



Swiss Re

Corporate Solutions

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Tackling Industry Inefficiencies with Data and Digital Tech*

The COVID-19 pandemic has highlighted not only the importance of insurance itself but also the challenges our industry faces. Inefficiencies that undermine the customer experience as well as our profitability persist across the board – largely for the lack of a systematic way to gather and use data and a holistic end-to-end view of the value chain.

With its old-fashioned systems, processes and delivery mechanisms, corporate insurance has been particularly slow to adapt to the digital age. The operating model was once just about getting coverage for the best price. With less capacity available, there's now much more incentive for insurers to proactively identify, quantify and mitigate exposures so as to develop innovative and more sophisticated risk management products.

At Swiss Re Corporate Solutions, the current crisis is giving new impetus to our quest for new solutions to familiar problems. By taking a more data-driven approach and addressing industry inefficiencies, we're getting better at making the world more resilient. Let's take a closer look at the barriers to efficiency and how data and digital technology can help overcome them.

Outmoded – or simply absent – technology contributes to an unacceptably high expense ratio. Adopting leaner processes calls for scrapping legacy IT systems to make way for seamless implementation of modern business platforms.

Since we can't necessarily rely on investment portfolios anymore, we also have to improve our profitability by underwriting more granularly. This involves deploying data and modelling capabilities that allow us to better understand our own exposures, become more selective in the exposures we take on and develop more accurate pricing.

Customers deserve a well-functioning corporate insurance industry. We're transforming ourselves into a customer-focused organization by removing as much friction as possible from their experience. For instance, we've developed a state-of-the-art, cloud-based, International Programme Administration (IPA) platform that can effectively manage global risks whilst delivering local admitted policies in full compliance with relevant local regulatory and fiscal framework.

The Power of Partnerships

At the same time, we need to work together to benefit the industry as a whole. It doesn't make sense for every insurer to build its own IPA platform as the processes should be the same and even the products are similar. That's why we made it part of our mission to open our platform to both brokers and other insurers. Such ecosystems are the new economic and business markets, combining a variety of services and vendors on one platform to offer a holistic experience to the customer.

Among those partners we are already working with is LocalTapiola, a Finnish insurer, that uses our IPA platform to manage structured and compliant international programmes to its corporate customers. Similarly, we have developed and customized the IPA platform for the global Brokerslink network. This partnership will see the IPA platform being available to more than 4,500 individual brokers in the future and to allow efficient policy issuance, information management and knowledge

exchange from a single online platform. We're also running tests with other insurers in a lab environment where they can experience the full functionality of the platform and see what works for them before we build their customized solutions.

The work and effort needed to deliver such solutions – and the work that will continue to ensure we are best placed to address the inevitable future changes in our market – shouldn't be underestimated. Having not only the right technology but the right partner is thus essential to achieving a solution.

Unlocking value through smart analytics

In Corporate Solutions, we focus strongly on smart analytics to improve the efficiency of our operations and deepen our client, market and risk insights. Our internal platform, for example, enables users to perform analytics at scale by making all of our data available in a compliant manner in a central "data lake". This platform can be used to run complex analytics through intuitive apps for all their data science and machine learning needs. The combination of our risk insights and technology provides a differentiated offering that few others can provide.

In a further step to address industry inefficiencies, improve the customer experience and advance corporate insurance together, we've just teamed up with Verily, an Alphabet company, on a new entity, Coefficient Insurance Company, that focuses on employer stop-loss insurance and aims to help employers realize more value through "precision risk". This partnership leverages the strengths of both organizations by bringing together our risk knowledge, distribution capabilities and reputation in the employer stop-loss market, with Verily's core capabilities in integrating hardware, software and data science.

Understanding that technology is changing our industry and our customers' industries, all of us in the insurance business should invest in tech-driven, innovative solutions that bolster our strengths and drive differentiation. As an industry, it's part of our job to be curious, to engage with and model relevant data and partner closely with customers to help them solve their problems. Ultimately, delivering on our value proposition and desire to use advanced technology and data analytics to innovate risk management.