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Insurance CFO
as strategic partner
Everywhere Analytics

Achieving results and growing value
with data-driven insights





Insurers have a strong analytics tradition, but their execution is often limited by a lack of enterprise-class tools and technology. CFOs are well-positioned to lead the adoption of high-performance analytical tools supported by a well-governed data foundation to drive smarter decisions across the enterprise.

Bridging the data gap

Today, the role of the CFO is under greater scrutiny than ever before. While CFOs are well-positioned to drive additional value across the enterprise, many are challenged with reporting requirements, cost containment, and risk management.

CFOs in the insurance world have an even tougher job as they balance the additional burden of meeting ever-growing regulatory demands with the desire of their business counterparts to play a more strategic role.

Siloed data, disparate legacy systems, overly manual processes, and insufficient data governance often impede CFOs as they work to meet insurance industry demands. While many have the information they need to meet their external reporting obligations, few have the ability to drill down to the transaction level or see line-of-business details.

CFOs who gain the ability to tap these types of in-depth data can go even farther, using advanced analytics to uncover insights into ways that their organizations—and their enterprises—could potentially grow value or reduce risk.

 Advanced analytics can help CFOs uncover insights into ways their enterprises can grow value and reduce risk.

 [Read *Four Faces of the CFO*](#)

Opportunity is the flip side of challenge

Exponential increases in raw computing power have enabled advances in software for handling large amounts of data, both structured and unstructured. Sophisticated algorithms—together with visualization tools, mobility, cloud, and in-memory computing—make dramatically new approaches feasible. But these advanced tools depend on reliable, comprehensive data. By helping their companies gain access to in-depth data and thinking through how it can be used to add value, CFOs can take a big step toward building a modern analytics-driven company.

One new technology solution is particularly helpful in improving enterprise-wide access to data—and it doesn't require abandoning existing systems. A few pioneering insurers are implementing an integrated foundation for information gathered across the enterprise. This data platform is a bridge that brings together disparate, siloed data from existing systems—claims, actuarial, billing, policy administration, finance, and more—into a common, consistent, and reliable database that can be easily accessed by organizations across the enterprise. This platform is layered on top of existing legacy systems and can even bring in data from outsourced processes. This provides leaders with the information they need to make informed decisions quickly.

Information platform benefits

- *Collects* data from existing systems, including outsourcers.
- *Improves* reporting for lines of business and operational functions.
- *Compiles* a high-quality dataset, which can be traced back to the business units.
- *Connects* and automates information flows to improve data quality and accessibility for users across the enterprise.
- *Automates* access and improves data quality for risk management, cost control, operations efficiency, product mix and pricing, capital efficiency, and more.

Reaching beyond the traditional role of the CFO

The CFO is in a unique position to be a catalyst for implementing an enterprise information platform. Finance is a natural center of governance as a collector and manager of enterprise information. The culture of Finance is built on rigor, understanding, and precision, which are all required to launch an effective data and strategic analytics program.

A strong data governance capability provides the foundation for the CFO to drive value to the next level by supporting informed decision-making across the enterprise. For example, one regional insurance company is using its data platform to improve planning and analysis to drive product segmentation as well as line of business and product level P&L reporting, thereby creating improved accountability, decision-making, and capital allocation.

Read more insurance industry case studies on the next page.

Implementing a common enterprise operational and financial data platform is one of the more progressive strategies being leveraged by CFOs in a few leading insurance companies.

 **Read *Life and Annuity CFOs: Generating value using analytical insights***

Case studies

CFO-led initiatives that could transform the insurance industry

CFOs are becoming business partners and strategic advisors to their enterprises by using data-driven insights to reveal strategic opportunities for their companies. Here are a few examples:

International insurance holding company with extensive outsourced relationships across managed general agencies and third-party administrators is leveraging a modern insurance data platform to streamline operational workflow across underwriting, policy administration, billing, claims processing, and finance. The new solution provides claims analytics to help counter fraud, reduce external litigation, and increase precision in reserving.

Insurance startup seeking speed to market is building a lightweight operational footprint and modern insurance data platform to handle policy, billing, and claims processing along with financial data integration and U.S. regulatory reporting. This new solution enables a direct-to-consumer strategy, optimized pricing, and risk analytics to generate distinct competitive advantages.

North American life insurer and investment manager brought together disparate legacy systems on a modern insurance data platform integrated with a leading enterprise software vendor suite. Business benefits include reduced operational costs and lower risk due to more consistent, auditable processes and high-quality financial data for analysis and external reporting.

Regional U.S. P&C carrier undertook a legacy modernization initiative to unlock value from existing data and enrich internal data with external sources to gain deeper analytical insights. A modern insurance data platform was used to simplify the company's legacy environment and improve enterprise analytics with a focus on financial planning and analysis. Business benefits include better availability and consistency of information across finance and actuarial processes.


Catalyst for competitive advantage

The CFO who becomes the catalyst for creating a data-driven enterprise is poised to take a seat at the company's strategy table by providing valuable insights that can help influence the future direction of the company.

As a pivot point for change, CFOs who provide tools that deliver easy access to information can help decision-makers across the enterprise reduce underwriting and actuarial risk, evaluate reserves, optimize pricing, and calculate return on capital investments, just for starters.

The first step is to build a solid data foundation. From there, Finance could be well-positioned to deliver data insights and decision support, opening the door for the CFO to become a stronger business partner.

These are still early days in the transformation of insurance companies into analytics-driven businesses. Aside from a few early adopters of analytics innovation, many insurers lag behind other industries, due in part to their heavy regulatory burdens. However, the potential value as a source of competitive advantage for early movers is significant for insurers who create value and drive competitive advantage with clear focus on the fundamentals.



CFOs can earn a seat at the strategy table by helping the enterprise grow value and reduce risk.

For more information

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