

# The New Standard in P&C Insurance.

Made on Duck Creek.



# Contents

Results of an independent benchmark state of the market survey on insurance and technology.

Introduction .....	3
Methodology .....	5
Executive Summary .....	6
Key Findings.....	8
Calls to Action.....	20

# Introduction

The New Standard in insurance:  
why do we need it and what should it look like?

We are at a pivotal moment in the development of the global (re)insurance sector, as the market is grappling with change on an unprecedented scale. Furthermore, we are seeing that the pace of change is being accelerated by the ongoing crucible of remote work and the global volatility caused by the pandemic crisis. Given this context, we know that many insurance practitioners are asking themselves: how is this change impacting my business and what should I do about it?

To explore answers to that question, we set out to learn more about how the industry is perceiving this change. How is the business of selling, distributing,

and underwriting for these complex risks accelerating and changing? What are the barriers insurance businesses are encountering that are holding back their growth and ability to deliver value to customers, and how can they be torn down? What kind of business will spearhead the next wave of growth in (re)insurance?

We were delighted with the strong, global response that this survey received, and the many insightful comments made by the senior decision makers in our sector who responded.



As we reviewed the survey results, three big ideas came to the forefront:

1. There is a need for a “new standard” in insurance. Most respondents were optimistic about the industry’s ability to create growth, but there is no one single challenge that clearly needs to be tackled first. This is an indictment on how the current status quo does not put the industry on a path towards achieving expected growth.
2. Insurers of all types will be responsible for creating that standard. Although many startups are credited with infusing the industry with new ideas, ideas by themselves are not enough. Just as important is the ability to bring those ideas to market, and established insurers can, for the most part, do so with the scale they already have in place.
3. There is no one-size-fits-all approach to creating that standard. There are many viable strategies for achieving profitable growth, from reducing expenses to creating differentiation and improving customer engagement. A new standard can encapsulate very different strategies for different insurers, depending on the drivers of change that are impacting their businesses the most.

Presenting this concept of a new standard is not meant to initiate another conversation about the future of insurance. In fact, we believe it’s quite the opposite. We have seen the seeds of a new standard already being planted, and for many insurers, they are already bearing fruit. But for any concept to truly be considered a standard, there must be a critical mass of supporters that not only put that standard to use, but also continuously improve upon it. This survey is meant to be a fresh step in creating the awareness needed to build momentum towards creating a new standard for insurance.

I’d like to thank all respondents again for taking the time to share their insights and experiences, and hope you find the results of this survey as interesting and thought-provoking as I did.



**Michael Jackowski**  
CEO  
Duck Creek Technologies

# Methodology

Lysander Intelligence was commissioned to conduct an independent survey on behalf of Duck Creek Technologies to canvas the global (re)insurance industry's perception of the new standard in insurance and how to achieve it.

To extend the global reach of the survey, a Spanish language translation was also sent containing the same questions. Respondents from the global (re)insurance sector represented multinational businesses from territories across North America, Latin America, Europe, Africa, and the Asia Pacific region.

Multiple-choice questions were used to collect quantitative data, while qualitative data was collected in the form of additional comments on some of the questions.

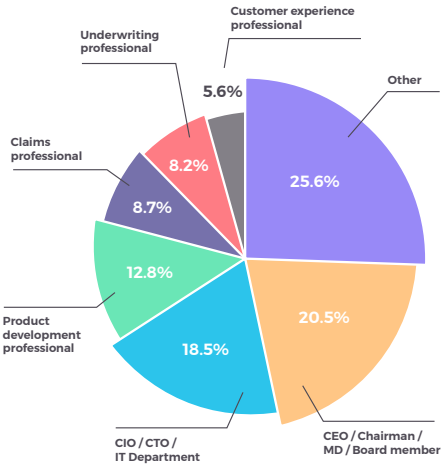
The survey was collated and reviewed during Q1 2021 and consisted of 12 questions. Respondents were given the option to skip questions if they wanted, which naturally affected overall response levels to individual questions.

All respondents completed the survey under guarantee of anonymity, and we would like to thank everyone who gave their time to take part.

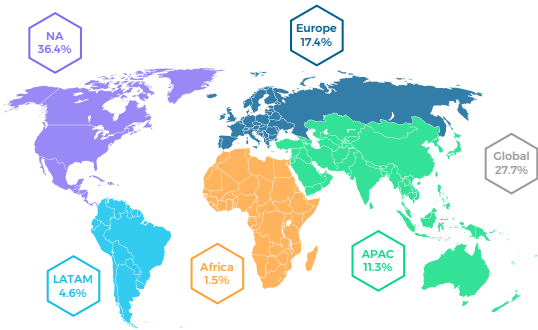


# Executive Summary

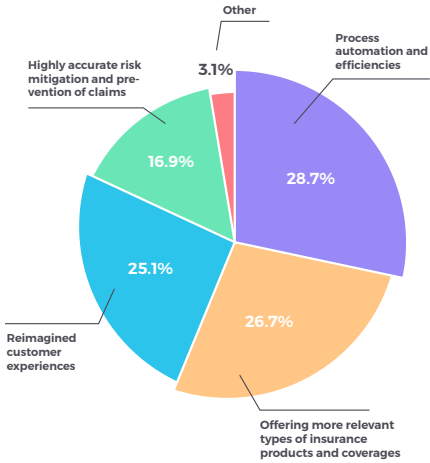
Who took the survey?



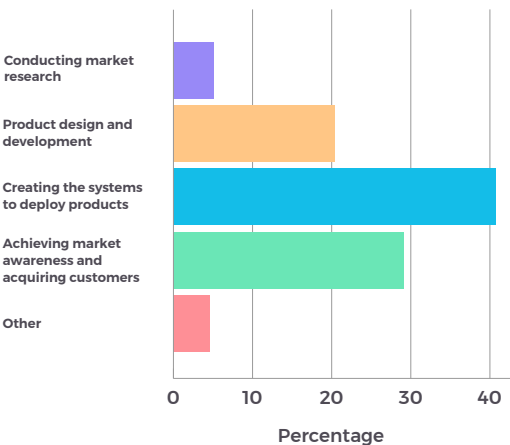
Where are the respondents from?



Which of these is the most likely profitable growth driver for an insurance business?



What is the most challenging aspect of introducing a new insurance product?



# Executive Summary

## Quotes

*“The secret sauce is finding those with the industry experience combined with technology expertise and a will to implement.”*

**Customer Experience Professional at a North American carrier**

*“Fear of change.”*

**Planning and Project Coordinator at LATAM insurer, responding to the question of what the biggest obstacle is to creating value for insurance businesses**

*“It takes an inordinate amount of time because of lack of underwriters willing to be involved unless a scheme is already running.”*

**Owner of Australian broker on why it takes so long for businesses to design, test, and deploy a new insurance product**

## Call to action

- Making efficiency and inspired potential an achievable reality for insurance businesses is the definition of the new standard for our industry.
- Insurers need to be more nimble and fleet-of-foot when designing, developing, and deploying relevant and innovative new products quickly and at scale.
- Insurers must also have the ability to build smarter customer profiles based on granular data and personalized experiences.
- Insurers must have the capability to work together and plug in to the latest innovations from challengers and disruptors in the market in order to keep growing and increasing the relevance of insurance in new and established markets around the world.
- There is no such thing as luck, and sometimes failure can be the greatest form of learning. Insurers should have the ability to adapt and pivot quickly in a fast-paced world as they navigate the path to success.

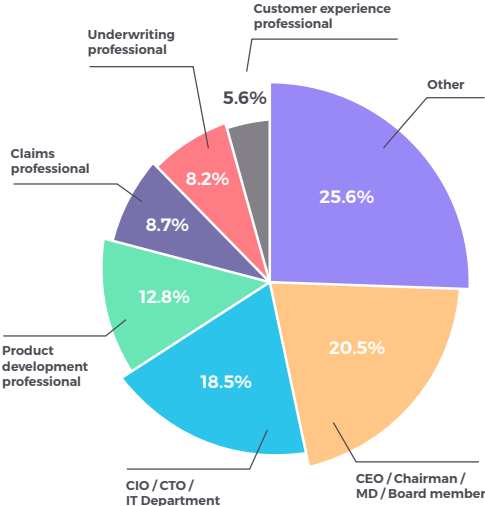
# Key Findings

## QUESTION 1

### Who took the survey?

We targeted this survey at insurance professionals in the global commercial and specialty markets, and received responses from senior executives across different disciplines in the profession.

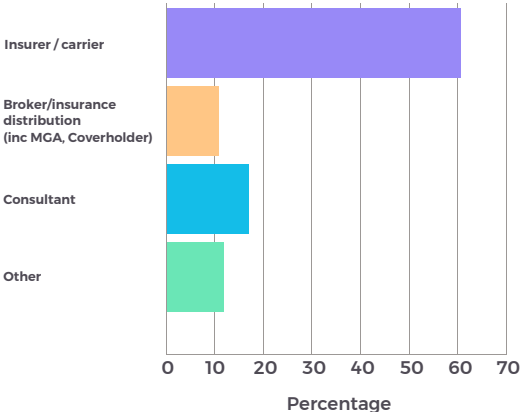
Over 20% of respondents were CEO / Chairman / Managing Director or Board member level, while 12.8% were product development professionals. Answers for “other” included specific senior (re)insurance practitioner job titles such as Vice President, Senior Director, Finance Director, Head of Accounting, Head of Insurance and Financial Services, as well as job titles from adjacent sectors including Insurance Business Analyst and Consultant.



## QUESTION 2

### What type of business do respondents work in?

The majority (over 60%) of responders worked for insurance carriers, while 10.8% were brokers, MGAs, Coverholders, or others in insurance distribution. Responses to “other” included a number of insurtechs, technology providers, and other adjacent sectors such as insurance law.



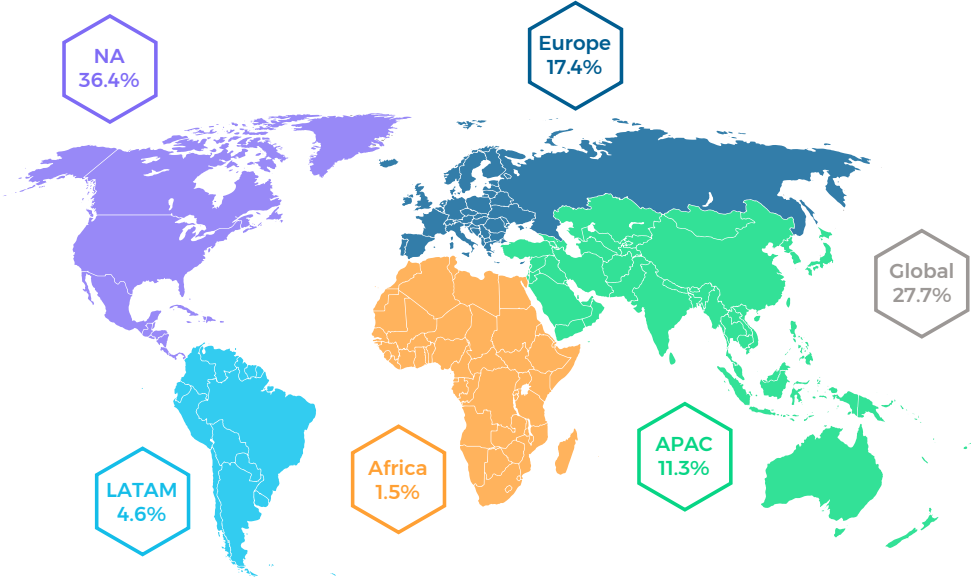


# Key Findings

## QUESTION 3

### Where are the respondents from?

We asked respondents to confirm the territory(s) that their business operated in. The results showed this is a truly global survey, with almost 30% of respondents stating that their businesses were multinational – a pertinent factor when grappling with enterprise-wide technology implementation and upgrades – while 36% said they operated in North America, and 17% operated in Europe (which for the purposes of this survey included companies operating in the U.K.).



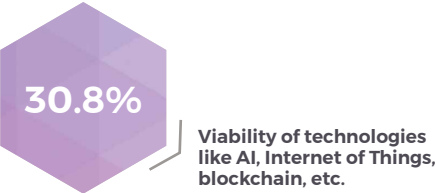
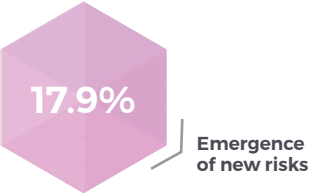
# Key Findings

## QUESTION 4

Which of these market trends is impacting global industry (insurance and others) the most, in your opinion?

Respondents were pretty clear here that new consumer preferences and behaviors are the leading trend they feel is impacting global industry the most, with 47% choosing this option. Meanwhile, the viability of technologies like artificial intelligence (AI), the Internet of Things (IOT) and blockchain ranked second with 31% of respondents choosing this option, and the emergence of new risks was the third most significant trend according to our survey.

Additional trends identified in the comments for the “other” option include low interest rates, litigation, privacy-driven prudential governance, and regulation.



*“Low interest rates.”*

Corporate Head of Operations at a multinational insurance company.

# Key Findings

## QUESTION 5

### Which companies do you think will be responsible for leading the growth of the insurance industry?

A mixed bag of responses here, indicating the perception is that there will be multiple drivers of growth in the insurance industry in the future. The most popular answers were that the challengers - startups, insurtechs, and fintechs - would lead the next wave of growth in the insurance industry (41.5%), while the establishment was the second most popular answer, with a third of respondents selecting this. Interestingly, only 10.8% of respondents felt that the big technology players would be responsible for leading growth in our industry, with more detail offered in the comments in answer to the "other" option.

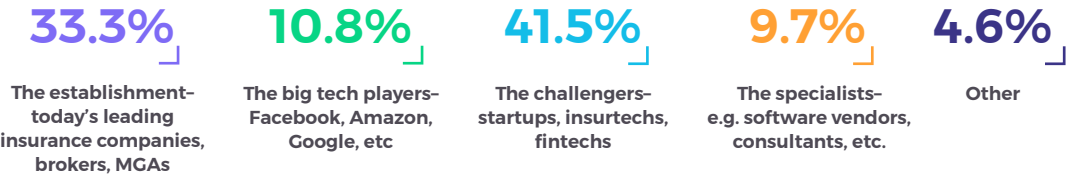
For this last option, respondents commented that they felt a combination of factors would be responsible for leading the growth of the insurance industry, including reinsurers, and the establishment partnering with the challengers.

*"Established players who can be flexible and adopt new processes and technologies."*  
**CIO at North American broker**

*"Partnerships between established insurance businesses and insurtechs."*  
**Claims Professional at European insurer**

*"Big brands and affinities with loyal customer bases, who will increasingly utilise standard insurance APIs to leverage their customer bases to sell increasingly relevant insurance products for them. These products are likely to be developed in partnership with challengers and establishment players, increasingly leveraging new data sets."*  
**Business Development Specialist at an African technology company**

*"A combination - the secret sauce is finding those with the industry experience combined with technology expertise and a will to implement."*  
**Customer Experience Professional at a North American carrier**



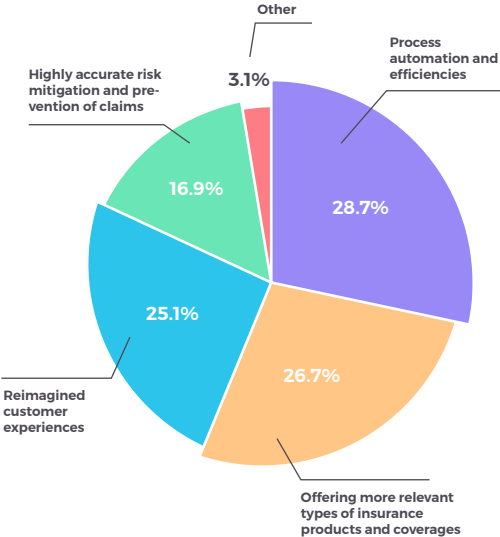
# Key Findings

## QUESTION 6

Which of these is the most likely profitable growth driver for an insurance business?

Process automation and efficiencies was the most popular answer here (28.7%), but only by a slim margin, with only slightly fewer (26.7%) feeling that offering more relevant types of insurance products and coverages would be the most likely profitable growth driver for an insurance business going forwards, followed closely by reimagined customer experiences.

As with other answers, the comments left by senior insurance professionals in answer to the “other” question offered more telling details, with the consensus emerging that growth will be driven by a combination of risk mitigation, more relevant and targeted insurance products, and increasing automation and efficiency of processes, combined with good customer experiences.



*“Growing where they are specialized and how they see fit.”*  
**Senior Director at a North American insurance carrier**

*“Pricing and marketing execution.”*  
**Underwriting Professional at an APAC insurance consultant**

*“Automation & efficiencies that unlock the insurance professional to become risk advisor / risk mentor.”*  
**Customer Experience Professional at a North American insurance carrier**

# Key Findings

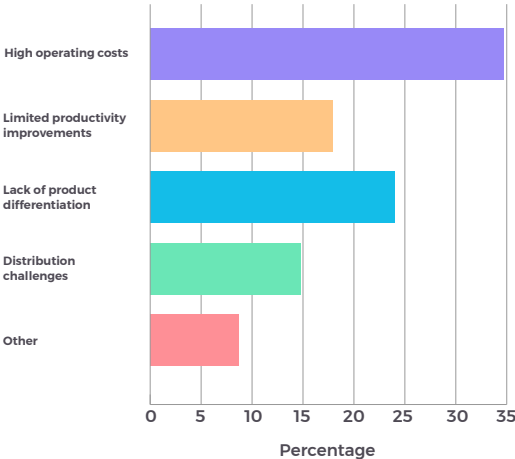
## QUESTION 7

### Which of these is the biggest obstacle to insurance businesses achieving profitable growth?

Nearly 35% of respondents identified high operating costs as the biggest obstacle to insurance businesses achieving profitable growth, followed by lack of product differentiation (24%). This question attracted some strong opinions, and really it is the comments in the “other” question that add more detail to the top responses, with respondents commonly identifying the pressure of the pace of change, speed to market, and the need for technology to keep up as obstacles to growth.

Regulation was also identified as a barrier to growth more than once in the comments, together with the battle against technical debt and slow legacy systems. Respondents also highlighted litigation as a growth restrictor, together with poor investment returns.

Overall, the responses to this question paint a picture of the insurance industry’s struggle to innovate in the emerging digital economy, and shine a spotlight on the issue of software developer talent being effectively locked out or excluded by industry complexity and antiquated legacy systems.



*“Lack of proper talent; technical debt.”*  
**CFO at a North American carrier**

*“Slow moving legacy systems.”*  
**CEO at an APAC third-party authority**

*“Lack of innovation to respond to market demand.”*  
**CEO at a multinational solution & software provider**

*“Reputational damage due to failure to meet expectations.”*  
**CEO at a Spanish insurer**

# Key Findings

## QUESTION 8

### Which is a bigger obstacle to creating value for insurance businesses?

The majority (68.4%) of respondents felt that delivering big ideas at scale across a business is the biggest obstacle to creating value, over and above coming up with the big ideas in the first place, which just under a quarter of respondents identified as the biggest obstacle.

The comments that respondents left shed more light on the challenges they feel are behind the delivery of new ideas across a business, with common themes around the struggle to execute ideas at scale, lack of strategy, and slow decision-making processes emerging.



**24.5%**

**Coming up with big ideas that create opportunities**



**68.4%**

**Delivering big ideas at scale across a business**



**7.1%**

**Other**

*"Fear of change."*

**Planning and Project Coordinator at LATAM insurer**

*"Not being able to execute strategy."*

**Underwriting Professional at APAC consultancy**

*"Organizational change management - reimagining how to work in the future and eliminating what got you where you are."*

**CIO at North American carrier**

*"Regulatory hurdles and resistance to change."*

**Consultant for the insurance sector based in Europe**

*"Very traditional sector with little appetite for risk."*

**CTO at global insurer**

*"Archaic attitude from the Boards of Directors combined with the slowness of mammoth entities and overconfidence due to a record of good results."*

**CEO at European insurer**

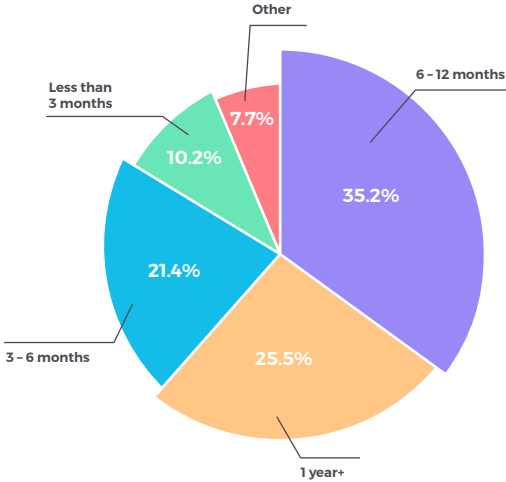
# Key Findings

## QUESTION 9

How long on average does it take for your business to design, test, and deploy a new insurance product?

Over 60% of all respondents said it took either six months to a year or over a year to design, test, and deploy a new product.

Among the respondents who left comments, there was a degree of uncertainty, with many confirming that they simply did not know how long it actually took to launch a new product from start to finish. Other common observations included factors such as the complexity of a new product impacting the timescale and the availability of data to develop the product.



*"It takes an inordinate time because of lack of underwriters willing to be involved unless a scheme is already running."*  
**Owner of Australian broker**

*"It depends on availability of usable data. If data are easily obtainable, we can design, test, and deploy new insurance products in less than a month. Otherwise three to six months."*  
**CMO at Asian insurer**

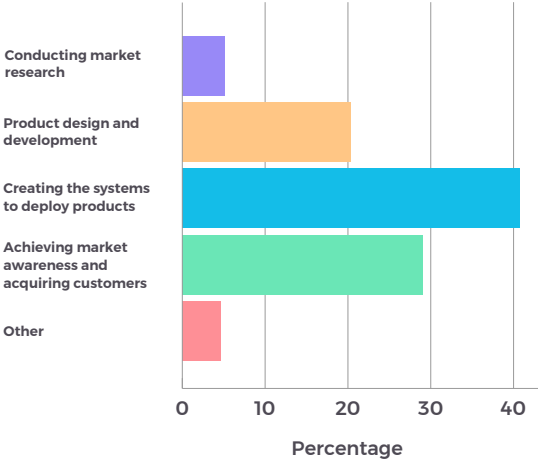
# Key Findings

## QUESTION 10

### What is the most challenging aspect of introducing a new insurance product?

Creating the systems to deploy products was the most popular answer option to this question, with over 40% of respondents agreeing that this was the most challenging aspect of introducing a new insurance product. This was followed by the challenge of achieving market awareness and acquiring new customers (nearly 30%).

Commentators commonly cited the rigidity of their business model as a factor contributing to this challenge, together with legislation and the logistics of deploying a product and creating demand / realization that there was a need for the product from potential customers.



*“Cross-system integrations needed to support a new product through the entire insurance lifecycle.”*  
**Systems Architect at multinational insurer**

*“Countrywide deployment across all dimensions.”*  
**CTO at North American carrier**

*“Rating reviews by regulatory bodies.”*  
**Finance Manager at North American carrier**



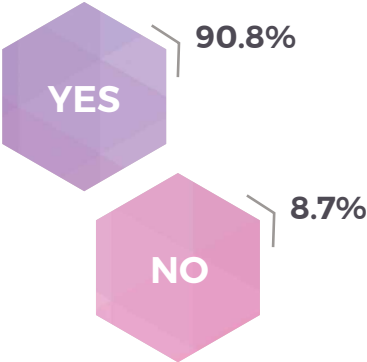
# Key Findings

## QUESTION 11

Most of the insurance industry’s growth can be credited to inflation, increased costs of living or doing business, and general economic growth. Do you think there is scope for the insurance industry to increase its relevance and growth above and beyond this?

Over 90% of respondents felt there was scope for the insurance industry to increase its relevance and growth above and beyond inflation and general economic growth – a resounding response.

This question attracted a lot of comments from senior (re)insurance executives, with common themes emerging around the need to explore new markets where insurance penetration rates are low, and the opportunity to provide better products that align to new business models and consumer demands.



*“Insurance is seen as a safety net. Finding new products of value to the customer is essential.”*  
**App Engineer at North American consultant**

*“Yes, but it will require regulations to be relaxed.”*  
**CTO at multinational insurer**

*“It’s about identifying what the insured want next in addition to the core insurance offering. This might be risk mitigation, it might be new risks and new cover for those risks. I think insurers need to get closer to the customer (especially the commercial customer) to better understand these additional needs and to service them – before someone else does.”*  
**CEO at European insurtech**

# Key Findings

Respondents also highlighted that the insurance industry needs to be bolder about embracing change and reinventing the relevance of insurance products for the public, as well as the need for the market to make a real commitment to change and simplifying processes, harnessing more data-driven insights, and finally a number of commentators flagged the need for more up-to-date and flexible regulation.



*“The core of the market maintains a preference to historic processes and standards, there is a clear path to growth, efficiencies and progress in the fintech space – the market needs to commit to this and embrace the change. It is needed!”*

**Head of Insurance Operations at multinational insurtech**

*“There are many markets with very low penetration offering significant growth opportunities.”*

**Board member at global insurer**

*“Minimizing the operating cost with the help of technology would be a masterstroke.”*

**Global insurance business analyst**

*“Non-physical business interruption is coverage that doesn’t exist and businesses are clamoring for – the pandemic has brought increased visibility to this.”*

**CEO at multinational software provider**

# Key Findings

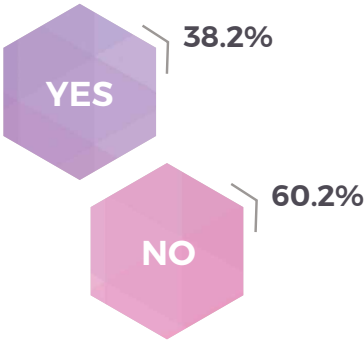
## QUESTION 12

Does your business’s customer journey/most recent insurance buying experience accommodate the typical digital barriers encountered by customers with disabilities, for instance (not limited to below examples):

- Use of keyboard controls instead of mouse for those with limited hand dexterity
- Instructions posted as text descriptions and not just images so screen readers can be used
- Resized/enlarged images and instructions still display correctly and retain functionality
- All video explainers of services are captioned
- Contrasting colors are used for text

The majority of respondents (60%) answered No to this question, indicating that there is a clear need for insurance businesses to take further steps to address inclusivity and accessibility challenges faced by insurance buyers.

Comments indicated that respondents felt there was a patchy picture across their organizations, with some products offering more accessibility to overcome typical digital barriers encountered by customers with disabilities than others. A number of respondents indicated that while fully digitally inclusive products were not currently available across the board, they were firmly on their development horizon.



*“Many in the industry lack the basics, and have very low-function legacy platforms.”*  
**North American insurance consultant**

*“Not all at the moment, but most. We are working to make sure all customer-facing tools meet that objective.”*  
**VP of carrier relations at North American technology provider to MGAs**

*“Voice commands with AI assistance.”*  
**CEO at LATAM insurtech**

# Calls to Action

The results of this survey show an incisive snapshot of the market keenly attuned to the fact that there are risks and opportunities as the global economy and technology environment evolve, and present a picture of an industry grappling to keep pace and not only grow in proportion to these changes but stay ahead of the curve.

It's clear that respondents are aware that there are many new potential markets for insurance businesses, and better ways to service existing markets, but speed and agility are needed to develop fresh products and approaches.

Insights like these drive the demand for action, but the ability to rapidly pivot and seize opportunities in a rapidly-evolving world is the critical piece of the puzzle that is lacking for too many insurance businesses around the world.

## What does the new standard look like?

Traditionally, the term “standard” has had a very prescriptive and rigid implication when used within the context of insurance. Its use has sought to answer exactly how insurers execute their business. Our use of the term takes on a different meaning as we believe that insurers need a new standard for proactively staying ahead of the increasing pace of change.

The new standard is not a technical document or a required set of rules or guidelines; it's an expectation of what insurers can achieve when they create a new level of efficiency and execution that provides the insights, intelligence, and innovation they need. With a new standard in place, insurers can:

- **Reinvent their businesses**

To meet the needs of their customers, now and in the future

- **Transform while performing**

Move from historical, static business strategies to flexible, predictive, and personalized service models

- **Innovate the experience**

Empower everyone to design and deliver winning experiences

Making this level of efficiency and execution an achievable reality for insurance businesses is the definition of the new standard for our industry. Insurers must have the ability at their fingertips to deploy new strategies quickly and at scale, as well to dedicate their full focus on achieving bold business goals even in the face of constant change – and to create more personalized experiences for all internal and external stakeholders.

# Calls to Action

## From the old standard to the new standard

The results of this survey reveal specific symptoms of the existing status quo or “old standard” within the insurance industry. These include slow product development, rigid and inflexible systems, and a limited ability to deliver customer-centric experiences.

To overcome these challenges, the insurance industry must embrace the principles that define the new standard and learn from the insurers who are leading the way in creating the new standard. Some of the outcomes that those leading insurers have achieved, and that others can use as best practices, include:

- **Building a product factory**  
Innovate new, market-relevant products, reusing common product definitions across portfolios to offer tailored coverages without creating a massive library of products that are expensive and time-consuming to maintain.
- **Running evergreen technologies**  
Move away from supporting obsolete core systems and instead build an insurance business on up-to-date, flexible software solutions that adapt to ever-changing requirements.
- **Realizing data-driven personalization**  
Leverage data to tailor experiences and decisions for all users involved in the insurance value chain. Insurers should use data to guide internal processes and enhance existing relationships, leading to efficient operations and delightful customer experiences.





## **About Duck Creek Technologies**

Duck Creek Technologies is a leading provider of core system solutions to the P&C and General insurance industry. By accessing **Duck Creek OnDemand**, the company's enterprise Software-as-a-Service solution, insurance carriers are able to navigate uncertainty and capture market opportunities faster than their competitors. Duck Creek's functionally rich solutions are available on a stand-alone basis or as a **full suite**, and all are available via Duck Creek OnDemand. For more information, visit [www.duckcreek.com](http://www.duckcreek.com).