

# Insurtech 10: Trends for 2019

## Executive Summary

In 2019 the Insurance industry will likely continue to face dramatic change driven by technological advancements, economic changes and political shifts. For Insurance CEO's, the insurtech agenda remains high on their priorities and in many cases, at the forefront of their strategy in these rapidly changing times. In fact, 73 percent of insurance CEOs agreed that they are personally prepared to lead the organization through radical transformation to remain competitive as noted in KPMG International's Global CEO Outlook<sup>1</sup>.

In light of this, the KPMG network of insurtech professionals, in collaboration with **The Digital Insurer**, have published their key trends and technological predictions for 2019. These are the trends that will continue to be the positive force in these uncertain times, helping to unlock growth, lower operating costs and drive cultural change for insurance organizations.

In the following pages, find a summary of the top 10 trends. Read our full report **Insurtech 10: Trends for 2019** for an overview of each trend, the key players and where we think this trend is headed in 2020 and beyond.



**73%** of insurance CEOs agreed that they are personally prepared to lead the organization through radical transformation to remain competitive.

<sup>1</sup>KPMG International. (2018, May). Growing pains: 2018 Global CEO Outlook. Retrieved from <https://home.kpmg/xx/en/home/insights/2018/05/ceo-outlook.html>

# Top 10 Insurtech Trends

## Trend #1

### **Digitize or die — how insurers must adopt business process transformation and become agents of change**

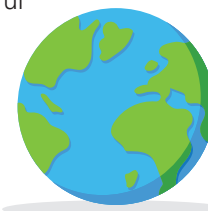
Incumbent insurers need to fundamentally change their business models, moving from siloed operations to fully connected enterprises. This requires a cultural change, a focus away from products and a move towards organizing themselves entirely around the customer, their experience and outcomes.



## Trend #2

### **Ecosystems rock — and will be coming sooner than you think**

Highly automated insurance platforms will become the new normal. The successful incumbents will be the ones who learn from them, adapting and adopting their tech where appropriate.



## Trend #3

### **It's a new game — press the reset button**

There is an increasing focus on the development of middleware solutions to reduce dependence upon legacy systems and improve access to data. These will be aimed at driving growth, internal efficiencies and the internal view of how a company works.



## Trend #4

### **Digital risk reduction**

Health ecosystems are essential for the future success of those operating in the life sector. Wearables are increasingly contributing to this market, and without access to these datasets, insurers may not be able to manage risks or engage with their customers.



## Trend #5

### **Focus on the digital customer**

Business as usual must break the models of the past. There is a need for cultural change and alignment with the specific markets insurers service, providing risk capital on different terms to a market that comprises large numbers of small risks. Insurtech allows this type of business to be profitable.



## Trend #6

### Data is the new oil – and the price is going up

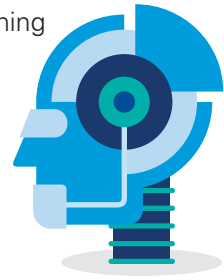
Data is the lifeblood of the new order. Any lack of data will likely create gaps and cause integration and process flow issues, so it needs to be assessed from as an end-to-end process. Insurers that lack data, or the partners and models that generate it, can expect to find their business models severely challenged.



## Trend #7

### Master AI and machine learning now

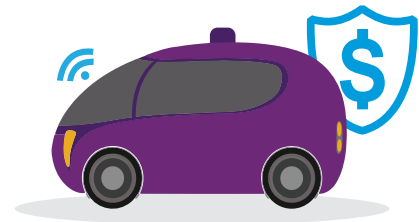
AI and machine learning is an intersectional tech with applications across the value chain and may prove to be the biggest driver of efficiency.



## Trend #8

### Auto insurance – disruption coming but direction not clear

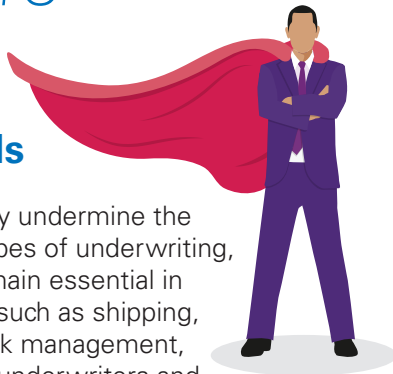
The move in auto coverage from insuring individuals to the vehicle will continue. It's likely that automakers may develop their own ecosystems to package insurance into their interaction with their client. Driverless vehicles continue to be developed and further disruption may be caused by new entrants that are not traditionally associated with the transport market.



## Trend #9

### New role for the oldest skills

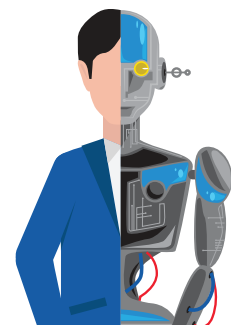
Big data will likely undermine the role of certain types of underwriting, though it will remain essential in specialist areas, such as shipping, key employee risk management, etc. The skills of underwriters and actuaries will still be in high demand and can be redeployed into offering greater understanding of the vast amount of data that a digital insurer generates.



## Trend #10

### Skill up and reorganize urgently for a digital world

Good companies need good people. Recruiting and retaining employees is expected to become more important as engaged and happy employees create a 'vibe' that translates into happier customers. In insurance, a happy customer is usually a loyal customer.



# How KPMG member firms can help

In an ever-evolving digital landscape, insurers need to remain aware, critical and decisive in their insurtech strategies.

Shifting focus towards long-term customer loyalty, reducing operating inefficiencies and driving increased profits can only be done with effective development and implementation of new technology.

KPMG member firms have a committed, experienced global insurtech network and strong relationships, who collaborate to help organizations across general, life and reinsurance, cut through the complex technological landscape, helping them find the right solutions to address their most demanding strategic technological challenges.

## For more information, contact:

**Laura Hay**  
Global Head of Insurance  
KPMG International  
E: [ljhay@kpmg.com](mailto:ljhay@kpmg.com)

**Will Pritchett**  
Global Head of Insurtech  
KPMG International  
E: [will.pritchett@kpmg.co.uk](mailto:will.pritchett@kpmg.co.uk)

## Country Leads

**Ilanit Adesman**  
Partner, Financial Risk  
Management  
Insurtech Lead  
KPMG in Israel  
E: [iadesman@kpmg.com](mailto:iadesman@kpmg.com)

**Yoshi Makita**  
Director, Technology Strategy  
& Performance  
Insurtech Lead  
KPMG in Australia  
E: [ymakita1@kpmg.com.au](mailto:ymakita1@kpmg.com.au)

**Roman Ryzer**  
Executive Director,  
Management Consulting  
Insurtech Lead  
KPMG in Canada  
E: [rryzer@kpmg.ca](mailto:rryzer@kpmg.ca)

**Paul Brenchley**  
Partner, Insurance Advisory  
Insurtech Lead  
KPMG in Singapore  
E: [paulbrenchley@kpmg.com.sg](mailto:paulbrenchley@kpmg.com.sg)

**David Milligan**  
Director & CEO Matchi  
Insurtech Lead  
KPMG in South Africa  
E: [david.milligan@matchi.biz](mailto:david.milligan@matchi.biz)

**Simona Scattalia Cartago**  
Partner, Technology &  
Accounting Change  
Implementation  
Insurtech Lead  
KPMG in Italy  
E: [sscattaglia@kpmg.it](mailto:sscattaglia@kpmg.it)

**Heiner Hoefler**  
Partner, Financial Services  
Insurtech Lead  
KPMG in Germany  
E: [hhoefler@kpmg.com](mailto:hhoefler@kpmg.com)

**James O'Callaghan**  
Head of Technology Enablement  
Insurtech Lead  
KPMG China  
E: [james.ocallaghan@kpmg.com](mailto:james.ocallaghan@kpmg.com)

**Bo Huang**  
Partner, Actuarial Service  
Insurtech Lead  
KPMG in China  
E: [bo.huang@kpmg.com](mailto:bo.huang@kpmg.com)

**Gary Plotkin**  
Principal, Management  
Consulting  
Insurtech Lead  
KPMG in the US  
E: [gplotkin@kpmg.com](mailto:gplotkin@kpmg.com)

[kpmg.com/socialmedia](https://kpmg.com/socialmedia)



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2019 KPMG International Cooperative ("KPMG International"), a Swiss entity. Member firms of the KPMG network of independent firms are affiliated with KPMG International. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm. All rights reserved.

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

Designed by Evalueserve.

Publication name: Insurtech 10: Trends for 2019 | Publication number: 136105-G

Publication date: March 2019