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Analytics for insurers
The three-minute guide

Why it matters now

We're just getting started

For insurance executives, it may be easy to believe if something can be done with analytics, their organization has probably done it already. After all, insurers are the original pioneers of analytics.

But in many ways, the industry is just getting started. Predictive analytics is at the forefront of nearly every insurance company's business strategy, spurred along by new technologies and recent advances in other industries.

For insurance, predictive modeling expands beyond the walls of actuarial and pricing and is now playing strategic roles in risk management, marketing, product development, distribution, claims, and customer service.

Just as important, the industry finally has access to the tools, technologies, and processes to make it all happen.

Why insurance analytics?

It's possible to better predict the future

Insurers of all types have become great at using data to look backward—to understand what went right or wrong, what worked, and what didn't—and applying those insights to shape decisions.

Today, the arsenal of available relevant data—internal and external—is bigger than ever, and when combined, that data offers new insights into what may likely happen in the future.

This capability holds the potential to profoundly reshape how the insurance industry conducts business—across all of its sectors.

The benefits

Take underwriting and pricing to the next level
When you know more about the risks and threats you're insuring against, you're able to make smarter underwriting and pricing decisions. After all, bad decisions can cost you real money.

Streamline compliance efforts
Regulators demand greater levels of transparency from insurers. At its core, this requires that insurers have the ability to access, understand, and control the data that drives their businesses. That's where analytics can make a big difference.

Target the bottom line
Analytics can deliver smarter insights on everything from operational efficiency to customer relationships to fraud—areas that directly impact the bottom line.

Be more responsive
What if you knew exactly how consumers feel about your products, services, or company as a whole? And what if you could zero in on specific ways to address their concerns based on available internal and external information? Analytics can bring both goals within reach.

What to do now

Scrub the underlying data

Many insurers have already started the process of readying their most critical data for analytics. It doesn't need to be perfect—but it should be "solid" enough for you to feel confident that what it's telling you is true.

Define and implement controls

Enterprise-wide data quality and governance controls are essential in determining the completeness and accuracy of the data. Plus, enterprise business taxonomies, or glossaries of key terms, help confirm that business users select the right data for the report or filing they are preparing or the decision they are trying to make.

Test it

There will always be skeptics. So consider starting with an analytics project of limited scope—one that can show value quickly and inexpensively. Then share the results with those who need to see it to believe it.

Time's up

Ready to take your analytics capabilities to the next level? It's not too late, but the clock is ticking. Your competitors are likely already on the move with their own analytics agendas.

We can help you identify the gap between what you're already doing and what your ultimate objective may be, using our predefined accelerators to help you get there faster. We can also provide a leading practice-based blueprint and framework.

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