

#TechVision

Insurance Technology Vision

Meet Me in the Metaverse

The continuum of technology and experience, reshaping business

Voices of **Change**

From insights to action, the path to extraordinary value starts here.

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Businesses in every sector are entering the new frontier of the metaverse continuum.

Enabled by technology, creativity, and human and social norms, the metaverse continuum will bridge physical and digital personas, properties, and space. The four trends of Accenture's Technology Vision 2022 will drive expansion of the metaverse over the next decade and present insurers with imminent opportunities and challenges in the next five years.



What insurers need to know about the metaverse

The metaverse is ushering in the next wave of digital change. Early entrants into the metaverse are building with various intentions, purposes, and ideas for how to get it right.

Whether for an enterprise or consumers, the metaverse has different platforms, partners, and technologies at its core.

As the next evolution of the Internet, the metaverse will be a continuum of technologies, working together, to create immersive content and experiences. The metaverse continuum will elevate expectations for how insurers interact with customers, what products and experiences they design and distribute, and how they operate their organizations.



The foundational technologies of the metaverse continuum

The metaverse continuum is being built on a wide range of mature and emerging technologies. These technologies include artificial intelligence (AI), augmented and virtual reality (AR/VR), blockchain, digital twins, edge technologies, cloud, digital currencies, non-fungible tokens (NFTs), social platforms, ecommerce, and digital marketplaces.

Many insurers are already deploying these technologies for a variety of business applications. What is new is how these technologies intersect, creating innovative ways for people and organizations to interact, and giving rise to the metaverse continuum.

Creativity is essential in the metaverse

The metaverse is still largely the domain of gamers. Their influence in these formative stages and demand for ever more imaginative content and experiences mean that the metaverse continuum won't be shaped by technology alone—it will be shaped by human creativity.

Insurers creating metaverse experiences will require 3D artists, game designers, and experts on the platforms on which they plan to build or partner. Interactive and spatial design, artistic direction, storytelling, and production design will all play a central role in delivering compelling experiences for customers and employees.

“Anything goes” doesn't go in the metaverse

Regulations and respect for social norms will be central to playing and working in the metaverse continuum. Insurance customers in the metaverse will be subject to many of the physical world's norms, and insurers will be expected to help users engage safely with all kinds of virtual experiences.

Insurers will need to balance free expression with the imperatives of safety. The implications will span security, marketing, customer relations, claims, underwriting, and beyond. As was the case early in the rise of social media, we might not yet foresee all ethical, reputational, and legal risks the metaverse will surface. Insurers will need to remain vigilant as regulations and customer expectations shift.





Four trends shaping the future

In this Insurance Technology Vision, we explore how today's innovations are becoming the building blocks of the insurance industry's future. Insurers who understand these trends and what they mean for customers will gain a competitive advantage.



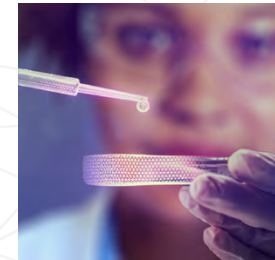
WebMe
Putting the
Me in Metaverse



**Programmable
World**
Our Planet,
Personalized



The Unreal
Making Synthetic,
Authentic



**Computing
the Impossible**
New Machines,
New Possibilities



WebMe

Putting the Me in Metaverse

The advancement of the metaverse and Web3—and the convergence of the technologies upon which they are built—may create the largest shift we have seen in digital technology since big tech platforms were mere startups. Insurers face a daunting but exciting task in building new platforms, products, and services; securing technology; and identifying the use cases and business models.

Given the seamless, decentralized nature of Web3, formulating partnerships will be essential. Leading insurers will accelerate their cloud transformations, rebuild applications with microservices architectures, and deploy open application programming interfaces (APIs) to accommodate upstream and downstream data flows with ecosystem partners.

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Programmable World

Our Planet, Personalized

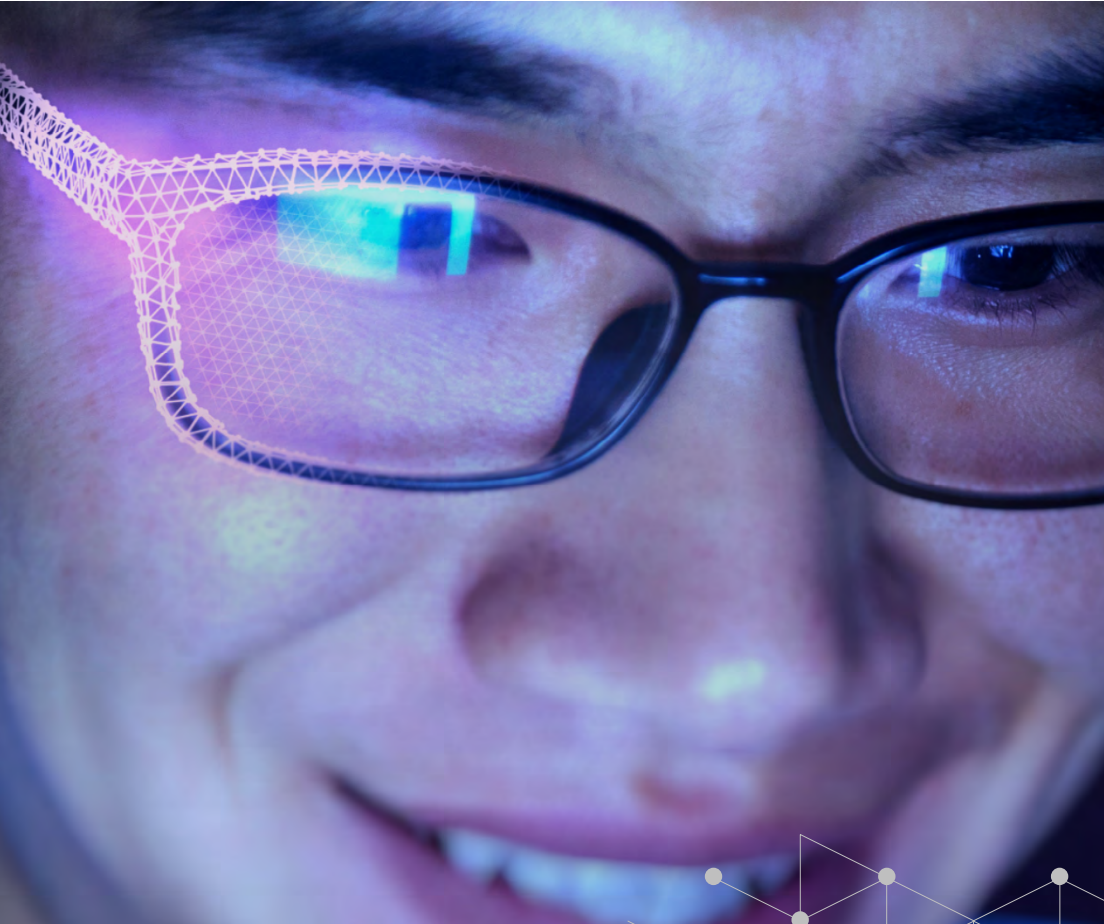
Technology exists in our physical environments in increasingly sophisticated ways, with the borders between the real and digital worlds starting to blur. Technology advances like 5G are changing the way businesses access and relate to the physical world, offering new levels of control, automation, and personalization.

In insurance, devices such as AR glasses are transforming how insurers and their customers interact with physical assets or infrastructure. For example, a mechanic could use AR glasses to inspect a vehicle damaged in an accident, instantly accessing data on parts needed for repair, including inventory and costs. The adjuster and customer could watch remotely from their VR headsets or mobile devices. Or a customer that needs to insure a building and its contents could don AR glasses and walk around the home or business as an agent, sales rep, or even a virtual assistant evaluates the items to be covered.

Items not thought of as programmable today may become programmable in the future. A car might be able to use sensors and AI to determine which parts are damaged and initiate contact with a repair shop. Cars may even fix themselves. One innovative example comes from Massachusetts Institute of Technology (MIT) and Lamborghini who have created a self-healing prototype that can repair damage to its own carbon fiber components.¹

Today, we have sensors embedded in pipes that can alert us to a leak, which can then be repaired before it causes major damage or wastage. Tomorrow, these pipes could repair themselves. This could lead to less risk exposure for building owners that take advantage of programmable technologies and fewer claims for insurers that encourage customer uptake.





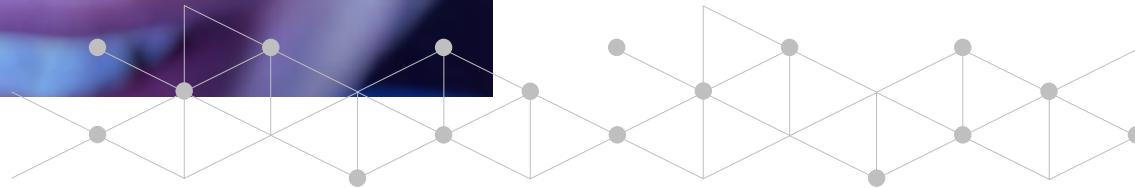
The Unreal

Making Synthetic, Authentic

As technology advances, it will become more difficult to differentiate between real and fake. Consider the remarkable advances in deepfakes, videos in which a person's face or body has been digitally altered so that they appear to be someone else. Deepfakes are typically used maliciously or to spread false information by making it seem as if someone said or did something they didn't say or do.

And as they interact via a chat window on a website, customers are not always certain whether they are talking to a virtual assistant or a person. Unreal occurrences like these create the potential for identity theft and fraud, especially in the nascent years of the metaverse.

As bad actors take advantage of new attack surfaces in the metaverse, insurers will play an essential role in mitigating the risk. Consider the example of Attestiv. They use blockchain and AI to authenticate uploaded photos, videos, and documents.² The platform helps organizations cut fraud losses, reduce reputational risks, and automate with confidence.



Computing the Impossible

New Machines, New Possibilities

We will need staggering amounts of computing power to deliver on the promise of an interconnected, seamless metaverse. The outer limit of what is computationally possible is being redefined as a new class of machines emerges. Quantum, biologically inspired, and high-performance computers will soon enable companies to tackle once intractable challenges in their industries.

The ability of insurers to quickly process enormous datasets from multiple sources will transform risk modeling and decision effectiveness. Insurers stand on the precipice of being able to take complicated scenarios, such as weather models and climate change, and assess risk with unprecedented accuracy.

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The five-year view: how the metaverse will transform insurance

Over the next five years, the rise of the metaverse will begin to influence every facet of insurance—from operations and the workforce to distribution and revenue pools.

Here are some of the early ways we expect to see the metaverse transform insurers' operations and their customer and employee experience.

New workforce training experiences

Some insurance companies are already experimenting with VR/AR as a way to train and upskill the workforce. As metaverse technologies mature, carriers will seize the opportunity to scale these efforts up and offer deeper, richer experiences.

They will be able to offer training experiences that are not otherwise possible and that offer process enhancement and cost reduction in areas like risk assessment or damage evaluation.

An insurer can't burn down a skyscraper in the real world to train claims adjusters. In the metaverse, an insurer can vividly show employees, individually or in a collaborative virtual group, what to look for in the aftermath of a building fire or a natural catastrophe. Or imagine the potential of using AI and VR to create training simulations, where managers can learn how to navigate difficult conversations with their teams.

Shifting revenue to and within the metaverse

One of the first opportunities many insurers will seize is creating parametric insurance products that cover metaverse-specific risks, especially those around digital assets like blockchain-based tokens and NFTs. According to Chainalysis, fraudsters stole over \$7.7 billion worth of cryptocurrency in 2021, an 81% rise from 2020. Life insurers may branch into insuring virtual lives—for example, digital avatars and characters that users build, often at great expense, that could “die” inside the game or simulation.

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Distribution in the metaverse

In much the same way the COVID-19 pandemic altered how most carriers conduct their business, the metaverse could bring about a sea change in how consumers and insurers interact. The metaverse could offer an experience that maintains the personal feel of face-to-face interaction in a digital environment. Recreating the trust and human touch of the agent sales experience could help accelerate the move to digital channels, offering brand value and access to new, tech-savvy customer segments.



The expansion of the metaverse

While it is early days yet, the expansion of the metaverse is inevitable. The metaverse continuum will bring significant shifts in the way insurers do business.

As with any technology advancement, new areas of risk will emerge. And customers will demand that insurers be there to offer holistic risk mitigation to help protect their interests as well as their assets.

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About Accenture

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