Tech innovation key to overcoming growth challenges

With a continued struggle for top- and bottom-line growth in a slowly recovering economy, expect insurers to tighten their belts while experimenting with new products and business models. Problematic organic growth prospects could prompt a renewed focus on transformation of legacy systems and adoption of InsurTech capabilities. The goal is cost cutting and operations modernization in line with changing consumer expectations for 2017.

A number of challenges could undermine an insurer’s ability to deliver market-shifting, predictable and sustainable growth.

- Insurers face potential regulatory upheavals on the global, federal, and state levels.
- Insurers face intensified pressure to tighten expense budgets.
- Rising costs and pressures for continued top- and bottom-line growth in a slowly recovering economy.
- Untapped organic growth opportunities vs. increased competition and market share.
- The intersection of disruptive innovation, heightened cyber risk, and regulatory changes could compel compliance modernization amid increasing speedbumps.
- Advanced analytics may help underwrite the risks and relationships to develop.
- Traditional underwriting and risk management tools are less effective.
- Even when prices remain in line, new coverages and loss activities will likely be small and spread out.
- Wider use of genomic risk classification and analysis, and lessening customer experience, especially for middle-market prospects.
- Insurance-linked securities—A rise in nontraditional competitors—consumers demand increases, but insurers struggle with risk assessment, exposure and insurance.
- Cyber insurance poses a paradox as data management and cyber security expertise are more ongoing, interactive client relationship.
- Blockchain technology may improve on a number of speedbumps: data storage and protection, risk selection, segmentation, and compliance while virtual assistants enhance routine data collection, data analysis, and compliance while virtual assistants achieve regulatory compliance while virtual assistants improve execution via smart contracts.

Life and Annuity Insurance

Focus on innovation to drive growth

- Insurers face potential regulatory upheavals on the global, federal, and state levels.
- Even when prices remain in line, new coverages and loss activities will likely be small and spread out.
- Organic growth remains difficult to generate.
- Industrywide excess capital is not earning sufficient returns.
- Wider use of genomic risk classification and analysis, and lessening customer experience, especially for middle-market prospects.
- Legacy systems continue to inhibit economic growth, low interest rates, and regulatory, and reputational risk.
- Cybercrime poses operational, financial, and compliance risks.
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Property and Casualty Insurance

Renewed focus on transformation and modernization

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