World's Largest Insurers Recognize Business Ecosystems and Incubators as Digitalization Enablers

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Digitalization and analytics continue to dominate the technology announcements of the world's 25 largest insurers. However, insurance CIOs are increasingly focused on partnerships and ecosystems to create new products and services.

Key Findings

- The number of publicly announced initiatives from global insurance companies increased modestly by 8% in 2016 over 2015.
- Digitalization and analytics continue to dominate the focus of most publicly announced initiatives, and account for more than half of the initiatives in 2016.
- Platforms and ecosystem partnerships were themes in 30% of the announcements. Global insurance CIOs are recognizing that transforming digital and analytics capabilities requires partners that can accelerate initiative delivery.
- While still small in number, blockchain, artificial intelligence and machine learning have emerged in some announcements, indicating that insurance CIOs are beginning to take more public bets on emerging technologies.

Recommendations

Insurance CIOs driving digital change via IT innovation:

- Use this list of the IT initiatives of the world's largest insurers to transfer knowledge to your business peers. This research will spur innovative thinking by demonstrating real-life use cases.
- Create a list of possible innovative products and services by identifying areas where participating in an incubator, or partnering with insurtechs and academic institutions, could create synergies with your digital roadmap.
- Incorporate or introduce disruptive technologies, such as artificial intelligence, into your digitalization strategy to leapfrog your competition. These technologies can be translated into innovative products and services.

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**Strategic Planning Assumptions**

By year-end 2018, more than half of life and property and casualty (P&C) insurers worldwide will partner with or acquire insurtech startups to secure their competitive positions.

By year-end 2020, insurers orchestrating a business platform will be twice as profitable as nonplatform players.
Analysis

Overall, 2016 saw 8% growth over 2015 in the total number of publicly announced IT initiatives for the 25 largest global insurers,\(^1\) as measured by net premiums written.\(^2\) In 2016, we saw 105 publicly announced IT initiatives versus 97 in 2015. This is fairly consistent with Gartner's 2017 IT Key Metrics Data, which found that insurers' IT spending as a percentage of gross written premiums increased to 3.2% of revenue in 2016 versus 2.9% in 2015,\(^3\) which is a 10% change. According to Gartner's 2017 CIO Survey, this translated into an average IT budget increase of 3% in 2016 over the year before.

Year-over-year modest growth in announcements could signify incremental improvement to global insurance IT capabilities. Regardless, the modest growth does not indicate near-term transformation of these companies.

At the same time, the number of applied technology categories grew in 2016, which reflects greater diversity among technology investments. New technology categories include augmented reality, blockchain, machine learning, platforms and business ecosystems, and usage-based insurance. This indicates that, while the total number of initiatives has not changed significantly, the scope and nature of many initiatives have changed significantly.

According to Gartner's 2017 CIO Survey, the development and orchestration of digital ecosystems are becoming a critical success factor in meeting today's market demands. In addition, the survey indicates that business intelligence (BI) and analytics, and digitalization and digital marketing, ranked as the top discretionary investments by the highest number of insurance CIOs.\(^4\) Gartner's analysis of publicly announced IT initiatives of the world’s 25 largest insurers, based on net premium income, supports these findings (see the Appendix section).

The central premise for 30% of all announcements was IT platforms (that is, the combination of technologies that share assets, such as data, algorithms and transactions with business ecosystems) and ecosystems, even though it was a new entry for this year. This takes third place in the ranking of all announced initiatives behind digitalization and analytics. This is an important recognition by global insurance CIOs that digitalization will not be fully realized by insurers that strive to own 100% of the value chain.

In addition, new advanced technology initiatives were announced this year, including ones associated with blockchain, usage-based insurance and machine learning. While these represent a small percentage, insurers are starting to feel more comfortable making public announcements about them. As use cases evolve and capabilities mature, these technology capabilities should grow in utilization (see Figure 1).
This research refreshes our findings from last year’s research that also made use of publicly available IT investments (see "Digitalization, Analytics and the Internet of Things Dominate Investments of World's Largest Insurers"). For this research, we utilize only publicly available data on insurer's IT investments. We included industry and financial media reports on insurers' IT investments and strategic initiatives, as well as insurer announcements about their IT advances and product introductions. These announcements are not a full representation of all the IT investments in the insurance industry, either because the investments are still in the ideation stage, or because their strategic importance precludes their being in the public domain. However, the largest insurers still found them of significant value to announce them in the public domain. Thus, the publicly communicated IT initiatives provide an overview of the strategic IT priorities of leading insurers.

**Partnerships Are Enhancing Internal Digital and Analytics Capabilities**

Global insurance CIOs are recognizing that transforming digital and analytics capabilities requires partners that can accelerate initiative delivery. While digitalization and analytics top this year’s list of applied technologies, a deeper dive is pointing to changes in how they are conducted.

Digitalization initiatives were diverse and multifaceted, with almost 8% having an Internet of Things (IoT) integration premise, and 13% having a focus on building business ecosystems in addition to delivering traditional capabilities, such as improved customer centricity and product and service innovation. Cloud computing, however, was not prominent in this year’s initiatives. One possible reason is that it has become so mainstream that it is no longer newsworthy.
The emergence of platform and business ecosystem initiatives is a notable new category in this year's research, but life insurers are not embracing this as much as other lines of business are. A platform business is an organization that enables value-creating interactions between people, businesses and things (see "Winning in the Platform Game, Part 2: Creating a Foundation for Platform Business Success"). P&C and healthcare insurers combined represent over 60% of these initiatives, the majority of which were focused on improving product and service innovation. Approximately 75% of these initiatives are taking place in Europe and Asia/Pacific. P&C and healthcare insurers also dominate the category of wearables and connected devices, with over 80% of all announced initiatives in these lines of business (LOBs). This would be expected, given the applicable use cases in property and healthcare settings, and the more immediate measurable effects they have, compared with life insurance.

Some insurers, in different LOBs, are also experimenting with a variety of technologies such as machine learning or other artificial-intelligence-based solutions, to automate operations, such as contact centers, interactive voice response (IVR) and decision support that uses virtual advisors. Though these technologies have less mainstream adoption than other digital technologies, such as portals, Gartner believes that, over time, they will be transformational in automating many insurance functions. Insurance CIOs are looking outside of their organizations to partnerships for delivering this capability (see Figure 2).
Multifaceted and Diverse Strategies Are Driving Digitalization and IT Innovation

When we analyzed the publicly announced IT initiatives of the world’s largest insurers, we identified four categories of business drivers for them:

1. **Innovation** — Innovation was a key driver in this year’s initiatives. CIOs are being looked to as a source of competitive differentiation. Examples of innovation initiatives include investments in accelerators, the rollout of usage-based insurance, and products that support autonomous vehicles and telematics.

2. **Customer interaction** — Twenty-two percent of all business drivers mapped to initiatives had customer-facing capabilities attributed to them, including improved customer centricity,
increased mobile capability, better interaction with intermediaries, and increased reach and access. Examples include personalized tools for guidance, such as roboadvisors, and e-commerce initiatives, such as creation of online portals or integration with online marketplaces.

3. **Scale** — Global insurers recognize that, to be competitive, they must build or acquire scale through partners. Just over 20% of all business drivers were focused on either building partner business ecosystems or integrating with IoT, as opposed to internally focused initiatives. Gartner believes that insurance and IT leaders cannot successfully execute digital transformation by themselves and need an ecosystem of partners, such as startup companies and third-party service providers.

At the same time, CIOs also recognize that their internal infrastructure and IT debt must be addressed. This is evident in that 15% of business drivers were attributed to either lowering cost, modernizing core systems or reducing fraud. It should be noted that the absolute number of legacy modernization initiatives dropped in 2016. This could result in harsh lessons for insurers that do not renovate core systems that will need to support digital products.

4. **Analytics** — Underpinning the three categories above is data analytics. Thirty-seven percent of all initiatives had an analytics business driver mapped to it. Analytics announcements spanned a wide variety of initiatives — from advanced machine learning and AI, and analyzing customer data aggregated from wearables and connected devices for use in wellness programs and usage-based insurance, to predictive analytics for workers’ compensation, and analytics to lower cost (see Figure 3).

**Figure 3. Distribution of Business Drivers Across Publicly Announced Initiatives**

- Innovate products and services
- Build partner business ecosystems
- Improve analytical capabilities
- Improve customer centricity
- Lower costs
- Scale IT infrastructure
- Integrate IoT
- Increase mobile capabilities
- R&D/spur innovation
- Modernize core systems
- Increase reach and access
- Reduce fraud
- Better interact with intermediaries

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n = 302

Source: Gartner (April 2017)
P&C and Health Insurers Dominate Publicly Announced IT Initiatives

P&C and healthcare insurers continue to dominate the number of published initiatives. Sixty percent of reported initiatives were undertaken by P&C insurers (34%) and health insurers (26% — see Figure 4). One reason for the underrepresentation of life insurers is that, while most of the largest insurers underwrite multiple LOBs, there are very few pure life insurance players in the top 25 global insurer list, such as MetLife, Nippon Life Insurance and China Life Insurance. Another reason is that P&C and healthcare insurers have more off-the-shelf use cases for technology, such as wearables, platforms and ecosystems, and mobile apps, as well as less risk-averse cultures.

Figure 4. Digitalization Announcements by Lines of Business

![Pie chart showing distribution of digitalization announcements by lines of business.]

n = 104

Source: Gartner (April 2017)

Insurers From Around the World Are Executing Their Digital Strategies

Thirty-eight percent of all publicly announced IT initiatives of the world’s largest insurers are being launched in the U.S., followed by Europe (30%), the Asia/Pacific region (26%), and globally applied investments (5%). Latin America and Africa each contributed 1%. If we use publicly announced initiatives as a bellwether, based on the number of companies whose headquarters are domiciled in the U.S. (40%), Europe (24%) and Asia/Pacific (36%), Europe appears to be leading the globe's digitalization efforts at the moment. The data also indicates that digitalization is expanding globally with the addition of Latin America and Africa.
### Appendix

#### Table 1. IT Initiatives of the World’s Largest Insurers During 2016

<table>
<thead>
<tr>
<th>Insurer (Country — Net Premiums Written in 2015)</th>
<th>IT Initiatives</th>
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| UnitedHealth Group (U.S. — $127 billion)        | Wearables:  
  - UnitedHealthcare partnered with Qualcomm to launch a device-enabled, rewards-based employee wellness plan. The data from devices is sent to Qualcomm’s connected health platform, and users get rewards for completing challenges.  

Platforms and ecosystems:  
  - UnitedHealthcare launched an online program that provides resources for caregivers and their families, personalized information, a discounted marketplace, and a forum for ongoing support.  

Tech incubator:  
  - UnitedHealth Group will collaborate with the University of California to develop the next generation of healthcare data scientists, which would create more-affordable health insurance products. |
| Axa (France — $95 billion)                      | Direct to customers:  
  - Axa Sure mobile app was launched so customers could create a digital inventory of household items, along with bills and photos of items. The user can also retrieve the coverage charges to insure the items and submit the claim through the app.  

  - Axa partnered with Africa Internet Group (AIG) to sell Axa’s insurance products and services through Jumia and its other online and mobile platforms in Africa.  

  - Axa and Alibaba Group engaged in a global strategic partnership to distribute Axa’s insurance products through Alibaba’s global e-commerce ecosystem for B2B and B2C segments.  

  - Axa launched a new initiative to improve two-way customer engagement and seek customer feedback regularly to create or build in new features that customers want.  

Platforms and ecosystems:  
  - Axa partnered with Grab in Singapore to offer usage-based insurance (UBI) to private-hire car drivers who drive part-time to pick up passengers.  

  - Axa will sponsor four Data Driven NYC Meetups, which are focused on emerging startups, creation of new products and technologies, new business models, and funding trends.  

  - Axa partners with insurance startup Trov to launch on-demand insurance products, available and managed through a mobile app.  

IoT:  
  - Axa partnered with British Gas to offer Axa-underwritten home insurance to British Gas customers. The users buying British Gas’s Hive connected products are redirected to Axa’s website. |
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<tr>
<th>Insurer (Country — Net Premiums Written in 2015)</th>
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<tbody>
<tr>
<td>Axa auto insurance will be offered by Octo Telematics to its customers who use its free smartphone app Octo U. The app monitors driver behavior and sends tips to improve.</td>
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<tr>
<td>Platforms and ecosystems:</td>
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<tr>
<td>- Allianz took a minority stake in simplesurance, a startup and e-commerce provider to distribute Allianz insurance products online in 28 European countries.</td>
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<tr>
<td>- Allianz acquired a minority stake in MoneyFarm, a roboadvisor company for investment business. It will provide automated advisory for clients that can be accessed online.</td>
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<td>- Allianz invested in Nauto, a self-driving telematics startup that uses cameras, motion sensors, GPS and AI to help drivers refocus and avoid accidents.</td>
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<tr>
<td>- Allianz partnered with Locomote, an Australian travel platform, to sell Allianz’s travel insurance products and services to users booking their travel on the online platform.</td>
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<tr>
<td>Blockchain:</td>
<td></td>
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<tr>
<td>- Allianz successfully completed a trial of blockchain-based smart contracts to accelerate and simplify transaction processing and settlement of funds for its catastrophe swaps and bonds.</td>
<td></td>
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<tr>
<td>IoT:</td>
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<tr>
<td>- Allianz deployed IMS’s DriveSync connected car platform for precise vehicle identification, real-time driver behavior and rewards, and accurate driver coaching.</td>
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<tr>
<td>Digitalization and business process management (BPM):</td>
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<tr>
<td>- Generali partnered with Microsoft for digital business transformation, to enhance employees’ and partners’ efficiency, improve processes and revenues, and develop new insurance products.</td>
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<tr>
<td>Analytics and telematics:</td>
<td></td>
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<tr>
<td>- Generali initiated an R&amp;D agreement with Progressive Insurance to improve its individual data analytics capabilities and reward safer drivers, and provide personalized feedback.</td>
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<td>- Generali established its own business intelligence and data mining unit to better manage risk and implement business decisions based on fact.</td>
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<tr>
<td>Blockchain:</td>
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<tr>
<td>- Generali has joined the European Insurance Blockchain Alliance to explore the technology’s impact on improving internal processes, transparency and cost-efficiency.</td>
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<tr>
<td>Analytics:</td>
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<tr>
<td>- Anthem announced a multiyear extension of its partnership with Inovalon to implement its cloud-based, point-of-care healthcare analytics technology.</td>
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<td>- Anthem opened its innovation center with a multidisciplinary team to enhance the consumer healthcare experience, improve care quality and lower healthcare costs.</td>
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<td>- Anthem launched Dental Care Cost Estimator, a web-based tool to estimate costs for common dental procedures and users to conduct assessments to predict their risk of developing dental problems.</td>
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<td>Insurer (Country — Net Premiums Written in 2015)</td>
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<td><strong>Insurer</strong> (Country — Net Premiums Written in 2015)</td>
<td><strong>Mobile app:</strong></td>
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<tr>
<td><strong>Insurer</strong> (Country — Net Premiums Written in 2015)</td>
<td>■ <strong>Anthem introduced a mobile app</strong> for evidence-based health interventions to prevent obesity in children. The app will also provide personal coaching and record physical activities.</td>
</tr>
<tr>
<td><strong>Insurer</strong> (Country — Net Premiums Written in 2015)</td>
<td>■ <strong>Anthem launched StudentHealth app</strong> for students to access their health insurance plan details and lifestyle tips through a mobile app.</td>
</tr>
<tr>
<td><strong>Insurer</strong> (Country — Net Premiums Written in 2015)</td>
<td>■ <strong>Anthem is offering telehealth visits</strong> in Spanish via a smartphone or tablet. The doctors can provide treatment to a member and even send a prescription to the pharmacy.</td>
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<tr>
<td><strong>China Life Insurance (China — $70 billion)</strong></td>
<td><strong>Digitalization and BPM:</strong></td>
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<tr>
<td><strong>China Life Insurance (China — $70 billion)</strong></td>
<td>■ <strong>China Life is investing in the areas of cloud computing and big data</strong> for designing a complete enterprise cloud structure. In addition to innovating its business applications, it is working toward enhancement of customers’ experience and operational effectiveness to promote the transformation of sales, services and operational model.</td>
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<tr>
<td><strong>Kaiser Family Foundation (U.S. — $67 billion)</strong></td>
<td><strong>Analytics:</strong></td>
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<tr>
<td><strong>Kaiser Family Foundation (U.S. — $67 billion)</strong></td>
<td>■ <strong>Kaiser is working with IBM</strong> to focus on predictive analytics, cognitive services, event awareness and event processing to improve its decision management system.</td>
</tr>
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<td><strong>Kaiser Family Foundation (U.S. — $67 billion)</strong></td>
<td><strong>Mobile app:</strong></td>
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<tr>
<td><strong>Kaiser Family Foundation (U.S. — $67 billion)</strong></td>
<td>■ <strong>Kaiser launched a mobile app</strong> to replace the physical membership card with a digital card in the smartphone that can be used for making appointments, picking up prescriptions and so on.</td>
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<td><strong>State Farm (U.S. — $65 billion)</strong></td>
<td><strong>IoT:</strong></td>
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<td><strong>State Farm (U.S. — $65 billion)</strong></td>
<td>■ <strong>State Farm partnered with Airware,</strong> which will now offer the insurer its drones and pilots to help roof insurance claims adjusters better assess the risk and expedite the claims settlement process.</td>
</tr>
<tr>
<td><strong>State Farm (U.S. — $65 billion)</strong></td>
<td>■ <strong>State Farm received a patent</strong> for a system that includes a wearable computing device that could alert drivers, through a poke or vibration, who show signs of being drowsy or distracted.</td>
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<td><strong>State Farm (U.S. — $65 billion)</strong></td>
<td>■ <strong>State Farm, in collaboration with carmakers,</strong> is researching at the University of Michigan’s testing facility for self-driving cars, gathering data that could help the company tailor insurance policies.</td>
</tr>
<tr>
<td><strong>State Farm (U.S. — $65 billion)</strong></td>
<td>■ <strong>State Farm teamed up with the Nevada Department of Motor Vehicles (Nevada DMV)</strong> to launch a telematics mobile app, RoadReady, to help teen drivers learn to drive safely.</td>
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<tr>
<td><strong>Nippon Life Insurance (Japan — $56 billion)</strong></td>
<td><strong>Analytics:</strong></td>
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<tr>
<td><strong>Nippon Life Insurance (Japan — $56 billion)</strong></td>
<td>■ <strong>Nippon Life Insurance is using an AI</strong> system to assist its sales staff, while recommending coverage plans for its customers, to increase the sales conversion rate.</td>
</tr>
<tr>
<td><strong>Nippon Life Insurance (Japan — $56 billion)</strong></td>
<td><strong>Digitalization and BPM:</strong></td>
</tr>
<tr>
<td><strong>Nippon Life Insurance (Japan — $56 billion)</strong></td>
<td>■ <strong>Nippon Life developed a system</strong> to sell insurance products at financial institution counters and uses Japan’s personal number system to take actions.</td>
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<tr>
<td>Insurer (Country — Net Premiums Written in 2015)</td>
<td>IT Initiatives</td>
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| **Ping An Insurance (Group) Company of China (China — $56 billion)** | Mobile health:  
  ■ Ping An’s mobile health platform, called Ping An Haoyisheng, raised $500 million in funding. The app provides online consultation services and pharmacy services, among others.  
  ■ Ping An launched its “Mobile Medical Records” platform that users can access for medical record retrieval, health assessment, smart self-diagnosis and more.  
  ■ Ping An invested in a startup called CliniCloud that created a mobile connected digital stethoscope and noncontact thermometer. The app offers self-guided checkups, analysis of vital trends of health data stored on the app and even access to the doctor. |
| **People’s Insurance Company of China (China — $55 billion)** | Mobile health:  
  ■ People’s Insurance Company of China (PICC) partnered with a mobile health app to provide PICC clients with online health consultations. The collected data will help the insurer optimize its business and control risk.  
  ■ In an interesting partnership, PICC provides an insurance policy to ensure the quality of every meal ordered by customers of Home Cook through its mobile app. |
| **Aetna (U.S. — $54 billion)** | Wearables:  
  ■ Aetna will give Apple Watches to customers participating in its wellness reimbursement program. The watch will track users’ activities to provide personalized health plans and rewards.  
  Mobile health:  
  ■ Aetna teamed with the Banner Health provider, so that Aetna’s customers can access Banner’s portal to find information on providers, schedule appointments, view claims and view lab results.  
  ■ Aetna merged its health app maker subsidiary iTriage with its cost transparency business, WellMatch, to form a new company to develop a set of digital decision support tools and provide personalized health and well-being products.  
  Digitalization:  
  ■ Aetna Foundation is investing $1.2 million in gathering racial information from its members and developing technology-enabled solutions to eliminate any disparities in healthcare. |
| **Munich Re (Germany — $53 billion — see Note 2)** | Platforms and ecosystems:  
  ■ Munich Re partnered with Next Insurance to launch an online insurance product for commercial photographers, who will be able to buy, renew and maintain policies on Next’s portal.  
  ■ Munich Re will provide underwriting and other core services to enable a social media broker, Bought by Many, to launch its own insurance products and expand to new territories.  
  ■ Munich Re will also be underwriting risk for smartphone-app-based insurance startups, Wrisk and Blink innovation. |
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<tr>
<td>Munich Re will provide its automated underwriting technology, Allfinanz, to launch a new web-based disability insurance with other insurers in the U.S.</td>
<td>Munich Re and IBHS in the U.S. launched a mobile app, Fortified Home, as an educational tool designed to help individuals and communities build more resilient structures.</td>
</tr>
<tr>
<td>Munich Re will use drones by PrecisionHawk to better evaluate the risk, improve claims response time and increase reporting accuracy.</td>
<td>Munich Re teamed with insurtech, DriveFactor, to launch a telematics mobile app that scores users’ driving habits and offers feedback and safety tips.</td>
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<tr>
<td>Digitalization and BPM:</td>
<td>Munich Re is working with Computacenter to drive its digital strategy by transforming into a digital workplace for business agility, continuing innovation and meeting customer service expectations.</td>
</tr>
<tr>
<td>Ergo Direkt users in Germany can buy flexible accident insurance coverage instantly, using a mobile app. The user can also make the payment and submit a claim via the app.</td>
<td>Munich Re deployed SAS Analytics and Hortonworks Data Platform for its big data initiative to explore new ideas, develop new business fields and further enhance customer service.</td>
</tr>
<tr>
<td>Big data and analytics:</td>
<td>Munich Re sponsored accelerator Plug and Play’s insurance and IoT programs and also partnered with Alma Mundi Ventures in Spain to launch its own accelerator, Mundi Lab.</td>
</tr>
<tr>
<td>Munich Re collaborated with other insurers to launch the Blockchain Insurance Industry Initiative B3i, aiming to explore the potential of distributed ledger technologies to better serve clients.</td>
<td>Munich Re is working with Computacenter to drive its digital strategy by transforming into a digital workplace for business agility, continuing innovation and meeting customer service expectations.</td>
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<td>Munich Re invested in several IoT startups, including Helium, Waygum, Augury and peer-to-peer P&amp;C insurance startup Lemonade.</td>
<td>Munich Re, through its Digital Partners program, has also struck a number of underwriting partnerships with startups, including Trov, simplesurance and Slice.</td>
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<td>Cyberinsurance:</td>
<td>Munich Re partnered with Beazley to provide cyber policies to tap the market interest in the wake of new European rules on data privacy and breach.</td>
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<td>Prudential (U.K. — $53 billion)</td>
<td>Mobile app:</td>
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<td>Humana (U.S. — $52 billion — see Note 3)</td>
<td>IoT:</td>
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| Humana                                        | ■ Humana launched a mobile app, Goal Guru, to collect data from numerous trackers. The users will be given challenges to achieve, personalized messaging and access to 24/7 forums.  
■ Humana’s Apple Watch app enables users to scan the bar code or photograph the prescription label on a medication bottle to order a prescription or order from Humana’s mail order service.  
Analytics:  
■ Humana is using AI to identify poor member experiences with its customer service centers, in real time. The AI tool listens for signals of consumer frustration, such as an elevated tone of voice, to deliver feedback to the agent.  
■ Humana streamlined its digital marketing strategy on use of the Net Promoter Score, resulting in a 32% increase in new member registrations through Humana’s website. |
| Dai-ichi Life Insurance (Japan — $50 billion) | Analytic:  
■ Dai-ichi Life Insurance is using IBM Watson to process payment assessments. The use of AI helps the company to improve efficiency and save costs.  
Digitalization and BPM:  
■ Dai-ichi Life Group launched its technology transformation initiative "InsTech" that aims to digitally transform the business and create an ecosystem with other industries. |
| Japan Post Insurance (Japan — $48 billion)    | Analytics:  
■ Japan Post will be using machine learning capabilities on IBM Watson to reduce manual intervention during the payment assessment process. The trial is expected to occur in 1Q17. |
| Zurich Insurance Group (Switzerland — $43 billion) | IoT:  
■ Zurich partnered with the IoT startup Cocoon, so that users deploying Cocoon’s smart home solutions will be offered a discount on the policy, as well as a discount on the device.  
Platforms and ecosystems:  
■ Zurich will provide underwriting for Cover-More insurance to launch travel insurance for flyers in Hong Kong. The product will be offered within the airline’s online booking path.  
Digitalization and BPM:  
■ Zurich is working with CSC (now DXC Technology as a result of merger with Hewlett Packard Enterprise Services business) to move from traditional data center outsourcing to a platform-as-a-service model. Zurich has already moved many workloads to CSC’s (now DXC’s) private cloud and uses CSC (now DXC) Technology Agility Platform for hybrid cloud management and application deployment.  
■ Zurich deployed TIA’s core insurance system, implemented by Accenture, enabling the insurer to begin its P&C business in Colombia.  
■ Zurich developed an integrated survey strategy and, with support from IBM Kenexa, restructured its existing employee engagement survey to measure areas that really matter to success. |
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<th>Insurer (Country — Net Premiums Written in 2015)</th>
<th>IT Initiatives</th>
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</table>
| Zurich (Country — Net Premiums Written in 2015) | - **Zurich chose Barcelona as the location of its global big data center** for process automation and improving operational efficiency across the group’s divisions around the world.  
  
  **Analytics:**  
  - **Zurich plans to use predictive analytics** in the workers’ compensation market to better predict and manage high-value claims. External and internal data will be used to develop risk insights.  
  
  **Cyberinsurance:**  
  - **Zurich launched DigitalResolve**, a coordinated incident response service, to help businesses in Asia/Pacific mitigate and recover from cyberattacks with minimum disruption. |
| **Platforms and ecosystems:** | **Berkshire Hathaway** (U.S. — $43 billion — see Note 4)  
  
  ■ **Berkshire Hathaway will reinsure Lemonade** for the insurance it sells to its customers. In addition to this, Munich Re is also one of the reinsurers.  
  
  ■ **InsureMyTrip**, the travel insurance comparison website, will now offer travel insurance plans from Berkshire Hathaway.  
  
  ■ **Berkshire Hathaway will underwrite Cover-More’s** direct travel insurance product launch in the U.S. Berkshire Hathaway will provide claims processing and real-time payment platform to the online portal.  
  
  **Analytics and AI:**  
  - **GEICO released a virtual assistant tool, Kate**, for its mobile app that can answer questions relating to policyholders’ current balance, next payment date and specific coverage details.  
  
  **Cyberinsurance:**  
  - **Berkshire Hathaway partnered with Symantec** to launch a cyberliability policy to provide policyholders with immediate access to experts to help them respond skillfully to an actual or suspected breach.  
  
  - **Berkshire Hathaway combined its professional liability product with cyberinsurance.** The cybercoverage addresses media, technology, and network security and privacy liability exposures, as well as the design professional’s own costs to respond to a data breach or network extortion threat. |
| **Digitalization and BPM:** | **Life Insurance Corporation of India (LIC)** (India — $40 billion)  
  
  ■ **LIC implemented Intellect Design Arena** to accomplish its digital strategy. |
| **IoT:** | **MS&AD Insurance Group** (Japan — $39 billion)  
  
  ■ **MS&AD Insurance teamed with Toyota to launch a telematics car insurance** services company for Toyota customers in the U.S. The “pay how you drive” insurance will encourage safer driving. |
| **Platforms and ecosystems:** | **MetLife**  
  
  ■ **LIC implemented Intellect Design Arena** to accomplish its digital strategy. |
<table>
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<tr>
<th>Insurer (Country — Net Premiums Written in 2015)</th>
<th>IT Initiatives</th>
</tr>
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| **MetLife (U.S. — $39 billion)**               | MetLife launched a three-month program, Collab, that enables "product-ready" insuretechs to meet, share ideas and build solutions, and the finalist will get to implement a pilot within MetLife.  
**IoT:**  
MetLife will offer a discounted policy for its Auto & Home small business customers if they use connected security solutions from ADT.  
**Digitalization and BPM:**  
MetLife (as PNB MetLife in India) launched "conVRse," an on-demand virtual reality (VR) customer service platform. While wearing the VR headset, customers can interact with an insurance expert in a 3D simulated environment.  
PNB MetLife's mobile app, Infinity, was launched to provide customers with a secure platform to save all their important documents.  
MetLife selected CSC to provide call center, operations and IT support, as well as policy administration, to manage its closed block retail life and annuity lines. |
| **American International Group (AIG) (U.S. — $38 billion)** | Platforms and ecosystems:  
AIG teamed with Hamilton Insurance Group and Two Sigma Investments to launch a technology-enabled insurance platform, which uses predictive analytics to price and sell products to small or midsize businesses (SMBs).  
AIG formed a new venture with Ascot Underwriting to serve the U.K.’s high-net-worth insurance market by managing distribution relationships, underwriting and claims expertise.  
AIG will use Bank Muscat’s payment gateway to enable policyholders to renew their motor insurance through a secure phone payment mechanism.  
AIG launched a new insurance vehicle, Crowdfunding Fidelity, developed to protect investors on equity crowdfunding platforms against issuer fraud.  
Tata AIG will offer health insurance to cab drivers who use Paytm mobile wallet. This will enable cab and auto drivers, who are using Paytm’s digital wallet, to obtain cashless health insurance.  
**IoT:**  
AIG invested in Human Condition Safety, a startup that develops wearable devices to monitor worker safety, and partnered with Autodesk for a VR platform to train workers.  
**Cyberinsurance:**  
AIG, together with Dimension Data, is offering a set of cybersecurity assessment and solution services for its corporate customers in Malaysia. |
| **Liberty Mutual (U.S. — $35 billion)** | IoT:  
Liberty Mutual partnered with Subaru to enable Subaru's customers to download the Liberty Mutual RightTrack in-vehicle app and receive real-time driving assessments and tips to improve, which could culminate in auto insurance savings. |
Liberty, through its venture capital arm, invested in smart lock maker August Home. The insurer is focusing on other companies innovating in the areas of connected home, connected cars and on-demand insurance.

Platforms and ecosystems:
- Liberty Mutual launched an in-house venture capital group with a commitment of $150 million to invest in early-stage insurtechs.

Note: The initiatives included in the table may contain some business-focused initiatives, but with IT implications.

Source: Gartner (April 2017)

Table 2. Insurer Without Publicly Announced IT Initiatives

<table>
<thead>
<tr>
<th>Insurer (Country — Net Premiums Written in 2015)</th>
<th>IT Initiatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>National Mutual Insurance Federation of Agricultural Cooperatives (Japan)</td>
<td>$55 billion</td>
</tr>
</tbody>
</table>

Source: Gartner (April 2017)

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"Gartner's 2016 Eye on Innovation Award Winners Demonstrate Leading-Edge Financial Services Capabilities"

"Innovation Insight for Technology Startups in the Insurance Industry"

"IT Key Metrics Data 2017: Key Industry Measures: Insurance Analysis: Multiyear"

Evidence

1 The sources for the data used in this research include company websites, insurance news websites and web searches.

2 Twenty-five of the world’s largest insurers from A.M. Best’s annual rankings, based on 2015 net premiums written.

3 "IT Key Metrics Data 2017: Key Industry Measures: Insurance Analysis: Multiyear."

4 The Gartner CIO Survey contains responses from 411 CIOs from services and insurance from around the world. This survey was conducted between 8 May 2016 and 9 July 2016 and achieved a
global total of 2,598 respondents. The respondents were members of Gartner Executive Programs and other IT leaders. The survey is published in its entirety in "The 2017 CIO Agenda: Seize the Digital Ecosystem Opportunity."

Note 1 Munich Re
Munich Re is primarily known as a reinsurer, but has largely bundled its primary insurance business within its Ergo subsidiary.

Note 2 Humana
In 2015, Aetna announced the tentative acquisition of Humana. The deal did not close, and so the two insurers have been treated as separate entities.

Note 3 Berkshire Hathaway
Berkshire Hathaway is a diversified, multi-industry holding company with different insurance and reinsurance business activities. It owns Government Employees Insurance Co. (GEICO), which offers P&C insurance in the U.S.