Insurance Industry Expects Digital Technology to Drive Transformation, Yet Most Companies Unprepared, Finds Genpact and ACORD Study

Legacy systems remain top barrier; Digital leaders are more customer-focused and align front, middle, and back office for greater growth, while laggards struggle with vision, inability to experiment, and risk aversion

NEW YORK, Nov. 1, 2016 /PRNewswire/ -- Digital transformation can propel the insurance industry forward; however, barriers exist, with a significant gap between organizations that leverage technology for competitive advantage and those that struggle with innovation, finds a new study from the Genpact Research Institute, the research think tank of Genpact (NYSE: G), and ACORD, the global standards setting body for the insurance industry.

Leaders harness power of digital technology to improve customer experience

The study provides insights into what differentiates digital leaders from the laggards:

- Nearly all (91 percent) leaders say digital technology has significant impact on their companies' revenue growth compared to approximately half (55 percent) of laggards.
- Leaders optimize technology to improve customer experience: 70 percent of leaders say digital has a significant impact on customer loyalty (compared to only 36 percent of laggards), and leaders are more than six times more likely than laggards to see a substantial effect from digital on their company's single view of the customer.
- The majority (81 percent) of companies with middle and back offices that effectively support customer expectations are digital leaders.

Taken together, these findings imply that aligning end-to-end front, middle, and back office operations has a direct impact on the effectiveness of digital transformation, improving customer experience, and a company's overall performance.

"The insurance industry needs to move beyond just 'fixing' legacy systems. This remains a critical concern; however, process transformation through the front, middle, and back office is what drives a superior customer experience and sets up a company for growth," **said Scott McConnell, senior vice president and global leader, Insurance at Genpact.** "Insurers must also take note where channels struggle most, and support the agent network and other indirect channels with resources to enable transformation of the end-to-end customer experience."

Digital's potential hindered by legacy systems and inability to instill culture of innovation

More than half (58 percent) of all respondents – which includes professionals at insurers and in insurance distribution channels – predict significant impact from digital technology in two years; however, legacy systems are the top barrier (cited by 68 percent) that impedes many organizations' efforts to achieve enterprise transformation. In addition, laggards suffer from an inability to instill a culture of innovation:

- The overwhelming majority (82 percent) of laggards say their company lacks a corporate vision for digital transformation compared to only 27 percent of leaders.
- Laggards also struggle much more than leaders with the inability to experiment quickly (82 percent of laggards say this a challenge compared to 41 percent of leaders) and risk aversion (cited as a barrier by 91 percent of laggards compared to 48 percent of leaders).

"ACORD is pleased to work with Genpact on this important research initiative," **said Bill Pieroni, chief executive officer of ACORD**. "The results of this study are insightful and offer provocative insight to support digital transformation in the insurance industry."

About the Study

In September and October of 2016, the Genpact Research Institute and ACORD surveyed 113 insurers, brokers, agencies, managing general agents, and wholesalers from the ACORD membership and newsletter database. Respondents rated their companies' ability to achieve positive business outcomes over a range of digital technologies and functional areas. The study differentiated digital "leaders" (respondents who currently see high positive business outcomes from digital technology at their organizations) from "laggards" (respondents where the impact on business outcomes is low). See http://www.genpact.com/lp/assessing-digital-impact-across-insurer-and-channel-operations-ng?source=PR to access the report.

About ACORD

ACORD, a non-profit organization founded in 1970, provides the global insurance industry with data standards and solutions that facilitate accurate, effective, and efficient data exchange. As a member-driven Standards Development Organization (SDO), ACORD brings together a diverse mix of industry stakeholders having a vested interest in improving effectiveness and efficiency. Today, ACORD provides the global insurance industry with more than 1,200 standardized transaction types, and engages more than 4,000 participating organizations across 20 countries. ACORD members worldwide include hundreds of insurance and reinsurance companies, agents and brokers, software providers, financial services organizations, and industry associations. www.acord.org.

About the Genpact Research Institute

The Genpact Research Institute is a specialized think tank harnessing the collective intelligence of Genpact – as the leading business process services provider worldwide – its ecosystem of clients and partners, and thousands of process operations experts. The Institute examines new trends that influence the evolution of strategically important operating models, helping our client's business. The Institute combines Genpact's deep expertise in process management, analytics, and technology with the insights of our research partners and clients. Projects are led by leaders and subject matter experts from Genpact's offices around the world. These teams also draw on a global network of external partners and industry experts, and benefit from our extensive connection with hundreds of large clients globally. For more information, see http://www.genpact.com/about-us/genpact-research-institute.

About Genpact

Genpact (NYSE: G) stands for "**generating business impact**." We are a global leader in digitally-powered business process management and services. We architect the **Lean Digital**[SM] enterprise through our patented Smart Enterprise Processes (SEP[SM]) framework that reimagines our clients' operating models end-to-end, including the middle and back offices. This creates Intelligent Operations[SM] that we help design, transform, and run. The impact on our clients is a high return on transformation investments through growth, efficiency, and business agility. For two decades, first as a General Electric division and later as an independent company, we have been passionately serving our clients. Today, we generate impact for a few hundred strategic clients, including approximately one-fifth of the Fortune Global 500, and have grown to over 75,000 people in 25 countries, with key offices in New York City. The resulting business process and industry domain expertise and experience running complex operations are a unique heritage and focus that help us drive the best choices across technology, analytics, and organizational design. For additional information, visit www.genpact.com. Follow Genpact on Twitter, Facebook, LinkedIn, and YouTube.

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