

Riding the digital wave

Fundamental change is coming to the way insurance is brokered. *IB* talks to **Johan Nelis** of Duck Creek Technologies to find out more about the digital revolution and the systems that are at the vanguard



INSURANCE BROKERS and their customers live in a digital world where almost everything can be achieved online, whether it's buying tailored computers, getting real-time assessment of current computer specifications, leveraging expert advice or obtaining consumer recommendations. The consumer chooses the channel and can swap seamlessly between them throughout the life cycle.

Yet many brokers and customers feel frustrated that they're not enjoying this customer-centric, digital, omnichannel experience in their daily work, says Johan Nelis, director of solution consulting for APAC at Duck Creek Technologies. Getting insurance still involves a plethora of paper forms and many manual, repeatable, and mundane tasks.

"We feel that insurance should also be digital, enabling brokers to better service their customers," Nelis says.

Duck Creek provides core system solutions (Rating, Policy, Billing, Claims and Insights) to the general insurance industry, which are available either as stand-alone products or as a full suite of systems. The company's on-demand SaaS delivery solution allows insurers to launch new products more quickly and allows the technology to support the business strategy rather than dictating it, Nelis says. He adds that systems like this are the next generation because the imperative to be creative and adaptable is only growing.

A better experience

Founded by brokers in the US in 2000, Duck Creek's aim from the get-go has been to create insurance solutions that put brokers and clients front and centre. The company designed its innovative suite of software products to bring transparency, integration and consistency to insurance – and, crucially, put the insurer in control.

"Digital insurance is driven by the expectations, requirements and capabilities of the three parties involved: customer, broker and insurer," Nelis says. "We see customers are

looking for a consistent experience across all channels, an effortless service experience at every touchpoint throughout the journey and a personalised experience.”

He gives the hypothetical example of a baker who is busy opening another branch and has limited time to enter data – and finds it hugely frustrating having to fill in information the broker or insurer already has. With next-generation technology like Duck Creek’s, the baker only has to give his broker limited information related to his business, property and vehicles, which is then used to obtain all relevant underwriting data.

If the baker buys an asset like a donut production line, he gets a prompt asking whether he wants to add this equipment to his policy. He has also installed an IoT device near the production line’s water boiler that gets a message as soon as a leak is detected, flagging the need for immediate assistance and triggering the initiation of a claim.

As for brokers, they need quick turnaround times and access from any channel (desktop, mobile, in person); a simple and user-friendly quote, buy and service experience; and targeted information or content to best service customers.

Nelis gives the example of a broker who wants to offer a cyber insurance product with a unique set of coverages, limits and excess.

She wants to be able to sit down with clients and go through the options on her tablet and get instant feedback on pricing, coverage limits and excess. By connecting to an underwriter who can see the screen and provide real-time updates, the broker can make pricing and underwriting decisions within



“Customers are looking for a consistent experience across all channels, an effortless service experience throughout the journey and a personalised experience” *Johan Nelis, Duck Creek Technologies*

her authority. She can also access aggregate insurance information from similar businesses (much like Amazon’s ‘people like you bought’ model), allowing her to tailor her advice.

Getting flexible

Flexibility is also key, Nelis says – the ability to make a modification if the market asks you to go in a different direction.

“Insurance is evolving,” he says, “so you can’t design everything for the next five to 10

years; rather, you need a platform that has the right architecture that is nimble, with the ability to quickly make changes with minimal effort and risk; connected to a broader ecosystem of ever-increasing third-party solutions that will enhance your offering; and smart – able to leverage data to streamline

and improve your processes and outcomes.”

He adds that insurers need digital tools “to provide omnichannel experience for brokers and customers – enhanced experience leveraging automation, digitization and integration – and provide predictive analytics that assist brokers and customers throughout all facets of insurance”.

Nelis notes that insurers should also leverage third-party data to get better insights into the underwriting risk. To return to the example of the baker, brokers could assess the business’s cyber risk through automated scanning of all of the client’s digital assets and identify shortcomings that prevent or limit risks and reduce the premium. For example, the behaviour of the baker’s delivery drivers could determine the premium and/or excess for his fleet and provide a dashboard with the telematics scores of each driver.

Typically, insurers have struggled to provide this type of tailoring to the customer and broker because they were hampered by legacy systems with high total cost of ownership and limited flexibility. Many insurers have tried to overcome this by commoditising their insurance offering, at the cost of

AGILITY AND SPEED: A CASE STUDY



In March, Duck Creek announced that global insurer Hollard had gone live in Australia with a new platform to administer its personal motor, landlord and home insurance lines, backed by Duck Creek’s policy, billing, and data hub solutions. Hollard was selected to underwrite three personal lines products for a major insurance broker network, so it had to integrate the portfolio into its newly acquired technology. A successful transition to the broker network’s platform was achieved in just six months through a unique relationship between Hollard, Duck Creek and systems integration partner Xceedance.

“In a competitive and highly regulated market, the agility and speed with which we can go to market is critical to our partners’ success and our continued growth,” Hollard CIO Jamie Smith said at the time. “Duck Creek’s low-code platform enables us to launch products rapidly, add value to the business in a controlled fashion and will play a vital role in automating our operational processes.”

SECTOR FOCUS: TECHNOLOGY



“When we talk about legacy systems, we shouldn’t just be thinking about the decade-old mainframes, but also newer solutions that aren’t flexible once installed”

Johan Nelis, Duck Creek Technologies

catering to unique customer requirements.

“When we talk about legacy systems, we shouldn’t just be thinking about the decade-old mainframes, but also newer solutions that aren’t flexible once installed,” Nelis says. “We heard of an occasion where an insurer using a legacy system took three months and spent more than \$1m to not ask a question in the process.”

In the past, it was common for insurance system vendors to dictate how business had to be run on their system. If a business wanted to offer more flexible and innovative solutions, Nelis says, it had to break the system to do that.

“But now you see more insurers saying, ‘This is how I want to set up my products and process,’” he says. “Our solution allows you to

say, ‘This is what the insurance offering is,’ and then, because the system is descriptive, it’s easier for IT to deliver.”

Typically, digital change in the industry has been sluggish because upgrading an insurance system is an expensive and time-consuming affair. But with a cloud-based solution such as Duck Creek’s, where a system is updated rather than upgraded, any amendments are almost instant.

Digitalisation has already disrupted many sectors, Nelis says, and the insurance industry is no different.

“The local video store has disappeared, and the local travel agency has transformed into an adviser to survive,” he says. “The insurance industry is also being disrupted – take, for example, Amazon offering insur-

THE BENEFITS OF DUCK CREEK’S NEXT-GENERATION SYSTEMS

-  Streamlined processes with no need to re-enter or copy data
-  Automation of mundane tasks to free up time for high-value ones
-  Leveraging insights to make the right decisions – for instance, highlighting what the policyholder could do to further reduce risks
-  The ability to combine various commercial insurance products and coverages into a single policy
-  Flexibility to tailor a solution and vary any aspect of the policy, such as term, coverages, limits, excesses and product components
-  Speed of delivery

ance to its Amazon Business Prime customers – hence the need for brokers to demonstrate their value and need for insurers to be more responsive.”

COVID-19 has also highlighted some of the industry’s anachronistic ways of working.

“We spoke with an insurer who stated that their staff couldn’t work without the physical files; during the pandemic, their entire workforce embraced digital within a year and have experienced the benefits,” Nelis says. “While insurance has been around for hundreds of years, customers’ needs are evolving at an ever faster pace. You need to find ways, as insurers and brokers, to ensure you continuously provide value.” **IB**