



TECHNOLOGY TRENDS IN THE INDIAN INSURANCE INDUSTRY

Quick Insights

Changing customer expectations are driving transformational change in insurance companies. Fintelekt's survey on technology trends lends credence to this theme.

We asked top executives from insurance companies* about the pace of change at their organization, and the influencing factors. This Quick Insights report highlights the results drawn from Fintelekt's Technology Trends Survey conducted in January 2016.

Drivers of technological investment in the insurance industry

Changing customer expectations emerged as the key reason why companies are investing in technology with 85 percent of the respondents in our survey having underscored the importance of this factor.

The advent of social media and digital platforms have brought immense power in the hands of today's consumers. The insurance industry is no less affected by this, and these trends are forcing rapid adaptation in technology consumption and service delivery among insurance companies.

62 percent of the respondents felt that meeting demands of channel partners is an important factor driving technology investments. Business transformation came a third place in terms of priority for investment decisions.

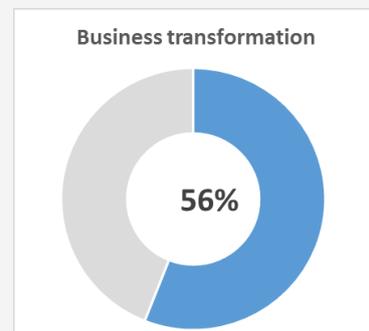
What is driving technological investment?



85% respondents considered **changing customer expectations** to be a very important driver for increased technology investment



62% respondents considered **expectations from channel partners** to be an important driver for increased technology investment

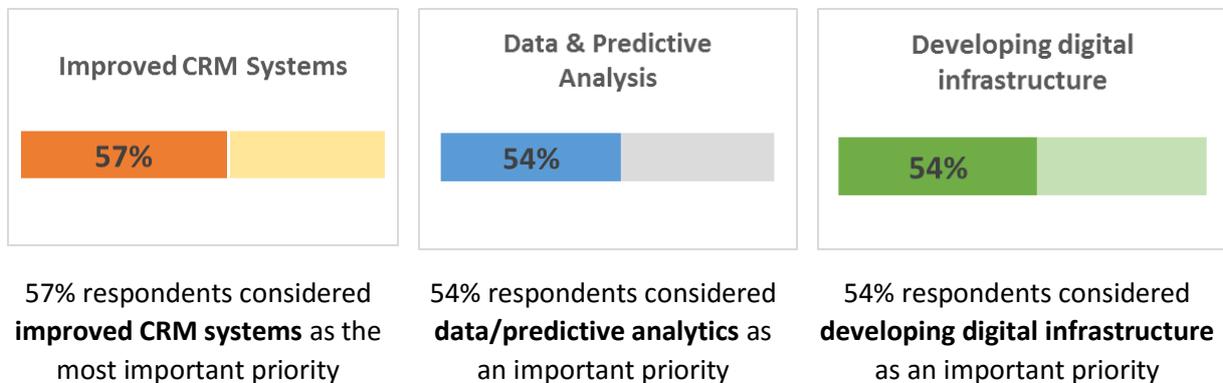


56% respondents considered **business transformation** to be an important driver for increased technology investment

How are companies keeping abreast?

Customer expectations are driving investments, but in what precise areas? Not surprisingly, improving customer relationship management within the organization gets first place when it comes to investment priorities, as per our survey. The second area of priority was data and predictive analytics, which in turn may be used towards improving the customer experience. Developing digital infrastructure was rated as an important driver by 54 percent of the respondents.

What are the priority areas for investment?

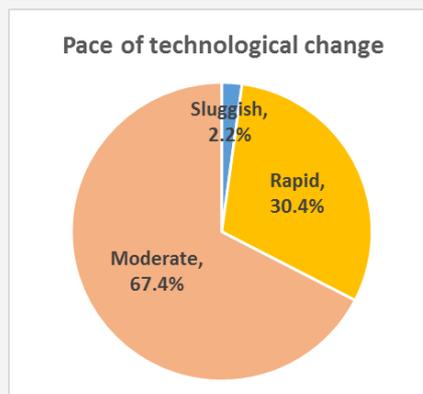


The pace of change

The customer is expected to replace all other parameters to become the single most important influencer of change in the industry, and how rapidly companies react will determine their position in the competitive dynamics. We asked companies what they thought about the rate of change in their organization. A mere 30 percent considered the rate of change to be rapid, while two-thirds of the respondents felt that it was moderate, hinting at the need to do more in order to be agile in the marketplace.

Are companies adapting fast enough?

30% respondents considered the pace of technological change in their organization to be **rapid**, while 67% thought it to be **moderate**, suggesting that companies may need to do much more in order to adapt quickly to growing expectations from customers and partners.



Way Forward

Growing expectations from customers will force unprecedented shifts toward simpler products, leaner processes and better service delivery. Organizations that will lead the marketplace in the near future will be those that can adapt to changes quickly and effectively.

**Results from a survey of insurance professionals conducted in January 2016. Respondents were senior managers or above, across life, general and health insurance companies in India.*