

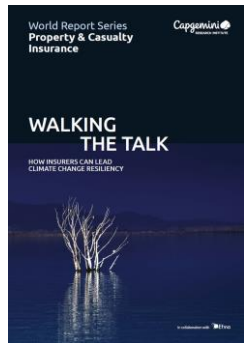
# PROPERTY & CASUALTY INSURANCE TOP TRENDS 2023



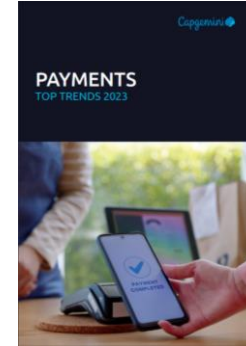
# CAPGEMINI RESEARCH INSTITUTE FOR FS DELIVERS A BROAD RANGE OF SECTOR SPECIFIC WORLD REPORTS AND TRENDS BOOKS



## World Reports

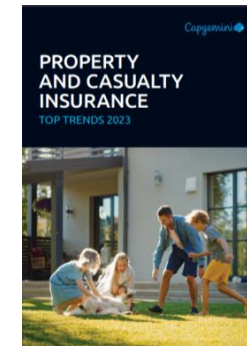


## Trends Books



Executive Interviews/Surveys  
**950+**

Voice of Consumer  
**23,500**



# TOP 10 TRENDS IN INSURANCE BY SUB-DOMAINS



Customer First

Intelligent Industry

Enterprise Management

## PROPERTY & CASUALTY TRENDS

-  Embedded Insurance is enabling protection at the right time and through the right channels
-  Bespoke coverage solutions are closing the protection gap for micro-mobility users, gig workers
-  Tailored, value-added services are boosting customer engagement and differentiation
-  Technology and behavioral nudges are transforming insurers from payers to preventers
-  Commercial Insurers are creating new revenue streams with risk engineering services
-  Drones, robotic imaging, and video technologies are modernizing loss inspection processes
-  Data mastery and advanced technology is boosting underwriter's pricing accuracy
-  Insurers are prioritizing sustainability within corporate strategy
-  Carriers are preventing cyber attacks by fortifying customer data security
-  Trailblazing insurers are entering the metaverse frontier

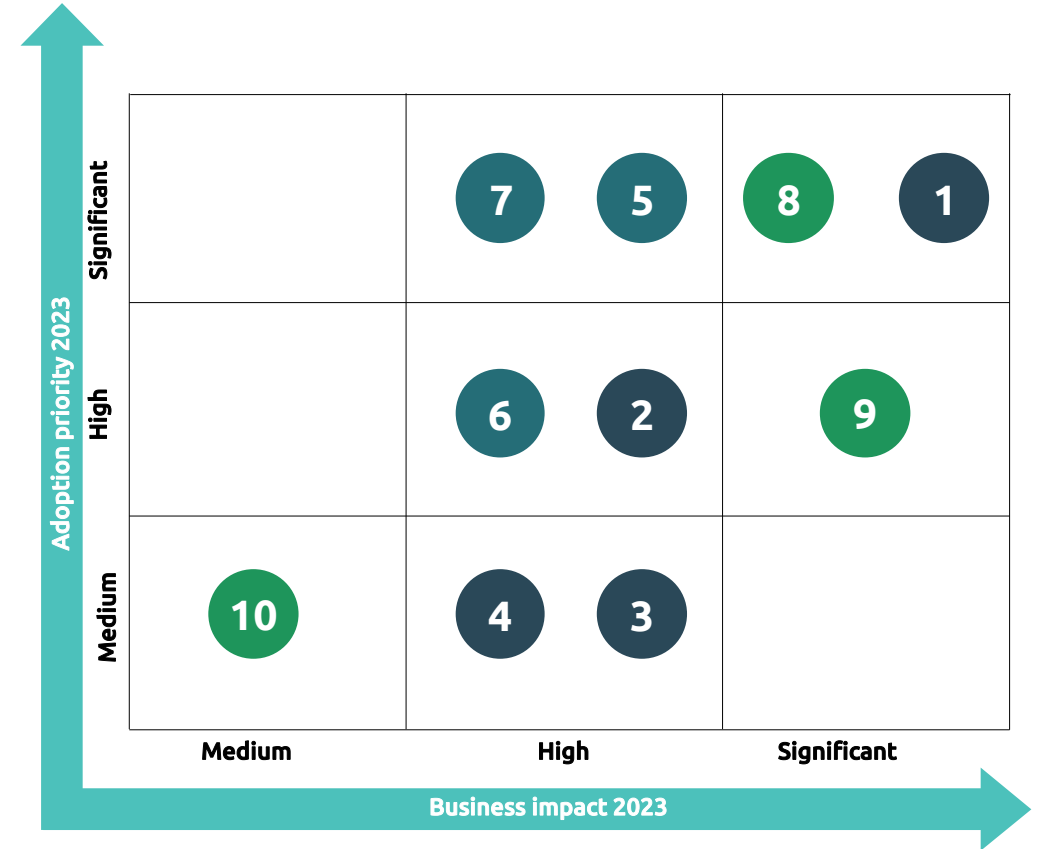
## LIFE TRENDS

-  Agents empowered with advanced digital capabilities increase productivity and customer engagement
-  Ecosystem partnerships offer a path to innovative financial value propositions
-  Embedded life insurance offers convenient right-time, right-channel accessibility
-  Wellness-as-a-service initiatives deepen customer engagement
-  Insurers move to cloud-based operations to drive innovation, operational excellence
-  Life insurers are targeting younger populations with relevant products and digital CX
-  Real-time use of alternate data helps automate and streamline underwriting
-  Insurers make sustainability a strategic corporate priority
-  Microservices unlock new insurance ecosystems and improve the customer journey
-  Core system modernization powers up life insurance innovation

# CAPGEMINI TOP PROPERTY & CASUALTY TRENDS 2023 – PRIORITY MATRIX



Customer First	
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Source: Capgemini Research Institute for Financial Services Analysis, 2022.

- The matrix above presents Capgemini’s view of 2023 trend prioritization in an operating environment that includes
  - Rising inflation and interest rates coupled with stagflation trends
  - Operational disruption due to geopolitical instability
  - Dynamic regulatory activity
  - Intense competition and increased focus on customer centricity due to the entry of new-age players
  - Operational cost overruns and high capital lock-in
- **Adoption Priority** refers to the urgency of adopting a 2023 trend to maximize value creation because of its sector importance
- **Business impact** represents the influence of a trend on the P&C sector’s 2023 business as it relates to customer experience, operational excellence, regulatory compliance, or profitability  
Circumstances will vary for each firm depending on business priorities, geographic location, and other factors. For more information, don’t hesitate to contact us at [insurance@capgemini.com](mailto:insurance@capgemini.com)



# WHAT HAS CHANGED AND WHAT NOT?

TRENDS 2023	
1	Embedded insurance is enabling protection at the right time and through the right channels
2	Bespoke coverage solutions are closing the protection gap for micro-mobility users and gig workers
3	Tailored, value-added services are boosting customer engagement and differentiation
4	Technology and behavioral nudges are transforming insurers from payers to preventers
5	Commercial insurers are creating new revenue streams with risk engineering services
6	Drones and robotic, imaging and video technologies are modernizing the loss inspection process
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TRENDS 2022	
1	Insurers are retooling distribution channels to enhance convenience, advice and reach (CARE)
2	Insurers are shifting their focus towards providing comprehensive coverages and faster payouts
3	Usage-based models are increasingly gaining traction in commercial lines
4	Insurers are increasingly collaborating with experts to detect and prevent cyber attacks
5	Shortening application development cycles become a priority to achieve go-to market agility
6	Intelligent automation enhances insurer's process efficiency
7	Insurers are strengthening their risk modeling capabilities to navigate evolving weather-related risks
8	Enhancing the accuracy of risk pricing outcomes is moving up the leadership agenda
9	Insurers are embedding sustainability and ESG (Environmental, Social and Governance) goals in their strategy
10	Collaboration with ecosystem players is enabling insurers to embed insurance in customer's daily lives

### New trends

- Industry frontrunners are **transforming from payers to preventers**, in turn **providing tailored value added services** for retail customers and **offering risk engineering services** to commercial customers
- Insurers are getting involved early in emerging **metaverse ecosystems** by exploring how to build embedded insurance products

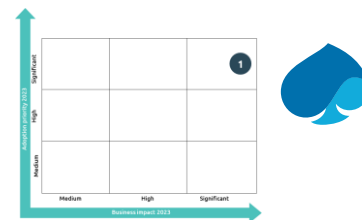
### Trends evolution

- Embedded Insurance** are creating seamless customer experience through customized protection
- Developing new solutions to target **gig economy**, prevent **cyber attacks** and prioritize **sustainability**
- Drones, robotics, data mastery** and other advanced technologies are a critical enterprise-wide priority as insurers look to reduce costs and improve CX

### Deprioritized trends

- Most insurers are building on previous year initiatives to **retool their distribution channels** shorten their development cycles, leading to fewer initiatives in these spaces
- New comprehensive coverages** initiatives may not be among top priorities as they navigate an increasingly ambiguous economic environment

# EMBEDDED INSURANCE IS ENABLING PROTECTION AT THE RIGHT TIME AND THROUGH THE RIGHT CHANNELS



Embedded insurance can be a strategic CX-boosting game changer

## What's so attractive about embedded insurance?

### FOR INSURERS

Reaches customers at the point of sale or service

Accesses existing customers and prospects at the right time and place

Facilitates possible cross-selling through bundling

### FOR CUSTOMERS

Enables personalized offerings

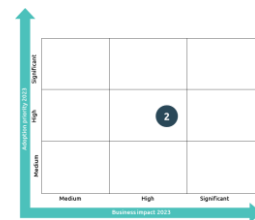
Allows quick and hassle-free insurance purchases

Provides convenient customer experience

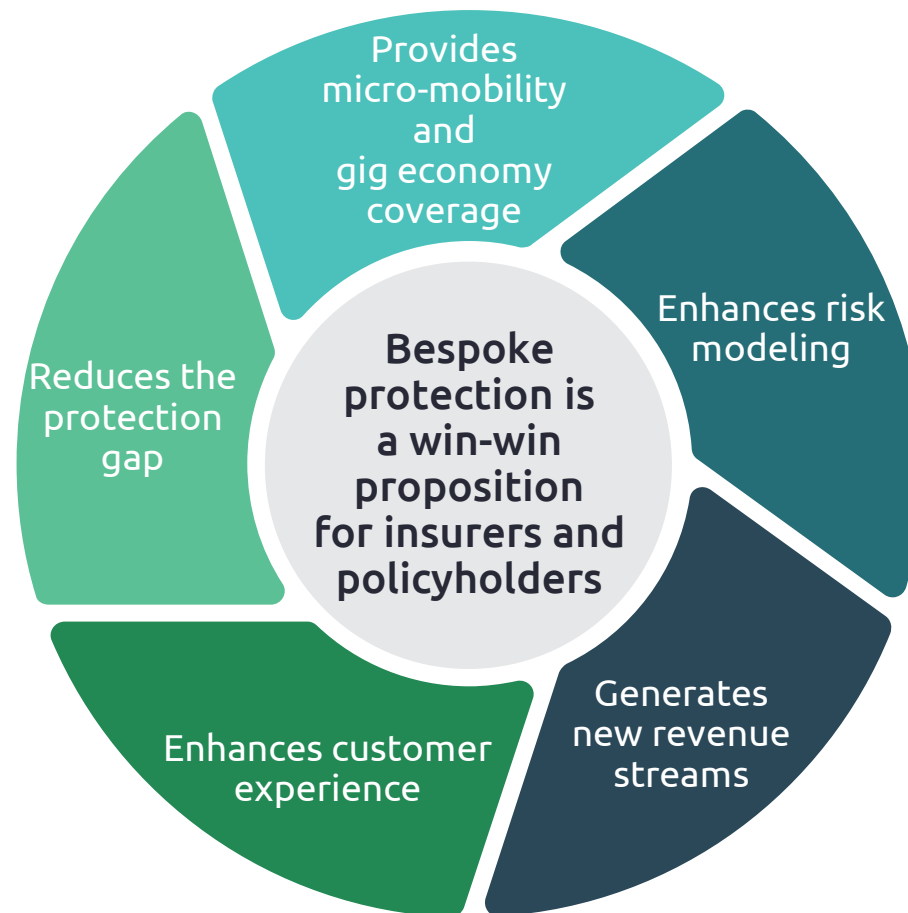
Embedded insurance is an insurance product, which is bundled and sold through party platforms at the point of sale when a customer buys a product or service

**With customer experience a top priority and digital purchases popular among policyholders, insurers offer convenient, customized coverage embedded in other products**

# BESPOKE COVERAGE SOLUTIONS ARE CLOSING THE PROTECTION GAP FOR MICRO-MOBILITY USERS, GIG WORKERS

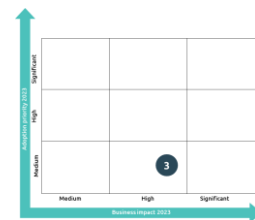


Bespoke coverage solutions for underinsured markets can open new revenue streams and grow existing ones



**The protection needs of underinsured markets, such as micro-mobility users and gig economy workers are continuously evolving with considerable growth expected for the foreseeable future**

# TAILORED, VALUE-ADDED SERVICES ARE BOOSTING CUSTOMER ENGAGEMENT AND DIFFERENTIATION



Value-added services can unlock insurance value chain opportunities, synergies



## New product development

Utilize customer data to drive product innovation



## Sales and distribution

Provide hyper-personalized services that increase the product value proposition



## Operations

Increase customer touchpoints and satisfaction



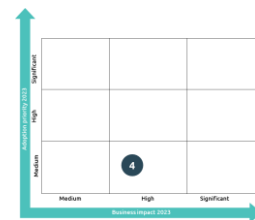
## Claims

Transform from risk payers to risk preventers, and prevent fraud

**Personalized, value-added services can meet new and evolving customer preferences. Yet to monetize the latest offerings, insurers must innovate and develop products beyond their current portfolio**



# TECHNOLOGY AND BEHAVIORAL NUDGES ARE TRANSFORMING INSURERS FROM PAYERS TO PREVENTERS

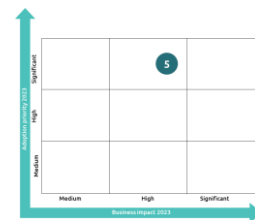


Risk prevention strategies transform customer relationships and boost profitability

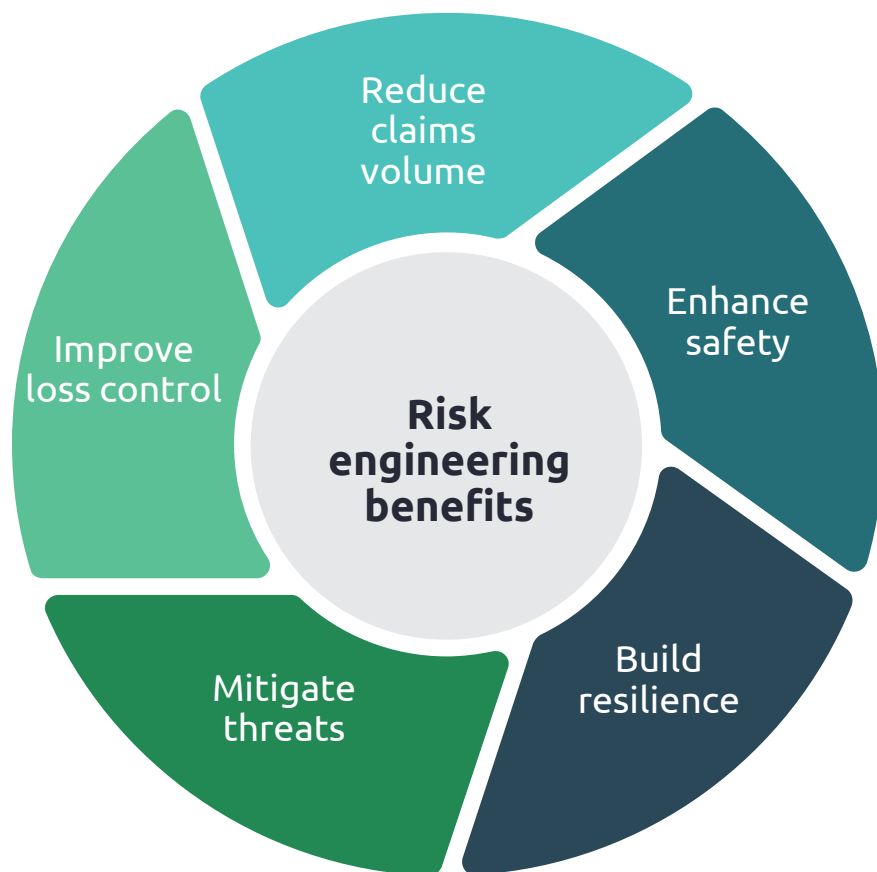


**A significant opportunity exists for insurers to create new risk-prevention offerings and generate revenue streams while satisfying policyholders**

# COMMERCIAL INSURERS ARE CREATING NEW REVENUE STREAMS WITH RISK ENGINEERING SERVICES



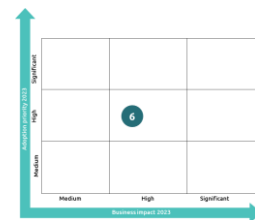
Risk engineering services build resilience and sustainability in today's evolving threat landscape



Risk engineering services help business of all sizes to build resilience interconnected risk landscape by helping them to manage loss control, mitigate risk, improve safety and reduce claims for commercial clients

Today's P&C insurers are developing resilience services to mitigate risk, improve safety, and reduce claims, particularly in commercial lines

# DRONES, ROBOTIC IMAGING, AND VIDEO TECHNOLOGIES ARE MODERNIZING THE LOSS INSPECTION PROCESS



P&C insurers are deploying drones to make inspection simple, safe, and highly accurate



Improve transaction processing to reduce claims settlement from days to hours



Capture high-quality, wide-spanning photos as well as images in hard-to-reach places



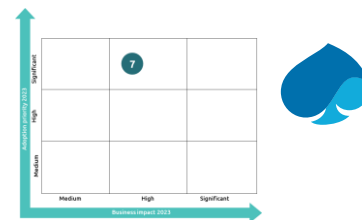
Minimize adjuster exposure to accidents and hazards during property inspections



Eliminate the need for scaffolding (to inspect from elevated positions) and additional employees, saving cost

**As more P&C insurers rely on technology, quantifiable benefits include loss-adjustment accuracy and proactive risk monitoring**

# DATA MASTERY AND ADVANCED TECHNOLOGY IS BOOSTING UNDERWRITER'S PRICING ACCURACY



Advanced technologies can improve underwriting profitability



Refined product development



Expanded new business acquisition and cross-sell opportunities



Improved risk assessment



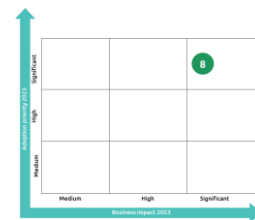
Increased claims processing efficiency



Enhanced profitability and fair pricing

**Real-time and alternative data allow P&C insurers to build analytics tools that manage and price risk with precision**

# INSURERS ARE PRIORITIZING SUSTAINABILITY WITHIN CORPORATE STRATEGY



## How insurers can incorporate sustainability as a part of corporate strategy



**Build your resiliency roadmap**  
Define your strategy



**Establish sustainable ecosystem partnerships to access new data**  
Engage with non-traditional partners, capture new data including ESG data, embed IoT solutions for securing real-time data



**Add climate risk insights and implement change detection at renewal**  
Deploy AI/ML insights, embed data in underwriting and pricing



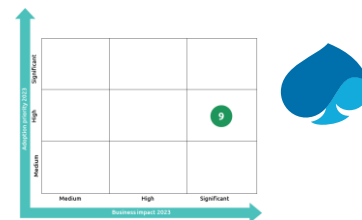
**Get the right infrastructure to enable scalable capabilities**  
Migrate to the cloud for scalability during and after NatCat events, explore quantum computing for faster simulations, deploy green IT



**Evolve your product propositions, including risk prevention and mitigation solutions**  
Advance your underwriting techniques, assess use cases for behavioral science

**As climate change issues increasingly affect the P&C industry, more firms are committing to an ESG (environmental, social, and governance) agenda to protect the earth and mitigate future risks**

# CARRIERS ARE PREVENTING CYBER ATTACKS BY FORTIFYING CUSTOMER DATA SECURITY

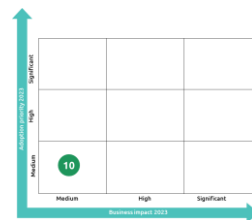


As digitalization raises vulnerability, insurers focus on advanced cybersecurity protocols



**Cyber threats are driving P&C insurers to invest in modern technologies including blockchain, artificial intelligence, and deep learning to detect security lapses and strengthen core systems and databases**

# TRAILBLAZING INSURERS ARE ENTERING THE METAVERSE FRONTIER



As the metaverse matures, proponents expect it to unlock opportunities across the insurance value chain



## Product development

Design innovative products to mitigate the risk faced by insurers in the metaverse environment



## Sales and distribution

Engage in sales activities by using avatars and simulations to increase awareness and better understand risk exposure



## Underwriting and policy servicing

Introduce NFT-based insurance policies and enable crypto payments



## Claims processing

Deploy digital twins for damage investigations to simulate high risk or complex environments



## Asset management

Develop investment management techniques for crypto assets

**The metaverse is a continuum of immersive digital experiences enabled through virtual and augmented reality. Insurers are considering its potential as a distribution channel and for new digital revenue streams, yet regulatory challenges and cyber threats may pose obstacles**

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