onewelcome

a Thales company

# whitepaper

## the challenges of digital transformation for insurance companies

### how to manage them with OneWelcome

Insurance companies are not afraid to invest in new, digital tools for their customers. And rightly so, because modern customers expect a seamless experience when dealing with any service provider. Moreover, going digital also allows insurance companies to save cost and gather valuable information about their customer base. These are invaluable benefits, but how do you ensure that your digital transformation is a success?

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## Business Challenge

- Business activity, customer interactions & transactions are rapidly moving to a range of online channels including web, mobile and social platforms
- Customer expectations will drive the transformation of the digital landscape of insurance companies across business lines
- Insurance companies have to invest in IT to keep up with the market and resolve legacy IT systems
- Businesses use Customer Identity and Access Management to understand and engage with customers

## Recommendations

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  To ensure your digital transformation is successful, you need
- to recognize, identify, authenticate and protect customers
  Insurance companies need a centralized but flexible customer identity and access management solution in order to
- compete online
  Future-proof your digital transformation with a good CIAM solution that keeps up with all the relevant developments in your field as customer, regulatory and technical requirements evolve
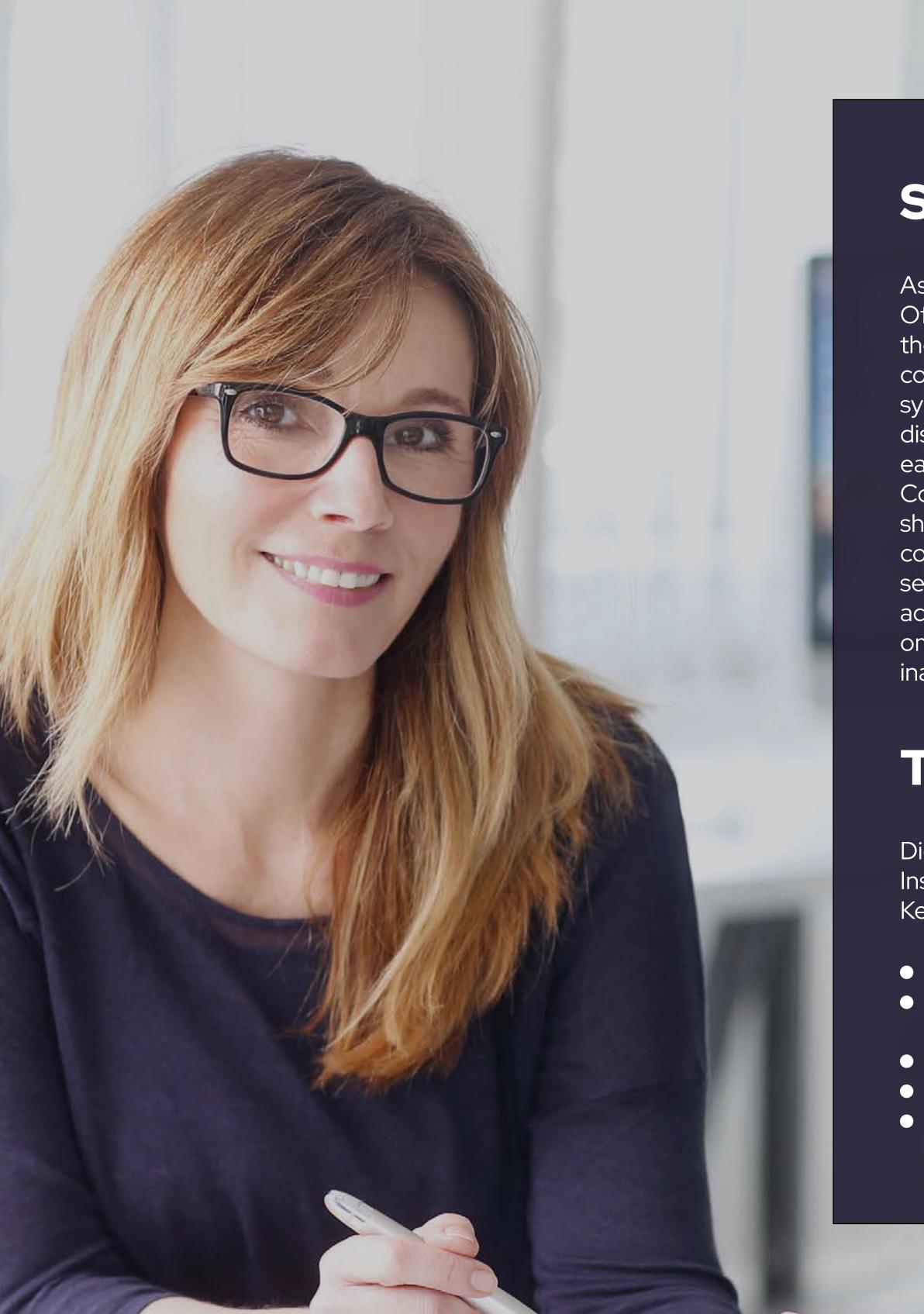
# What does digital transformation mean for insurance companies?

Digital transformation means getting your customer online, knowing who the customer is, and engaging with them in a meaningful way. Going digital allows you to interact with customers more directly and offer personalized service, reducing the number of letters sent and calls received. Many of your customer-facing processes can be automated to help save on operational costs. Technology can also make it easier to stay compliant with ever- changing legislation and regulations in the insurance industry. But more importantly, good digital technology allows you to set yourself apart by offering a smooth, intuitive digital customer experience. After all, in this highly competitive environment the customer journey is the key to success.

## Managing Digital Identities

However, bringing your customers online also increases complexity for your organization: after all, you already had information stored in an internal identity, profile or account for this customer before they started using your app or web platform, often in separate, unconnected systems. Now that customers are adding their own information, accessing it, and sometimes changing it through various interactive platforms, you have to ensure that all aspects of the customer's identity are properly managed. First of all, you need to verify that the person who creates the online account is really the customer whose information they request access to. Secondly, you must find a way to bring together to all the relevant identity information even though it might be spread across your organization. The best way to do this is to govern digital identities in a hybrid environment that offers access to various connected resources, both internal and online. Commercial CIAM systems (Customer Identity and Access Management) are designed to do just that.

## Streamlining Internal Systems

As with any transformation, going digital comes with its own unique challenges. Of these, legacy systems are one of the biggest for insurance companies and the financial sector as a whole. This is intensified by the advent of cloud computing, the mobile revolution, and proliferation of multiple disparate systems accumulated through mergers and acquisitions. To meet the needs of discerning and security-conscious online customers, insurance companies are eager to disentangle these systems and reduce their complexity. Consolidation of core systems and upgrading the (mobile) identity stacks should lead to increased agility, efficiency and cost savings. Insurance companies are discovering the power of digital. As a result, the industry has seen increased spending on a host of new technologies such as cloud, big data, advanced analytics, artificial intelligence, mobile, and social to better streamline omnichannel processes. However, all of these additions often serve to – inadvertently – complicate the internal systems landscape further.

## Transformation for Business Value

Digital transformation should not really be about technology at all. Instead, companies must focus on the business value they wish to achieve. Key benefits insurance companies typically look for are:

- Improved cost and time-efficiency
- More engagement with customers, leading to more sales and more retention
- Flexibility to respond to future customer needs quickly
- Room and tools for innovation
- Easy regulatory compliance

# Upgrading Compliance

Insurance is already a strictly regulated industry, and the regulatory environment is expected to continue developing. Regulators around the world are collaborating to define a common framework that governs international insurance groups. Market-specific regulations like the Pensions Act and Solvency II – as well as more general legislation such as the GDPR – are adding to the challenges of compliance. As a result, companies must find the right tools to manage their data agility, mobile authentication, online transactions, and governance. On top of that, amid all the new and exciting digital platforms the question of how to get customers to use them is often overlooked, resulting in disappointing ROIs.

# Compliance vs. Innovation

On the IT front, insurance companies find themselves stuck between two worlds; compliance-driven risk-adverse IT administrators versus business innovators eager to launch new customer-focused initiatives. In response to this dilemma, companies are starting to upgrade current systems and developing identity and authentication solutions intended to bridge the divide. The challenge here is to ensure they build in enough room for innovation, to avoid getting bogged down by their systems in the future. The answer? Finding the right flexible solution that meets your needs, now and in the years to come.

# Focus on the Customer journey

With the advent of the omnichannel model the customer experience has become a differentiator that allows insurance companies to interact with their customers to increase engagement. As a result, insurance companies have made a strategic shift towards a focus on delivering personalized services to their customers in the right context. But to keep customers around in the long run you have to do more than meet their expectations: you have to wow them with features or products they never knew they wanted. And user data, if gathered and analyzed correctly, will help you achieve this.

**1. Centralised data in a decentralised sales environment**
Historically, insurance companies have sold their products through agents. They promote and sell policies, act as financial advisors, and are often responsible for collecting the premiums as well. But digital information about customers must be centralized if you want to use it effectively (and to comply with the GDPR). Therefore, insurance companies must find a solution that allows them to centralize their data while maintaining the decentralized agent or intermediary structure. This can be done through delegated user management.

**2. Enabling secure mobility to gain a competitive edge**
The high penetration of smartphones, combined with the need for personalized financial services will boost the need for a robust, integrated, and easy-to-use-secure authentication solution. Customers expect a seamless experience when engaging with insurance companies, particularly in their mobile apps. Mobile engagement tools have become a basic necessity for doing business and are tied directly to the bottom line. At the same time, media headlines about stolen data have made customers increasingly security-conscious about sensitive or personal information. That is why a secure mobile identity and authentication solution is a fundamental requirement. Customers should never have any doubt that their details are safe with you.

**3. A one-stop solution to Digital Transformation**
Given all these challenges, digital transformation might look pretty daunting. But OneWelcome IAM Core offers a solution: a comprehensive CIAM platform that can tackle every aspect of digital transformation. OneWelcome IAM Core was designed for the financial sector and is regularly updated with the latest technical and regulatory requirements, so you will be able to meet the highest compliance standards. Moreover, the platform offers native banking-grade security, so you can focus on what matters most: providing an amazing customer journey.

# Optimising the Customer Journey

With OneWelcome IAM Core, you can:

**1. Configure**
You are free to configure all core identity & access processes such as
onboarding & login, unhappy flows, multi-factor authentication, delegated user
management, bring your own identity, step-up authentication, etc.

**2. Manage Channels**
A fully integrated omnichannel foundation for digital identities.

**3. Engage**
A technical foundation for scalable 1-to-1 communication with customers.

**4. Integrate**
Full customer overview with integrations into underlying core
systems.

**5. Be Compliant**
Insights in various formats to facilitate compliance with regulations such as
GDPR, PSD2, and KYC.

## About OneWelcome

OneWelcome is the leading independent European provider of cloud-based Identity & Access Management for enterprises. The OneWelcome Identity platform empowers organisations in complex and regulated industries to securely connect their employees, business partners, and customers to their preferred technologies. Many organisations, including VodafoneZiggo, PostNL, Nederlandse Spoorwegen, European Central Bank, European Space Agency, a.s.r., and Baloise trust OneWelcome to help protect their identities.

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