

# TECHNOLOGY VISION FOR INSURANCE 2018

## Frictionless Business Transcript

**Portland Helmich:** One of the recurring themes of the Accenture Technology Vision over the years is how companies can and should work together in digital ecosystems. I'm wondering, what are the latest trends you're seeing in the insurance sector as we look at trend four of the Tech Vision for 2018: frictionless business.

**Michael Costonis:** Our survey shows that 38 percent of insurance companies are working with twice as many partners as they did two years ago. So, this is an explosion of relationships that companies need to forge to provide their services. In the old days, they did it essentially on their own, through their company or through their agents. But now through relationships with maybe a ride-sharing company or an Airbnb type of scenario. It's not just the insurance company working on their own, but they work with many companies to provide one frictionless and seamless service.

**Portland Helmich:** So, if 38 percent of insurers are working with twice as many companies as they did two years ago, what might be holding the others back?

**Michael Costonis:** One of the biggest gating factors to create these kinds of relationship is really back to the legacy systems that companies are working from. They can't actively connect their business to other businesses and do it in a way that still delights the customer. So, the challenge becomes as flexible as that core system is, that directly impacts their ability to create these relationships.

**Portland Helmich:** So, given that they can't replace their legacy systems overnight, what should insurers do today to improve their agility and ability to match with new partners?

**Michael Costonis:** In a lot of ways, architecture will be the key that unlocks the agility. Insurance companies need to more fully adopt microservices as a way to access key functionality within the legacy system and create these APIs that other companies can interact with. The other thing that they need to do is be thoughtful about adoption of new technology like blockchain that will change the way that they can process certain things and expand the services that they provide.

**Portland Helmich:** What sort of applications do you see for blockchain in insurance?

**Michael Costonis:** Blockchain has a lot of promise for insurance. In fact, when you look at the sheer amount of transactions company to company, so company A has a claim against company B and they exchange money, typically in the form of a paper check or an electronic transaction. We could completely take that out using blockchain. Second, if we think about applying a smart contract alongside the blockchain—smart contract is an insurance contract that pays out under fairly well-defined terms and conditions. So, when we have an electronic

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data feed, when those terms and conditions are triggered and the blockchain that governs the transaction, you can actually have insurance processes that process these themselves, with no human intervention and greater customer service as a result.