting, choosing the right partner ecosystem and leveraging external data extensively, with a nimble operating model is crucial to facilitate business and technical readiness.
4. **Product Configuration:** The product launch process is expedited utilizing a modern, nimble core complimented by low-code digital platforms to speed up the implementation timeline.
5. **Digital Operations:** Powered by AI and automation, our digital operations include end-to-end touchless operations across the value chain, from policy acquisition to policy processing and claims.

## Key benefits of Capgemini's New Product Innovation framework:

- Accelerated value delivery using our proprietary IP, best practices and a vast partner ecosystem to capture emerging opportunities.
- Engaging experience design for the overall customer journey of new products to underpin product and distribution strategy.
- End-to-end touchless operations led by an automation first approach for better business outcomes.

## Why Capgemini?

We have proven expertise in launching new business models and products for insurers and setting up greenfield technology ecosystems working with our ecosystem partners. Our approach pairs business acumen and consumer empathy to repeatedly deliver predictable, sustainable growth. We have several proprietary accelerators that can give a head start to your journey and quickly deliver value to your business. Our offering is further enhanced by our partnerships, including Majesco, Vlocity/Salesforce and Limelight. For more details on this offering, email us at [insurance@capgemini.com](mailto:insurance@capgemini.com).





## About Capgemini

Capgemini 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.

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