

Proposition.

# Insurance in the interconnected age.

Building a digital business.

*the Art of*  
connecting



## Time for insurers to wake up and smell the coffee.

We all understand what it means to be digital consumers. We're using our smartphones and tablets for shopping, for entertainment, for staying in touch, for monitoring our 10,000 steps or recording our cycle rides, as well as everyday financial matters from paying bills to checking our credit scores.

Digital technology is disrupting every industry – look at what Uber is doing for the taxi business and Airbnb for the hotel sector – and financial services are not exempt. The insurance industry has been relatively slow to react to the digital wave. Some might say dangerously slow.

Comparison websites were only the beginning of digital upheaval. The insurance industry faces competition from retail giants and digital fintech start-ups unencumbered by history and traditional ways of working. Recent research by Accenture found that customers are even ready to buy insurance from companies such as Google<sup>2</sup>.

With our understanding of the insurance industry and long track record in serving the financial services community, BT is helping insurance companies to build more digital businesses and take advantage of the many opportunities open to those who are ready to change.

“ It's time for the late sleepers to wake up and smell the coffee. In the coming years, a firm maintaining a status quo that was built in the pre-digital age will inevitably be left behind, with little hope of ever catching up again.

**Matt Cullen**, Assistant Director, Head of Strategy,  
Association of British Insurers<sup>1</sup>

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## Building a digital business: four factors for success

According to research from Capgemini, fewer than one in three (29%) customers worldwide report a positive experience from their insurer<sup>3</sup>. Nor do they trust insurers with their personal data. Insurance companies are near the bottom of Ipsos MORI's 'trust in data' league table (ranked 12 out of 15 organisations).<sup>4</sup>

Against this background, digital technology and channels provide perhaps the biggest opportunity in the industry's history to reconnect with policy holders, by improving service and communication and creating new products for the digital age. There are four key factors for success.

### 1 Create a single view of each customer

Insurance companies have vast quantities of customer data to manage. Much of this is still stored on paper and spread over multiple locations – which causes frustration for the consumer who has to repeat personal information to the same organisation.

Historically, silos of information have made it hard to pull together everything the company knows about a customer – personal details, policies purchased, claims history, payment preferences and so on. However, cloud services, that use computer networks to link data centres together, mean that the insurer can now consolidate customer data and make it available anywhere in the organisation.

Storing and accessing data in the cloud also helps address issues around data storage and protection. For example, some policy documents need to be kept for decades. Keeping them in the cloud, where they can be held securely and subject to appropriate regulatory rules make it easier to comply and have evidence of compliance.

### 2 Engage through multiple channels

When customer information is stored in the cloud, it can be used across any channel, helping to deliver what today's consumers prize most: convenience<sup>5</sup>. They want round the clock access to their insurer and their policies, fast answers to questions and rapid response to claims. They'll use a multiplicity of channels – telephone, email, websites, SMS and apps (one third of consumers already use personal financial management tools<sup>6</sup>) to achieve their purpose.

And alongside digital channels, human contact still remains important. Over four in five consumers want human help available via every web page or app<sup>7</sup>. Video is growing in popularity with 63% of people ready to use video chat<sup>8</sup>.



Moving customer contact services to the cloud delivers 24/7 service, regardless of location. You can scale resources up and down in line with demand. It also means that customers can be matched to the right agent, whether that is an agent they have dealt with before, or someone with specialist knowledge.

### 3 Prepare for the interconnected world

More than half the UK population now has a smartphone<sup>9</sup> and half of all UK homes have a tablet<sup>10</sup>. We are only a few steps away from intelligent wearable devices that can measure and report key health indicators. Advanced telematics in cars can track driving behaviour or activate safety measures. The connected home will include a host of anti-burglary features and valuable items will be trackable online.

The implications of such ubiquitous interconnection are huge for insurers, transforming the way the industry measures risk and creating new types of products for the digital age. Ambitious insurers will take steps now to ensure that their operational infrastructure will deliver the connectivity, scale and data needed for future innovations.

### 4 Change the way you work

Going digital isn't just about external services. If you want to change the way you interact with customers then you'll also need to change the way you work internally. Introducing more flexible, collaborative working can deliver more joined up customer service and attract the digitally savvy employees who'll help drive innovation.

Using cloud-based collaborative services such as Microsoft 365 and videoconferencing can help to eliminate paperwork and maximise the talent and productivity of employees wherever they are based.

## Practical steps to a digital future

There are practical steps to ease the transition to a more digital future.

- Identify which applications you can move to a data centre in the cloud. Start with non-core applications until you are confident. A hybrid cloud lets you keep some in your own cloud and others in third party clouds. BT's 'cloud of clouds' approach makes it easy to control and secure multiple cloud services.
- Look at how 'software as a service' might help you introduce more collaboration and flexibility internally. With just one connection to the BT Cloud, you can give your people access to all sorts of tools such as Microsoft 365 and high definition audio and video conferencing.
- Review your portfolio to see what you could provide to customers as a cloud-based digital service.



Because the transition to a more digital business can be challenging, few organisations go it alone. BT is already a trusted partner for the world's banking community. Our experience of financial services combined with our global network and digital knowhow mean we can help insurance companies to progress wherever they are on their digital journey.

We offer:

- Professional insurance expertise to help you identify the opportunities and overcome the obstacles to building a digital business.
- Access to multiple cloud services with one connection to the BT Cloud.
- State-of-the-art multi-media contact centres, incorporating web, chat, personalised video and self-service.
- A global, unified communications platform for video and audio conferencing, presence and instant messaging, project management and document sharing capabilities.
- A 'Cloud of Clouds' strategy so you can combine control with innovation.
- A carrier-grade global network connecting 198 countries.

What's more, we have the scale and stability that insurance companies seek in a business partner. Along with our industry knowledge and security expertise, BT is the right partner for any insurance company ready to transition to the digital age.

### Research:

#### 1. An easy experience every time

|           |       |         |         |           |
|-----------|-------|---------|---------|-----------|
| 90%       | 84%   | 83%     | 82%     | 81%       |
| CHINA     | INDIA | UAE     | USA     | SINGAPORE |
| 79%       | 73%   | 72%     | 68%     | 50%       |
| INDONESIA | UK    | BELGIUM | GERMANY | SPAIN     |

Consumers buy more from organisations that make it easier.

#### 2. Video chat with experts when required

|       |       |           |           |         |
|-------|-------|-----------|-----------|---------|
| 81%   | 78%   | 74%       | 72%       | 71%     |
| INDIA | CHINA | INDONESIA | SINGAPORE | UAE     |
| 57%   | 56%   | 52%       | 45%       | 40%     |
| USA   | SPAIN | UK        | GERMANY   | BELGIUM |

Would like video-chat to have a product demonstrated by an agent.

#### 3. And complete control over how they contact you

|           |     |
|-----------|-----|
| BELGIUM   | 69% |
| INDIA     | 68% |
| SINGAPORE | 67% |
| INDONESIA | 66% |
| CHINA     | 64% |
| SPAIN     | 63% |
| UAE       | 63% |
| GERMANY   | 60% |
| USA       | 63% |
| UK        | 63% |

Would like video-chat to have a product demonstrated by an agent.

## BT in financial services

- We count 47 of the world's top 50 insurance companies as our customers.
- Our systems process 20 million+ card payments daily.
- BT Radianz is the world's largest secure networked financial community, connecting thousands of member locations to access services from over 400 application and content providers.
- We've been providing solutions and services to the industry for over 30 years.

## Security and data protection

Corporate security is rarely out of the headlines. Insurance companies handle sensitive data and are rightly held to high standards of data protection. BT can help you keep that data secure, and help you address the wider issues of business resilience in the digital age.

With a vast amount of the world's internet traffic travelling across our network, BT has significant expertise in what's going on when it comes to cyber attacks. In addition, we provide (and protect) much of the UK's essential communications assets, from home broadband to the NHS network, as well as services to local authorities and police forces. We have one of the world's largest security and business continuity practices with 2,000 dedicated security practitioners globally and an additional 2,500 professional services staff.

But keeping data and online assets safe is not just an IT issue. At the heart of good cyber security is the understanding that this is just another business risk to manage – and that is something insurance is very good at doing. Our security specialists will work with you to make sure that you make the right choices as you build a digital business.<sup>11</sup>

## Shaping the future of Standard Life

As global network services partner to Standard Life, we've helped it overhaul legacy infrastructure and enable a group-wide business transformation. This approach will save £15 million for Standard Life but more importantly, it is helping business growth. When Standard Life saw the chance to extend its presence in the Middle East and Asia Pacific, it opted for a cloud-based office-in-a-box. The company was open for business in Singapore in record time, taking customer calls and processing policies after just six weeks<sup>12</sup>.

## Digital transformation makes collaboration cool for RSA

Global giant RSA uses Microsoft Outlook, Microsoft Skype for Business, and Microsoft SharePoint hosted in BT Compute global data centres to bring its 19,000 people together under one virtual roof so that, for example, pricing and underwriting people can share their knowledge and experience across borders. RSA people are now free to do their jobs in fundamentally different ways. As a result, says Jenny Burns, former Communications, Brand and Social Media Director: "costs have fallen and we're getting competitive advantage through better customer service and faster time to market for new products."

## Global communications for Zurich Insurance

BT runs Zurich Insurance Group's global communications and IT networks, which underpins the insurer's operations across 49 countries worldwide. In addition to networking and telephone services, we also support Zurich's global contact centres and deliver audio conferencing and video conferencing services.

1. A BRAVE NEW WORLD Association of British Insurers November 2015 <https://www.abi.org.uk/>
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5. Autonomous Customer 2015: On hold for Intelligent Customer Service BT & Avaya 2014
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### Offices worldwide

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