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Reimagining insurance distribution

Accenture Distribution & Agency
Management Survey 2015

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Hello, I'm John Cusano, and I'm the global lead for Accenture's Insurance Consulting business. Over the years I've seen the pace of transformation in the insurance industry accelerate dramatically. Nowhere is this more evident than in distribution. And when we look at innovations like the Internet of Things, ecosystems and aggregators – which are still at the early stages of disrupting the business – it's obvious that the rate of change won't be slowing down anytime soon.

To get a better understanding of this transformation, and how carriers are responding, we conducted a global survey of more than 400 senior insurance executives who are responsible for, or closely involved in, their companies' distribution and agency management functions. The findings were striking.

For example, we learned that four out of five insurers either have, or are planning to set up, wholly digital sales processes in which humans are involved only when customers need advice. No more than 19% said they had no intention of going this route.

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The Internet of Things is poised to have a profound impact on our industry – 44% of our respondents consider its connected devices to be a driver of future revenue growth. We know that many carriers have launched or are testing auto telematics initiatives. But our survey shows that when it comes to connected homes & buildings, health & fitness monitors and other wearables, the number of initiatives that have been rolled out, or are being piloted, has doubled or tripled since 2014.

Aggregators are another innovation that's shaking up the industry. While 53% of insurers said they expect to use aggregators under a sub-brand in the next three years, the numbers vary considerably from country to country and by line of business. What's more, our survey findings revealed a lot of uncertainty. Many carriers simply don't know whether they should reject or embrace the model – and if it's the latter, what form this should take.

In the midst of all this change, a key question is: what about agents? They are likely to remain a crucial sales channel, but 63% of insurers have made it a priority to refocus their agents to where they can add the most value.

I could go on and on – the survey has given us a rich body of data that spans most aspects of distribution and agency management. It's also possible to cut the data in a variety of ways. For example, we've compared the actions and intentions of a group of carriers that we call the Digital Transformers with those of the Digital Followers. We found that across all of the most important dimensions of digitization, the Transformers lead the Followers by a significant margin. In other words, they understand the disruption confronting the industry and are executing their strategies to take advantage of the opportunities this creates.

I encourage you to download the report and infographic from our website – you'll find the survey results fascinating. Hopefully, our recommendations will provoke constructive discussion. And bear in mind: if you would like to dig deeper into the findings and tailor them for your specific interests, simply contact your Accenture representative and we'll set this up for you.

Thank you!