Copy them? Work with them? Or buy them?

InsurTechs and the digitization of insurance
Do innovative and agile InsurTechs pose an existential threat to incumbent insurers? What business models are the newcomers already applying successfully? Which ones are rapidly approaching market readiness? And which ones have the greatest potential to radically transform the industry?

This study explains the most important strategic issues surrounding digitization in the context of insurance. It also spells out how incumbent players can maintain their competitive edge going forward by drawing on their genuine strengths, adopting new business models – or combining the two.

This edition of Focus takes an in-depth look at the current InsurTech scene, analyzing its market readiness and innovative potential. The authors argue that although the start-ups with the greatest potential to disrupt the insurance landscape – InsurTechs with a background in artificial intelligence, smart sensors and data analytics – are still far from market-ready, the time has now come for insurance companies to develop and implement digitization strategies that are tailored to their own organizations. In the process, they can invest in strengthening existing business models, and they can improve the customer experience and the efficiency of their processes. Alternatively, they can seize the opportunity afforded by applications such as smart analytics to develop new business models and occupy new ecosystems.

Whichever route they take, the time to act is now. And InsurTechs can play a valuable role as sparring partners in the development of digitization strategies. They highlight the development options open to established business models and provide input for fresh ideas. It must, however, be noted that conditions on both sides vary very considerably. Few success stories can simply be cut and pasted into other contexts.
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Section 01:

Insurance in transition: The role of InsurTechs
The changes digitization is bringing to the service sector can be likened to the way the Industrial Revolution utterly transformed manufacturing industries in the 19th century. One of many areas in which we see this is in customer expectations – such as when digital natives demand easy access, absolute transparency and the mobile availability of all relevant data.

To find out which technologies and business models will shape the insurance landscape in the future and how digitization is impacting on this industry, Roland Berger investigated 250 InsurTechs around the globe. Workshops with representatives of the health, life and non-life segments and a thorough analysis of the start-up community laid the foundation for Roland Berger’s assessment.

In any industry, the emergence of start-ups is a telling indication that huge changes lie ahead for the value chain. Since newcomers and old hands alike both want to take advantage of the resultant opportunities, we also examined those digitization initiatives engaged in by insurers that are common knowledge, grouping them into four strategic lines of action.

Our investigation gave us a comprehensive insight into the digitization projects of familiar market players and new arrivals, allowing us to rate them and make recommendations on how insurance companies can advance digitization on a strategic level.

**Preview – Three key findings:**

1 – Start-ups whose offerings are rooted in artificial intelligence (AI), smart sensor InsurTechs and InsurTechs that concern themselves with data analytics are in possession of technologies that can bring fundamental change to the traditional insurance business. All three only have isolated applications that are ready to go to market. That said, they have tremendous potential for innovation on a broad scale.

2 – It is high time for insurance companies to get serious about digitization. As they seek to do so, InsurTechs can serve as useful cooperation partners, role models or acquisition targets. A positive customer experience and seamless, efficient processes will help the development of innovative smart analytics business models and new ecosystems.

3 – Insurers and start-ups are tackling the same issues, but InsurTechs have the advantage of being largely free from traditions and legacy structures. They are also acting on the basis of DNA that is digital through and through.

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Roland Berger investigated 250 InsurTechs around the globe, analyzing them in workshops with representatives of the health, life and non-life segments.
Section 02:

The hype surrounding InsurTechs: Market overview
For the purposes of this RB Focus edition, Roland Berger investigated 250 international InsurTechs. These break down into a total of ten clusters across three groups.

The market readiness and innovative potential of the 250 InsurTechs analyzed were assessed on a scale from 1 to 5. One InsurTech has been chosen as an example to illustrate each of the ten clusters. Powerful innovative potential influences and alters insurers’ existing business models. The higher the market readiness and innovative potential scores, the faster incumbent insurers must review and, where necessary, adapt their business models.

**DIGITAL CUSTOMER MANAGEMENT**

**Cluster 1: Comparison and management platforms**

Comparison platforms present customers with a comprehensive choice of all kinds of insurance. They feature customer ratings and an overview of the available insurance policies and coverage elements. Some providers have been on the market for around 20 years, so these platforms are comparatively well established. However, they do vary substantially in terms of user-friendliness and customer orientation. Intuitive ease of use and the integration of relevant information relating to insurance are key success factors.

Comparison platforms can begin to move forward by growing their services in the direction of an integrated comparison and management platform. For all types of insurance, this kind of platforms delivers complete transparency about coverage while allowing policies to be managed simply and conveniently. Many providers combine online policy management with the services of a broker. This approach exposes insurance companies to the threat of losing direct access to their customers – and hence losing the right to interact with customers directly. Brokers must prepare to face up to new, digital competitors. The scores for this cluster indicate advanced market readiness but little innovative potential, as these InsurTechs fit seamlessly into insurers’ existing value chains.

**Feelix** (www.myfeelix.de) is a German app-based comparison and management platform for insurance, financial investments, loan agreements and real estate. The software aggregates financial products and also provides advice. If customers so desire, it also draws their attention to possibilities for optimization, as well as proactively reporting changes in prices and/or benefits. Feelix provides services to end customers and solutions for brokers.

**Market readiness:** ⭐⭐⭐⭐⭐
**Innovative potential:** ⭐⭐⭐⭐⭐

**Cluster 2: Broker solutions**

InsurTechs with broker solutions sell software that digitizes brokers’ customer management activities. They mainly support small and midsized brokers who do not have a proprietary solution with which to design their processes seamlessly and efficiently. Broker solutions also give them a quick and convenient way to identify and process cross-selling opportunities and contracts that are due to expire. These InsurTechs already operate on the market, but their innovative potential is limited to digitizing existing processes.

**Insly** (www.insly.com) is a successful InsurTech that has been around for a long time. Originally from Estonia, it is now domiciled in the UK. Having started life as a spin-off from a major broker group, it makes good use of the fact that 95% of brokers are small firms. Insly provides user-friendly software that can be integrated in all of a broker’s managed insurance policies, making management much simpler and
**A: Typology of InsurTechs**

InsurTech ratings by market readiness and innovative potential. The higher the score, the faster incumbent insurers must adjust.

### Digital Customer Management

- 1. Comparison and management platforms
- 2. Broker solutions

### Innovative Services and Products

- 3. Mobility and security
- 4. Health insurance
- 5. Asset protection
- 6. Smart sensors
- 7. Peer-to-peer

### Process Optimization and Customer Selection

- 8. Robotic process automation
- 9. Data analytics
- 10. Artificial intelligence

#### Market Readiness

- 1. No established solutions – Solutions under development
- 2. Present with partial solutions/beta versions in initial markets
- 3. Present with mature solutions in initial markets
- 4. Present in many markets, small market share
- 5. Standard practice in many markets

#### Innovative Potential

- 1. Superior customer experience thanks to digitization of existing business models
- 2. Superior customer experience and significant efficiency gains thanks to digitization of existing business models
- 3. Partial redesign of the value chain – Adaptation of existing business models required
- 4. Partial redesign of the value chain and partial replacement of existing business models
- 5. Complete redesign of the value chain and replacement of existing business models

Source: Roland Berger
Digitization has opened up completely new dimensions in service development. Seizing the opportunity, some start-ups have specialized in convenience and customer-oriented products and services in one of the three branches of insurance. Since they mostly focus on very specific customer needs, the corresponding clusters are grouped according to these needs.

As a rule, InsurTechs in this group are not conventional insurers with underwriters and an actuarial department. Instead, they position themselves as front ends with a focus on service delivery. Those that evolve in the direction of traditional offerings with their own legal entity also become product providers. In addition, smart sensor InsurTechs and peer-to-peer (P2P) insurers provide new products and services across all branches of insurance.

**Cluster 3: Mobility and security**

A broad spectrum of digital solutions for mobility and security is already available. Generally speaking, digitization is gaining ground faster in non-life insurance companies than in health and life insurers, because digitization is bringing fundamental change to the former’s products. Developments such as the Internet of Things, for example, are transforming insurance into an integral component of companies’ security concepts. New providers in the non-life segment handle a decidedly wide range of activities, focusing on customer-oriented on/off insurance coverage that is very easy to activate or deactivate depending on the situation. Some providers have even gone so far as to include fairly new risks such as cyber-security in their portfolio. The mobility and security cluster is very heterogeneous. On the whole, it is comparatively strong in terms of market readiness, while its innovative potential can be described as mid-table.

**TROV** (USA, [www.trov.com](http://www.trov.com)) is a non-life on-demand insurer for roughly one million specific products – one example being insurance for mountain bikes. Customers benefit from a user-friendly smartphone app that lets them take out insurance simply by photographing the purchase receipt. Although TROV is currently only available as an app, via which products can be insured individually, the portfolio is being expanded constantly. All insurance policies that are taken out are stored in the app. Claims can be reported directly via a chat function and by sending in photos. TROV also permits micro-duration insurance: policies can be activated or deactivated with a single swipe, limiting insurance coverage to time windows when an acute threat exists.

**Market readiness:** ⬤⬤⬤⬤⬤

**Innovative potential:** ⬤⬤⬤⬤

**Cluster 4: Health insurance**

InsurTechs in the health segment often score with the singular convenience of their mobile apps. In many cases, their services extend the value chain beyond the actual insurance business – with functions such as the selection and rating of service providers, or with video consultations for medical advice. InsurTechs in this cluster already have a firm foothold in the English-speaking world. Their innovative potential is moderate due to the option of vertical integration.
**ZEST Health** (www.zesthealth.com) positions itself as a smart health concierge, offering numerous functions relating to health and healthcare. Rather than focusing on insurance, it addresses customers more on the basis of their needs and has the stated aim of keeping things as simple as possible. To do so, ZEST bundles health insurance policies, but also adds functions such as video consultations, second opinions and health programs in a single app.

**Cluster 5: Asset protection**
Compared to other branches of insurance, relatively few InsurTechs currently operate in the life insurance-based asset protection segment. Those that do so restrict their offerings to either customer-oriented digital consulting or models that create incentives for a healthy lifestyle. The latter services are also available from health insurance service and product providers. If the promised dynamic pricing ever actually materializes, however, that would hugely add to the pressure on incumbent providers. Until that happens, both market maturity and innovative potential must be regarded as low.

**Digitization opens up new dimensions. Start-ups score with convenience and customer-oriented products and services.**

**MyPension** was the first InsurTech to hit the German market with fully digital life insurance. Having gone live in fall 2016, the start-up cooperates with a financial service provider in the field of asset management and with a life insurer on pricing. MyPension’s front end is extremely user-centric, featuring simple explanations and playful elements.

**Cluster 6: Smart sensors**
Smart sensor InsurTechs provide insurance software solutions that use sensors to measure and evaluate data about people or things. This information can come from fitness trackers, for example, or from drive recorders that document driving behavior. Insurers can use this data to develop new products and services that reward, say, healthy or safety-enhancing behavior. Some smart sensor start-ups are already operating on the market. Since their approach leads to the development of new products and can completely change both actuarial activities and underwriting, they are strong on innovative potential.

**Sureify** (www.sureify.com) from the USA is an example of a smart sensor InsurTech. Acting as an insurance service provider, the platform integrates wearables and health programs in insurance processes. It is compatible with more than 250 devices and apps and gathers information from registered devices in real time. This data facilitates selection improvements in underwriting while also creating possibilities to encourage and reward healthy behaviors.

**Market readiness:** ● ● ● ● ●
**Innovative potential:** ● ● ● ● ●
Cluster 7: Peer-to-peer (P2P)

The business model operated by P2P insurers is very similar to that of cooperatives and regular insurance companies and is based on the principle of mutuality. In effect, P2P insurers are a digital variation on the traditional insurance organization that was birthed by the sharing trend. A number of individuals form an insured collective. Part of their premium is passed on to an insurance partner with which the InsurTech cooperates. The remainder stays with the group and is used to settle small claims. In the event of larger claims, the insurer covers the risk. Any money left over in one year is paid back to the group or used to reduce premiums in the following year. Unlike P2P banking, P2P insurance does not constitute a radical departure from conventional business models. Instead, it builds on existing models within the framework of the shared economy trend. Its innovative potential is fairly minor.

Guevara (https://heyguevara.com) from the UK is a peer-to-peer car insurer that, depending on the previous year’s claims, reduces annual premium payments by diversifying risk within a group of five or more people. Part of the premium stays in the group, and part of it goes to the insurer (this component is variable, depending on the size of the group). All claims are initially settled by the group. Acting along the lines of a reinsurance company, the insurer steps in only in the event of larger claims or if the pool has been used up.

Market readiness: ●●●●●
Innovative potential: ●●●●●

PROCESS OPTIMIZATION AND CUSTOMER SELECTION

Cluster 8: Robotic process automation (RPA)

Insurers and customers usually have little contact with each other – until a claim is made. Digitization is radically transforming the processes on the insurer’s side that are triggered by claims. The RPA cluster is made up of InsurTechs that position themselves as B2B providers, isolating and digitizing individual parts of the value chain such as bidding processes and benefits management. Automated processes and chatbot applications are thus gradually digitizing hitherto manual activities. Blockchain technology too will increase the level of automation and thereby further improve process efficiency. However, this technology is not restricted to the process level alone: It also has the potential to support other clusters. Some InsurTechs in the RPA segment are already stepping into the ring, but they are not yet widespread. The advanced level of automation and possibilities for new applications lead to the expectation of considerable innovative potential.

Motionscloud (http://motionscloud.com) is a German InsurTech whose claims management software slashes claims lead times for insurance companies. It enables claims management to be digitized from end to end. Customers can use self-service functions to take photos of damage and add extra information. Their input is processed online and synchronized with other data. Data analytics is used to validate documents and expose cases of fraud.

Market readiness: ●●●●●
Innovative potential: ●●●●●

Cluster 9: Data analytics

InsurTechs that concern themselves more with data than with processes make up the data analytics cluster. They too operate in the B2B segment and provide software solutions that structure and analyze large volumes of data from different sources and of varying quality in order to propose courses of action. Their primary focus is on fraud management and the generation of leads.
Only a small number of data analytics InsurTechs are up and running as yet. If they do become established, however, their new business models give them tremendous innovative potential.

**Synerscope** (www.synerscope.com) is a Dutch InsurTech that already operates successfully on the market. Synerscope feeds both structured data (forms, databases) and unstructured data (free texts, video and audio recordings) into pattern recognition algorithms and visualizes the interrelationships that this process reveals. Edited in a visual form, correlations in benefit data make it easier to identify fraudsters. The technology can also be used for in-depth loss analysis in less profitable lines of insurance. Beyond that, Synerscope helps insurers identify and preclude or charge higher premiums for hitherto unnoticed increases in risk.

**Market readiness:** ⬤ ⬤ ⬤ ⬤ ⬤
**Innovative potential:** ⬤ ⬤ ⬤ ⬤ ⬤

**AI, data analytics and smart sensors:** These InsurTechs have the greatest potential to bring fundamental change to the insurance industry.

The InsurTech scene is in a state of considerable flux right now. By no means all of the clusters outlined above are ready to go to market, and it is certainly far too early to describe all their business models as disruptive, or even just as innovative. The quality of the start-ups within each cluster likewise varies significantly. Some providers have good ideas but are not yet putting them into practice successfully. Others are doing a good job of implementation, but their original idea is not particularly innovative. Those that manage to do both are few and far between: Based on good and genuinely new approaches, they are also strong on implementation. These InsurTechs definitely have the potential to revolutionize large swathes of the insurance market. And this potential alone challenges the incumbent insurers, demanding an active response on their part. The InsurTechs with the greatest innovative potential are those in the artificial intelligence, data analytics and smart sensor clusters, although these are companies are market-ready only in certain areas. → B
**B: InsurTechs’ market readiness and innovative potential**

Data-oriented InsurTechs have the greatest potential to bring disruption.

- **Innovative potential**
  - AI
  - Smart sensors
  - Robotic process automation
  - Health insurance
  - Mobility and security
  - Data analytics
  - Comparison and management platforms
  - Broker solutions
  - Asset protection
  - Peer-to-peer

- **Market readiness**
  - Complete redesign of the value chain and replacement of existing business models
  - Superior customer experience thanks to digitization of existing business models
  - No established solutions – Solutions under development
  - Standard practice in a large number of markets

Source: Roland Berger
Section 03: Digital business models: Many roads lead to the same goal
How are insurance companies responding to this development? Well, it is high time for them to become new technology-savvy and to launch modern business models. In the process, there is a lot they can learn from InsurTechs, which they can either copy, buy or cooperate with. To get a clearer picture of what options are available to incumbent insurers in their dealings with InsurTechs, Roland Berger examined the former’s publicized digitization initiatives. These can be categorized systematically on the basis of two questions:

1. **Is the company investing in its existing business model or to develop new business models?**

2. **Is realignment based on the company’s perspective – building on existing core competencies – or is it based on rigorous customer orientation?**

The four dimensions for strategic action shown in C are derived from the answers to these questions. In the context of existing business models, digitization can serve to either increase process efficiency, improve the customer experience or combine the two. When developing new business models, the options include more intensive use of data (smart analytics), moves to occupy new digital ecosystems or, again, a combination of both aspects. How many digitization initiatives are launched and their precise nature depends above all on the size of the insurance company and its sphere of activity. If the focus is on several branches, including non-life, for example, it is reasonable to expect a broader spectrum of different initiatives than in the case of pure health or life insurers.

**CUSTOMER EXPERIENCE**

The customer experience is a core dimension of insurers’ digitization efforts. Insurance companies are attempting to leverage new technologies in a way that meets today’s changed requirements in customer communication. Mobile apps, which are becoming increasingly widespread especially in contact-intensive branches such as health insurance, are just one example.

*The app supplied by Swiss health insurer Sympany (www.sympany.ch) lets customers do things like storing their insurance card online, taking photos of and submitting invoices, accessing their policy and benefits received to date, so simply updating their address. The app not only enhances the customer experience, but also leads to seamless digital processes.*

**Opinion**

Many insurance companies have committed to digitizing their front end. Yet if processes are not genuinely digitized from end to end, the resultant media and process interruptions will ultimately disappoint the high expectations placed on digital channels. Projects to increase process efficiency are the logical consequence. Meanwhile, some insurers are working in the opposite direction, starting by raising process efficiency and only then, as a second step, developing the digital customer interaction they need for the future.

**PROCESS EFFICIENCY**

For insurers keen to have both customer-oriented and efficient processes, end-to-end digitization is the way to go to significantly reduce manual interventions. Traditional process digitization alone can boost efficiency by as much as 15 to 20%. Applying artificial intelligence too will naturally tap even greater reserves of potential. Many insurance companies have digital solutions for standard cases and high-volume processes – a tacit admission that digitization has so far been deployed largely in the service of automation. Outsourcing individual process steps such as address entry and payment in-
instructions to customers at the same time is another widespread practice. Where this is done in a form of interaction that customers find more appealing overall, the response is generally positive.

Sanitas Blua (www.sanitas.es) is a new health insurance plan from Spain’s Sanitas. Everything from initial application to health checks to signing the contract can be done online. Doctors can be “visited” by video consultation and all insurance benefits are managed in digital form. Sanitas Blua’s stated aim is to realize end-to-end digitization.

Opinion

In branches of insurance with a high cost ratio, effective end-to-end digitization is one of the most important success factors for the future. Fully digitized processes will become the industry standard, making it more difficult especially for smaller players with lots of manual processes to survive on the market. However, efficiency gains are nothing more than a stepping stone toward digital business models. The next two strategic options – smart analytics and occupying the customer interface – make more extensive use of digital potential by leaving legacy business practices and models behind.

SMART ANALYTICS

Smart analytics is the term used to describe the systematic use of data. To this end, both structured data from a range of sources (such as sensors, written documents and data published on the Internet) and unstructured data gleaned from conversations or letters is gathered. Software solutions recognize patterns in the data and cluster them, giving insurance companies more detailed insights into the behavior and needs of their customers. Armed with this information, insurers can develop tailor-made products with pricing adjusted to individual risk levels and very accurate selection.
Axā (www.axa.de) uses smart analytics to digitize its products. The company works together with several telecoms, electronics and household appliance providers and, in France, sells a smart home solution. The system collects data, analyzes it and uses the findings to make recommendations. In the event of fire or water ingress, it automatically alarms the fire service, keeping damage to a minimum. Insurance premiums are lower for smart home customers, because losses can be avoided or reduced.

Opinion
Roland Berger sees vast potential in smart analytics, as it builds on insurers’ core competency in risk-aligned pricing. Rigorous implementation would, however, lead to completely individualized pricing that runs counter to the principle of solidarity that underpins the concept of insurance. It is therefore to be expected that new risk communities – some of them considerably smaller ones – will be formed on the basis of data collected digitally.

OCCUPATION OF NEW ECOSYSTEMS
In the digital realm, customers rarely go looking for insurance for a particular product: They want a solution to a problem. That, however, goes beyond insurance alone and also embraces far more basic requirements such as the need for health and safety. By consequence, the digital world forces insurance companies to go looking for customers in the latter’s native digital context – their ecosystem. In the case of motor vehicle insurance, for example, that could be online used car dealers, public transportation providers or companies with business models based on car sharing.

Since digital ecosystems are usually dominated by a single provider, following the logic that the “winner takes it all”, it makes sense for insurers to engage with a variety of ecosystems. Die Mobiliar (www.mobiliar.ch) is an example of an insurer that is actively building its position in the ecosystems of the future. This Swiss company has acquired several small firms and start-ups operating in industries that, at first glance, have little to do with insurance. In 2013, for instance, Die Mobiliar bought a stake in Sharoo, a car-sharing cooperative. It did the same with Scout 24, a car, job and real estate platform, in 2015. In 2016, Die Mobiliar then teamed up with Mobility (another partner with an interest in Sharoo) to launch a pilot project for local bike sharing in Zurich with no fixed pick-up and return points.

Opinion
The fourth area of digitization activity – occupying the digital interface to the customer – has immense potential. Why? Because once a customer is spoken for, there is little that competitors can do. Astutely positioned insurers can play an active part in driving the digitization of the insurance industry. Actually doing so is anything but a trivial matter, however. The list of possible obstacles ranges from identifying suitable ecosystems to placing suitable products to managing digital customer relationships on an ongoing basis. Investing in such activity is certainly promising. But it is also a risky business.
Section 04:

A window of opportunity: Shaping change now
In principle, the four strategic directions outlined above are open to any and all insurance companies, regardless of whether they operate in the non-life, health or life segments. The specific options open to them nevertheless vary as a function of the insurance segment and the regulatory environment. Since limited resources are a given, few will be able to pursue all four strategies at the same time and with the same intensity. As shows, seven of the ten identified InsurTech clusters can be assigned to the fields of smart analytics and the occupation of new ecosystems. Artificial intelligence, data analytics and smart sensors – the InsurTech clusters with the greatest innovative potential – likewise touch both of these fields.

Roland Berger sees the greatest potential for success in smart analytics and new ecosystems.

Who is in pole position?

InsurTechs come into play wherever new ideas are springing up and the market is easiest to change. They are agile, and they have no troublesome legacy due, for example, to IT systems that have for years been creaking toward replacement. On the other hand, they often lack infrastructure, resources and customers’ confidence.

The situation at incumbent insurers is exactly the opposite: On the credit side, they are mostly well financed, have a broad customer base and enjoy a good reputation. On the downside, however, they have to contend with sluggish processes, bureaucratic obstacles and a corporate culture that has elevated inertia to an art form.

In other words, the opponents in both corners of the insurance ring face widely varying conditions and start from very different places. Ultimately, the winners will be those companies that succeed in harnessing the best of both worlds – dovetailing the agility of a start-up with the standing of an established player.

What options are incumbent insurers choosing?

Existing initiatives that are common knowledge show that many insurance companies see digitization initially as a way to strengthen and safeguard existing business models. Their second step is then to channel freed-up resources into the development of new business models.

It is a worthwhile exercise to regularly review one’s priorities, although smaller insurance outfits will tend to focus on one area – unlike global all-rounders, who are at liberty to pursue very different strategies in individual lines of insurance. InsurTechs play an important role in implementation. They are not only a valuable source of ideas, but can also serve as cooperation partners, both of which can help focus and accelerate the change process.

What decisions must be made?

Irrespective of the digitization option adopted, management teams have some serious decisions to make. First, they need to map out the strategic direction: Does the company want to strengthen its existing business model? Or does it want to invest in developing new models? They also need to clarify whether they want to build on existing core competencies or adopt a rigorously digital “customer’s eye-view” perspective. Depending on their size and areas of activity, companies have to decide whether to concentrate on just one of these strategies or try to combine them.

What are the success factors?

Even the most sophisticated digital strategy will fail if the organization behind it is ill-prepared for the associated (culture) change. Every company needs the digital skills to match its strategy. Innovative approaches such as design thinking and launching an innovation lab can help with the process.
**D: Strategic options as insurers go digital**
Smart analytics and the occupation of new ecosystems hold out the best prospects of success.

**Strengthen existing business models**
- Superior customer experience
  - Comparison and management platforms
    - Feelix
- Asset protection
  - myPension

**Develop new business models**
- Occupation of new ecosystems
  - Smart sensors
    - Sureify Labs
  - Health insurance
    - ZEST Health
  - Mobility and security
    - TROV

**Customer’s perspective**
- Improved process efficiency
- Broker solutions
  - Insly

**Company’s perspective**
- Smart analytics
  - AI
    - Lemonade
  - Data analytics
    - Synerscope
  - Robotic process automation
    - Motions Cloud

Source: Roland Berger
Roland Berger’s project experience also indicates that many companies are taking a long, hard look at the financial requirements for change processes – project and line budgets, for example – but that they tend to overestimate the availability of senior management resources. Yet this, precisely, is where bottlenecks often occur. Capacity to oversee change processes must be made available not only at the project level, but also in the top management echelons. It must also be kept available for the entire duration of the transformation. It is easier to manage lots of little projects than one or a small number of major projects that, while they optimize each other in the course of the program, often compete for resources with day-to-day business.

Competitors or partners?
The right way to deal with InsurTechs
InsurTechs thus lend themselves in a number of ways to the role of sparring partners in the development of digitization strategies. They can help established companies to map out development trajectories or develop new business models that serve as templates. It is nevertheless important to remember that both sets of players face widely differing circumstances, and that not all success stories can simply be cut and pasted into other contexts.

Another possible role is that of cooperation partner – in an incubator model, for example, in which both parties can fully exploit all the benefits. If an InsurTech is unwilling to cooperate, there is still the option of buying in technologies and skills. In such cases, however, the management of the incumbent firm needs to be aware that rapid integration may be counterproductive. It is therefore essential to think carefully about the integration roadmap. With a view to full integration, it is sometimes better to take things slowly.

InsurTechs are agile and have no troublesome legacy. Incumbent insurers are well financed and have a broad customer base. Yet the latter have to contend with sluggish processes and ingrained inertia.
Imprint

WE WELCOME YOUR QUESTIONS, COMMENTS AND SUGGESTIONS

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