



Harnessing the power of digital transformation

How Insurance Companies Can Reimagine Business

Easy mobile communication can become a significant factor in customer loyalty, as underscored in a recent article by Bain & Company, which stated that “customers are increasingly embracing digital channels, both online and mobile, for their insurance interactions. The share of digitally active customers has increased everywhere over the past two years...Multichannel interactions tend to be more effective in garnering loyalty.”*

* Henrik Naujoks, Camille Goossens, Gunther Schwarz, Harshveer Singh, Andrew Schwedel and David Whelan, “Customer Behavior and Loyalty in Insurance: Global Edition 2016,” Bain & Company, September 14, 2016. <http://www.bain.com/publications/articles/customer-behavior-loyalty-in-insurance-global-2016.aspx>

Getting out of the car slowly, David assesses the damage to the left front bumper. He’d hit a patch of ice and skidded into a light pole on the other side of the street. Dusting himself off and realizing he isn’t hurt, he takes out his phone and snaps pictures of the damage and uploads them to his insurer via the app he already has installed on his phone. Thankfully, the car is still drivable so instead of calling AAA for a tow, David drives home and later that day, the claims agent arrives to survey the damage. She carries a tablet and logs onto a secure file sharing app that synchs with corporate headquarters, third-party adjusters and approved repair garages. David signs the claims form electronically with a stylus and his claim is filed, all without ever having to track down his insurance agent, get to an office or fill out paper forms.

The world is changing and insurance companies need to change with it. Consider the following disruptions that insurance companies cannot afford to ignore:

Insurance companies are under intense pressure to meet policyholder expectations.

61% of financial executives declared “customer experience in digital channels” as a top priority in the CEB 2015-2016 FSI Survey, and that’s a good thing because 41% of customers in 2015 indicated a preference for using digital channels to complete insurance transactions—up from 30% in 2013.¹ Simply put, many insurance policyholders prefer to use their mobile devices to get quotes, send information, process claims or just find and connect with an agent. Providing the experience that customers demand is the first thing insurance companies should do to maintain and grow market share.

Insurance companies need to satisfy a changing workforce that is increasingly mobile. According to CEB, more than 90% of today’s financial workers are considered mobile. That includes 63% who regularly work at home, at a client site or in the field and 30% who regularly work on-site, but away from their offices.

Insurance companies have to support and leverage new and constantly evolving technologies such as mobile devices and apps,

¹ CEB 2013 and 2015 Customer Experience Surveys, <https://www.cebglobal.com>

cloud infrastructure and the Internet of Things (IoT)—all of which enable insurance companies to build more agile and responsive businesses. Adoption of these new technologies lowers costs, provides a better customer experience and provides a competitive differentiation.

With the rise of the sharing economy, insurance companies have to be agile in creating and pushing out new products and services that fit the usage of the policyholder. This includes getting enough useful information on their policyholders and making sure that the insurance agents and independent agents can quickly and securely offer these new products and services.

Insurance companies are competing against new, digitally agile players (InsurTech) in an age of increased commoditization. From the policyholder perspective, insurance is about getting the most coverage at the lowest price, and the more that insurance companies can maximize efficiencies through new digital technology to lower costs and differentiate themselves, the more likely it is that they will be able to win customer business and loyalty.

These disruptions are just the beginning and will likely continue to increase as technology multiplies, as policyholder and employee preferences evolve, as the markets react and as the world changes. The bottom line is that for insurance companies to compete in this new world, they must take advantage of all of these shifts in order to successfully navigate digital disruption and transform their businesses into nimble, digitally enabled organizations.

What does digital transformation look like?

Digital business blurs the boundaries of the digital and physical worlds through the convergence of people, business and things while digital transformation is a way to leverage digital business to achieve corporate objectives faster and less expensively.²

Today we are embarking on the next generation of the digital business journey. The first generation from the ‘90s began with

² Jorge Lopez, “Digital Business is Everyone’s Business,” Forbes, May 7, 2014. <https://www.forbes.com/sites/gartnergroup/2014/05/07/digital-business-is-everyones-business/>

IoT devices that track driver behavior could save companies \$45 billion over the next five years, according to a Business Insider Intelligence report.*

* Andrew Meola, "IoT Insurance: Trends in Home, Life & Auto Insurance Industries," Business Insider, December 20, 2016, <http://www.businessinsider.com/internet-of-things-insurance-home-life-auto-trends-2016-10>

the introduction of the internet and web interface technologies, which revolutionized the way insurers conducted communication, transactions and outreach without being connected to or integrated with existing channels or even aligned to the way consumers behaved. The processes were designed to *work around*—*not integrate with*—digital technologies.

This kind of disjointed customer experience is simply not viable for today's competitive insurance business. Fortunately the journey of digital business is maturing, fueled by a combination of both technology and cultural trends, driving insurers to completely reinvent their employee/policyholder experience, business models and processes. In doing so, insurance companies should:

- Make digital channels available, high-performing and secure for policyholders to access self-service any time, anywhere, from any device.
- Use digital platforms to improve internal workflow, facilitate customer service and help employees do the best they can, which in turn improves job satisfaction. Digital platforms empower service employees to access their workspace from any device, anywhere and at any time to provide a better customer experience by reaching policyholders wherever they are, providing responsive service and enhancing in-office service with personalization.
- Facilitate First Notice of Loss Claims with IoT sensors such as the electronic logging devices (ELDs) located in cars that know when a customer's car has been in an accident, as well as mobile apps that makes online claim filing simple and easy and with which policyholders can take photos of the damage to upload when filing the claim.
- Leverage technology to help consumers save money on their policies. Just as home security systems help save money on a policy, so too can IoT devices, through which policyholders receive premium discounts as a reward for good behavior. For example, telematics can track driver behavior and history to lower the cost of premiums (or increase them in the case of poor driving).

Embrace digital transformation together with IT

Clearly, insurers need a digital business strategy that should first and foremost address the experiences of policyholders who expect seamless, secure experiences extended across the digital and physical worlds and employees who increasingly rely on digital productivity tools and virtual workspaces to get the job done.

One thing is clear: The business of insurance companies cannot achieve digital transformation without the engagement of IT, which is the lynchpin that powers their digital strategy. Unfortunately, the shifts that drive digital disruption bring an enormous amount of complexity to IT infrastructure that is not easily managed, particularly given the following challenges:

- The paramount need of securing a mobile and diverse portfolio of apps, data and services. Fending off sophisticated security threats that exploit these new digital and mobile technologies and securing IoT devices, mobile devices and apps and cloud infrastructure has become a top priority as usage of these technologies grows.
- The difficulty of staying in compliance as new regulatory requirements change. Insurer IT must develop policies, procedures and plans to maintain overall compliance. New regulations put further strain on insurer IT, as one-third of their budget allocation is already consumed by mandatory requirements for legal and regulatory compliance.³ Deloitte's Insurance Regulatory Outlook 2017 confirms that "multiple regulatory influences at the state, federal and international levels continue to present significant challenges for the industry."⁴
- The reality of disruptions, both planned and unplanned, can cripple insurance companies that rely on digital channels for business and customer experience. The need to harden these channels and keep them highly available and high-performing is a must.

³ CEB 2015-2016 FSI Survey, <https://www.cebglobal.com>

⁴ Deloitte, Center for Regulatory Strategy Americas, "Navigating the year ahead: Insurance regulatory outlook 2017," December 2016. <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/regulatory/us-insurance-regulatory-outlook-2017.pdf>

Digital channels also enable and empower employees to deliver the best customer service. Thanks to IoT, insurance companies can more easily and accurately price new insurance policies that are not limited to automotive insurance. For example, John Hancock's Vitality program uses FitBit® data to help policyholders adjust their premiums by adopting healthy habits and State Farm and American Family policyholders receive discounts for using the Nest Learning Thermostat® in their homes.

- The fact that the world is running on old business processes that were, for the most part, architected 30 to 40 years ago. Insurance companies have spent years building unique operating models, investing in countless systems, platforms and devices, and then deeply customizing them. Considering the large number of legacy custom applications that are business critical, IT must now bridge the gap between the old and the new.
- The ongoing requirement for meeting ever-changing business needs, such as seasonal demands, or when launching new products and services or opening new branch offices. All of these needs must be supported by IT without increased complexity and costs.

While the first generation of digitization augmented business processes and how people work, today we are at an inflection point. What IT must do now is ensure that the old and new technologies work seamlessly together and are secure, highly available and high-performing in order to unlock the potential of today's insurance business in the digital shift.

Insurance IT best practices for digital transformation

To be the strategic IT enabler to its insurance business, IT must create a plan for everyday operations that provides long-term agility. What is needed is a flexible and efficient IT infrastructure that virtualizes apps and centralizes management in order to support (and drive) business agility and prepare for digital changes on the horizon.

Start with recognizing the fact that new technologies are multiplying rapidly—mobile devices and apps, cloud, IoT, virtual reality, augmented reality, artificial intelligence and more. These technologies affect everything, including where and how people work and how they think about computing. On top of that, software itself is more complex. Just think of all the different kinds of apps that must be supported: mobile apps, legacy apps, custom-built apps, Windows productivity apps and new cloud-based apps. Because they are critical to the productivity of the workforce, all of these apps need to be managed and made available seamlessly such that everything just simply works. This includes the need to:

- **Manage, secure and deploy all types of apps for access by any device, whether through the cloud or via on-premises infrastructure.** Instead of relying solely on Windows applications running on Windows-based devices, employees, third-party agents and policyholders/customers also use native mobile and web apps, and they need access to all of these types of apps on any type of device, from Windows and Mac laptops to tablets and smartphones.
- **Simplify and centralize application management and delivery** so that IT can manage, monitor and troubleshoot the entire infrastructure from a single, unified console.
- **Secure sensitive apps and data while allowing user flexibility** by maintaining tight control over how sensitive data is accessed, stored and shared among internal teams and external parties.
- **Enable secure file sharing** to increase productivity and responsiveness across distributed teams and to empower mobile employees and third-party agents such as claims processors with self-service access to data. This reduces the risk of file sharing over unauthorized, potentially insecure apps.
- **Manage and protect endpoint devices** by leveraging device-level policies provided by the device manufacturer or platform provider. With the help of these policies, IT can configure, secure and support mobile users. For example, IT can enable device-wide encryption and automatically lock or wipe a device.
- **Ensure the availability of the network and apps** for a high-performance user experience, while lowering IT costs and maintaining security.
- **Provide smooth, seamless user experience** to improve productivity and satisfaction without compromising existing security and compliance requirements.

All of this can be accomplished with high-performing solutions that enable remote work and customer/policyholder transactions, ensuring that the user experience is fast and secure.

Citrix solutions that empower insurance companies

Citrix powers insurance IT with a fully integrated and secure portfolio of digital workspace services to drive digital transformation. Insurance companies can now provide employees, third-party agents and policyholders with secure, instant access to apps, data and communication on any device, over any network and cloud. Insurance IT can support new business models and technologies by choosing to implement Citrix solutions either on-premises or via cloud—any cloud. Citrix solutions for insurance include the following:

Application virtualization and VDI solution powers app and desktop virtualization. Centralized management and delivery of legacy custom, Web, SaaS, mobile and Windows apps enable agents and employees to securely access critical applications from anywhere on any device.

Enterprise mobility management solution unifies the delivery of mobile, Web, SaaS, and

Windows apps and data, with end-to-end control and protection of sensitive business and consumer data across devices, people and locations. IT can enforce security policies on BYO devices without compromising users' personal apps and data on mobile devices.

Enterprise file sync and share solution enables employees to securely exchange confidential files within the organization and with third-party agents, policyholders and clients—even those on network drives and Microsoft SharePoint. This can be done from anywhere, on any device over any network. Complete access logs and archiving help satisfy record-keeping regulations and compliance requirements.

Networking and software-defined WAN solutions provide a complete cloud networking solution to empower users with access to financial apps, cloud services, virtual desktops and mobile services at any time, from any device and over any network. NetScaler provides a secure front-end to secure applications while ensuring optimal performance. NetS-

caler SD WAN accelerates application delivery across public and private cloud networks, and allows enterprises to optimize and secure branch office networks.

Summary

In the end, the insurance companies that win in the age of disruption are the ones that offer the best customer service and experience while also empowering their mobile workforce. Those companies that are able to build a secure, flexible IT architecture to support digital transformation will see the rewards of competitive advantage: higher customer and employee satisfaction leading to more revenue and lower risk all around. And Citrix makes it possible. Fully integrated and secure, Citrix solutions for insurance companies comprise market-leading virtualization, mobility, networking and cloud technologies.

For more information about Citrix solutions, please visit:

<https://www.citrix.com/financialservices>.



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