

# Accelerating success in insurance

How to drive transformation  
with a purpose





Accelerating success with Pega

# Riding the wave of change

The last decade has seen an unprecedented scale and speed of change for the Insurance industry. The coming-of-age of many digital technologies and consumer engagement channels – cloud, mobile, big data, social media – fed the rapid rise of the ‘new consumer’ with hugely accelerated expectations. Where FinTech blazed a trail, InsurTech followed – albeit, many would say, not fast enough.



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Insurance has been notoriously resistant to change; it's not overstating to say insurance organizations are risk averse. But having to change or be suddenly left behind has been a blessing in disguise for the industry, which is now embracing digital transformation.

For an industry already in such upheaval, the 2020 global pandemic couldn't have come at a worse time. To put it lightly, the Insurance sector has been stretched to its very limits while being placed in the public spotlight.

There can be no return to the 'old normal'. The only way ahead is through the compounded current challenges. Yet knowing how to achieve new modernisation objectives is no small undertaking. The complexity is two-fold; it's not just a technology conversation but a cultural one too. Historically, the industry has championed policy at every turn. The industry knows this already and has attempted to mask its policy centricity but now the time has come to move the

customer to the heart of the story and relegate the policy to the back office contract and financial record.

It's time to face these challenges head on and build a compelling foundation to future-proof growth.



# The challenge landscape

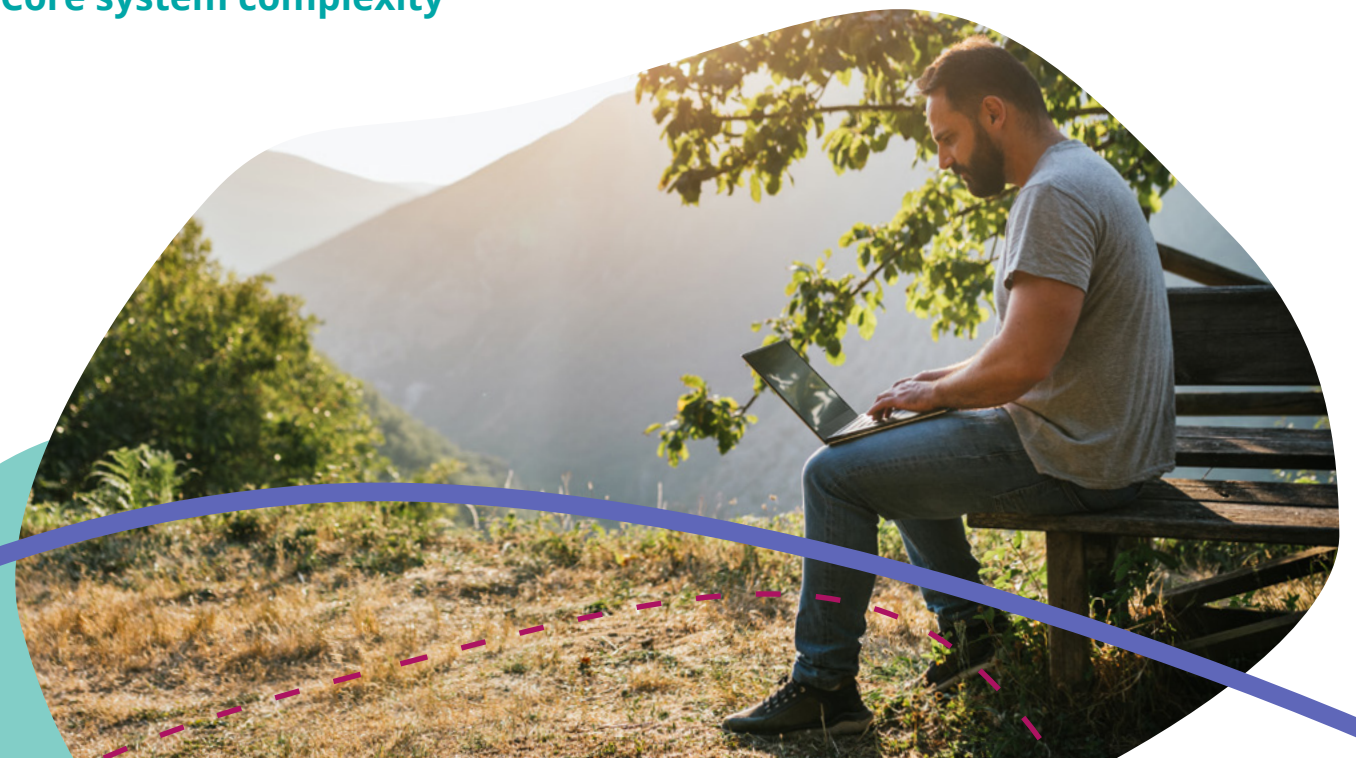
Insurance technology is proving to be both a hotbed of innovation and a battleground on which insurers must compete. Insurance is a famously complex industry, with multiple players typically involved in every single transaction: insurers, MGAs, brokers, aggregators, the list goes on.

The digital requirements of today's consumer mean complexity is amplified in the online, connected sphere. Rather than being stifled by this complexity, insurers must embrace digital transformation in order to meet the demands of today – and anticipate the demands of tomorrow.

It's time to **crush complexity**.

In this eBook, we'll look at four of the most demanding challenges facing the sector right now and how to tackle them.

- 1. Customer expectation growth**
- 2. Operational resilience**
- 3. Insurance technology innovation**
- 4. Core system complexity**





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## Pillar 1 Overview

# Enhance customer experience

Customer expectations continue to rise as the popularity of on-demand, self-service products grow at a rapid pace. This has led to a shift within major insurers – now heavily focused on empowering customers by giving them more control over their products, services, and data. Delivering a great experience is now imperative, with [Forbes](#) predicting service-based strategies that improve customer experience will heavily impact both growth and retention.

### The Pega difference

Insurance customers today demand personalised, streamlined, self-serve, and omni-channel experiences when and where they want them. That is a complex task, particularly when delivered into an already complex IT architecture. Pega helps insurers develop one-to-one customer engagement with Pega Customer Decision Hub™, which enables insurers to take the right action at every interaction – in real time, on every channel. This drives up customer satisfaction, growth, and the bottom line irrespective of what they have in their legacy IT.



## Pillar 1 Case study: Aegon

# Enhance customer experience

### The problem

Global insurance company Aegon sought to create a world-class customer service experience. To do this, it first needed to simplify and streamline manual legacy business processes, which used multiple steps to verify information around user identities, policies, and compliance.

### The solution

Aegon used Pega technology to manage and automate 120 internal processes, including claims management, payroll payment, and transfer settlements. Pega technology was used to automate checks and enable more automated end-to-end processes. The organization was able to create a library of business services that can be reused across all processes, optimizing efficiency and speed to market.



### The results

Today, Aegon agents are able to quickly access all relevant customer information. Pega enables agents to utilize scripts and knowledge management capabilities, allowing them to focus on the real needs of the customer. Enhancing the contact centre capabilities of Aegon resulted in significant performance improvements, including:

- Increase in first call resolution (FCR) rate from 50% to 80%
- Significant reduction in training time
- Reduction in processing time of claims settlement process 6 weeks down to 10 minutes
- Total savings from improving claims management operations
- Improvement in Net Promoter Score (NPS)

**“We’re thrilled with the results from the business transformation programme so far. Using Pega has already helped us improve the efficiency of a number of high volume, high importance operations by more than 50%.” – Aegon**



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## Pillar 2 Overview

# Deliver operational resilience

The past year or so has been like no other. But while it has resulted in widespread disruption, it has also seen significant acceleration. The pandemic has acted as a wake-up call to the Insurance sector, speeding-up timelines and forcing insurers to re-prioritise their goals in order to be better prepared for change in the future.

For many insurers, this has shifted the view of digital transformation from a slow, incremental process to a top tier ticket item. Investments are being made in not only technologies, but dedicated personnel – and not a moment too soon.

## The Pega difference

Transformation is complex, especially when dealing with legacy systems. Pega are guiding insurers through modernisation projects and rationalising legacy environments, while simplifying the operational IT estate in the process. Leveraging Pega's intelligent automation, insurers are simplifying operations and leaving time-sink tasks behind – fast-tracking project success and increasing speed-to-ROI.



## Pillar 2 Case study: Tokio Marine

# Deliver operational resilience

### The problem

Tokio Marine's legacy systems could no longer keep up with its growth. It took too long to get new products to market, and it was difficult to cross-sell and upsell. No consistent view across lines of business further complicated the company's vision. With much of its business still conducted manually, the insurer needed an entirely new policy administration system to help it scale.

### The solution

Pega technology played a key role in the renewed platform architecture, serving as the 'spine' for the company's processes. Building with Pega's agility tools and methods meant that business and IT were able to share the development tasks, leading to a collaborative outcome that worked at all levels and functions and improved customer experience. Using Pega Underwriting™ for Insurance, Tokio Marine HCC built frameworks – unifying systems and people – and delivered one, single portal for underwriters across all its lines of business.



### The results

Tokio Marine HCC:

- Consolidated all lines of business across one solution
- Delivered streamlined services to clients using Pega Underwriting for Insurance
- Enabled business and IT to collaborate in renewing legacy systems and building new processes
- Created an Agile deployment program composed of three-week sprints and integration between onshore and offshore teams

**“Pega brings together all our lines of business onto one platform, enabling us to introduce products in a much quicker, much more controlled manner.”**

**– Mick Gorham, Head of Application Development & Test,  
Tokio Marine**





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## Pillar 3 Overview

# Drive innovation

Investment in technology represents a means not only for insurers to grow, but also a viable method for overcoming some of the impacts felt by the sector during the pandemic. While technology has been the biggest area of investment for insurers for the last three years, [Deloitte](#) reports that the pandemic has prompted many insurers to accelerate their digital transformation efforts. They have been seeking out InsurTech firms that can help increase virtual interactions in sales and claims, as well as reduce expenses. As the expectation for personalised insurance products grows, technical innovation is helping insurers provide integrated, personalised, data-rich services at every turn.

## The Pega difference

Pega delivers innovative solutions – from intelligent automation, distribution management, and Internet of Things (IoT) to predictive analytics, robotic automation and intelligence, underwriting automation, and continued product development – helping insurers win the innovation war. Innovation has become Business as Usual at the lowest possible risk.



## Pillar 3 Case study: Achmea

# Drive innovation

### The problem

Founded in 1811, Achmea is the largest insurance company in the Netherlands for health and non-life, with 10 million customers. Achmea wanted to build long-lasting, high-value relationships with each of its customers. But disjointed channels and siloed decision-making made it difficult to deliver on the promise of seamless, omni-channel engagement.

### The solution

With Pega Customer Decision Hub™, Achmea has unified its inbound, outbound, owned, and paid channels with one central brain. The organization has shifted from a product-centric approach to having dynamic customer dialogues with all customers.

During each dialogue, Customer Decision Hub provides personalized next-best-action recommendations that maximize value for both the customer and the company. With decisioning centralized, every channel now learns from the others – the minute a customer’s context shifts, Achmea recognizes it and adjusts the experience accordingly.



### The results

With a multi-experience approach to customer engagement, Achmea has seen results such as:

- 85% save rate when using next-best-action recommendations
- 27% increase in online upsell and cross-sell
- 41% web to call centre conversion rate

**“With Pega, we’re omni-channel in our next-best-action approach. It’s about being one voice, one brand, for the customer – regardless of channel.”**

**– Jeroen Dijkstra, Product Manager, Omnichannel Personalization, Achmea**



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## Pillar 4 Overview

# Mitigate Core System Complexity

A common challenge for many insurance carriers is delivering service excellence across a complex and siloed core system infrastructure. In this environment, carriers often rely on the heroics of service staff as they navigate disconnected processes to deliver the right outcome for their customers. Furthermore, carriers must address the growing desire for digital-first offerings that can connect policyholders from any channel to the right systems of record seamlessly.

The new approach is to help carriers get work done by eliminating technical silos and engaging policyholders in the way that best suits their needs. This requires customer engagement capabilities that can connect policyholder experiences end-to-end across channels and keep pace with the demands of a rapidly evolving insurance ecosystem.

### The Pega difference

Carriers can eliminate operational complexity and deliver customer outcomes without replacing their existing systems. Pega's case-based approach helps manage complex processes across core systems, unifying the experience for agents and policyholders alike. It just requires focusing on one customer outcome at a time and building from there. Insurers define the data you need to access from the bottom layer of your enterprise architecture and define the rules for the channels you'll use to connect with your customers on the front-end, top layer of your architecture. This center-out approach helps insurers transform across all channels and existing core systems. A center-out approach also frees up staff to spend more time helping customers with complex inquiries now and deliver the customer experiences of the future.

## Pillar 4 Case study: Motor Insurers' Bureau

# Enhance customer experience



### The problem

Motor Insurers' Bureau (MIB) was established in the UK in 1946 to compensate victims of uninsured motorists. MIB recognized the need for a faster approach to its software development, to keep up with wider organizational and industry shifts. MIB used a design thinking approach to develop a new system for its police helpline. The goal was to develop adaptable software that can accommodate changing process requirements and help users resolve end-to-end inquiries seamlessly.

### The solution

Pega and MIB teams came together to successfully utilise a design thinking strategy. They collaborated to map potential solutions to streamline police insurance inquiries, before deciding on the most effective approach, then building and testing the new product. The team benefited from multiple perspectives, which fostered greater innovation, improved quality, and above all, led to a faster working process.

MIB completed the first test run of the prototype in just five days, with real end users providing feedback for improvement. Subsequent testing and revised iterations led to the development of a highly sophisticated system – set to go live earlier than planned and within budget.

### The results

By using a design thinking methodology, in collaboration with Pega, MIB achieved the following:

- Met all the goals of the minimal loveable product
- Completed project within budget
- Scheduled system to go live three weeks earlier than planned
- Achieved high customer satisfaction and engagement
- Used design thinking across the wider business, with some methods employed on projects outside of the digital transformation journey

**“Design thinking wasn’t the only choice. It was the brave one to make to change our organization.” – Paul Jackman, CIO, Motor Insurers’ Bureau**



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## Why partner with Pega?

Pega is the trusted strategic partner helping insurance firms crush complexity and deliver experiences that drive success. Partnering with Pega can help insurers rapidly gain a competitive advantage, but then continue to stay ahead of the competition, and deliver value for investors and shareholders on an ongoing basis.

Pega helps insurers unlock customer value, improve engagement, and empower employees during a period of unprecedented change and uncertainty. We enable our customers to simplify their current technology stack and seamlessly implement new, market-leading solutions that improve profitable growth, expedite acquisition times, and reduce expense ratios.



Above all, we're about improving customer satisfaction. Our strategy places the customer at the heart of everything we do, helping insurers deliver the proactive, customer-centric protection their customers demand – faster, simpler, and across all channels.

We're helping carriers across acquisitions, claims, and the back office achieve the KPIs that accelerate growth, from improved profitability and reduced operating expense ratios to faster turnaround times and regulatory compliance.

Pega empowers insurers to make the right decisions for the right outcomes, crushing complexity and accelerating execution. We can simplify what you have, what you need, and how you deliver.



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# Crush complexity: Take the first step today

Pega's peerless expertise and proven track record in the insurance sector means we're a safe pair of hands to help guide *your* transformation. But don't just take our word for it – we'd be happy to share more examples of recent success we've driven for our clients.

Get in contact with us today to put your foot on the success accelerator.

[Visit the Pega website now](#)



## About Pegasystems

Pega delivers innovative software that crushes business complexity. From increasing customer lifetime value to streamlining service to boosting efficiency, we help the world's leading brands solve problems fast and transform for tomorrow. Pega clients make better decisions and get work done with real-time AI and intelligent automation. And, since 1983, we've built our scalable architecture and low-code platform to stay ahead of rapid change. Our solutions save people time, so our clients' employees and customers can get back to what matters most.