

INTELLIGENT INSURER UNLEASHED: TECHNOLOGY VISION FOR INSURANCE 2018

OVERVIEW TRANSCRIPT

Michael Costonis: Hi, I'm Mike Costonis, Accenture's Global Insurance Practice Leader. I'm really excited for this year's insurance technology vision report. We have five exciting trends that we think will reinvent the way that insurance operates today.

The first: Citizen AI. Raising AI for the betterment of business and society.

Second: Extended Reality. The end of distance.

Third: Data Veracity. The importance of trust.

Fourth: Frictionless Businesses. Built to partner at scale.

And finally, the Internet of Thinking or creating intelligent distributed systems.

I hope you enjoy this report.

Portland Helmich: Each year the Accenture Technology Vision paints a picture of a world that's being rapidly changed by digital technology. What big idea stands out for you in the research for 2018, from an insurance perspective?

Michael Costonis: One thing that really stands out to me is the statistic that 83 percent of people feel that technology is essentially invisible to them. It's pervasive. And we think about insurance, it's typically a product that's in the background. Technology will allow us to be more involved in people's and companies' lives. The insurance company can be essentially center-stage through this technology. And I think that really changes the way that people will view insurance.

Portland Helmich: It sounds like a new social contract is starting to take shape between enterprises and those that they serve. Is this something that insurance organizations are beginning to think about?

Michael Costonis: We're starting to see insurance companies really embrace their role in society as opposed to being just completely for-profit enterprises. So, for example, AXA, they have a program called the 2020 Better Lives Partnership. What they're looking to do is focus on renewable energy, focus on making their insurance products affordable to people that couldn't normally afford to take advantage of that. That's a completely different model than we've seen in the past.

Portland Helmich: The theme of the Accenture Technology Vision for 2018 is redefine your company based on the company you keep. What does that mean?

Michael Costonis: Well, in previous years if you look at the technology vision, we focused heavily on platforms and ecosystems, and in a lot of ways that trend has really accelerated. So, what does that mean? What we're starting to see is a combination of companies coming together to deliver these services so the company that you keep, the partnerships that you form, the relationships that you have to really deliver that kind of service and value.

Portland Helmich: With every industry rebuilding itself around digital innovation and embedding itself more deeply into people's lives, where will insurers fit into this changing world?

Michael Costonis: I think insurance will step from the back stage to the center stage and become a lot more pervasive in everybody's lives. So, what you'll end up seeing in this opt-in society, where people are providing their information, insurance companies can now be very responsive to that and say, these are the services that are best for a person like you; this is how we can make this company more successful and profitable over time. So, you'll see insurance companies come from the back to the forefront through this reinvention.

Portland Helmich: So it seems like we're seeing insurance harness the power of emerging technologies while also mitigating their risks but I'm wondering, isn't it true that technology also reduces or, in some cases, eliminates the risks that insurers typically cover with their products and services?

Michael Costonis: Absolutely. I think what happens here is really two-fold. One, the technology allows us to understand risks that we've never really understood well before. We know what people are doing, we know how cars are being driven, we know how businesses operate or how assets are being utilized so we can be very effective in how we manage that risk. The other things is certain risks will just go away. Cars can drive themselves at some point in time. Will they be safer than humans? Most likely. But, at the same point in time, we'll see new risks that emerge. How we protect these connected systems? How do we have the security that we need? Insurance products will fill that role.