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As insureds lean on the industry, insurers lean on data

Data also assists in developing a more agile organization, which is especially important at a time when some insurers have had to do more with less.

By **Adam Bimson** | April 26, 2021

(//images.propertycasualty360.com/contrib/content/uploads/sites/414/2021/04/Data-Analytics-Article-202104231752.jpg) **The time to evolve is now — insurers must persevere through the pandemic, harness invaluable data-driven insights and tackle the market head-on. (Credit: Blue Planet Studio/stock.adobe.com)**

The insurance industry was formed to create a cushion for those inevitable bumps in the road, but the bumps in 2020 felt more like a mountain. In the blink of an eye, the whole world was faced with a global pandemic that has altered the way we live, shop and play.

While remote working had increased in recent years, it skyrocketed (https://www.idc.com/getdoc.jsp?containerId=prUS46809920) in 2020, stretching insurers' technologies to the max as customers called their providers amid concerns of COVID-19. Insurers, much like banks and other vital institutions, were

overwhelmed by the inquiries they received at what may have been the most challenging period they have ever faced.

At the same time, regulatory issues and competitive disruptions continue to add to insurers' growing list of challenges. As if that weren't enough, customer demands are adding pressure as they lean on their insurance providers in this unique and uncertain environment.

Though it seems that stay-at-home orders could finally become a thing of the past, many restrictions are still in place. Until all barriers are lifted and the world feels normal again, we all will need help to make it through — including the assistance of insurers.

However, in order to live up to expectations and provide the top-of-the-line service customers expect, insurers will need to evolve their operations to become more agile and resilient.

Now is the time for operational adjustments

In an effort to elevate their business and achieve a higher level of agility and resiliency, insurers should start by making substantial adjustments to the ways in which they operate. First and foremost, insurers need to modify their operational model to ensure that the effects of disruption have no impact whatsoever on the customer experience.

This impact-resistant strategy should remain constant regardless of the cause of disruption, whether expected — insurers may have time to prepare for new or incoming regulations, for example — or unanticipated. Further, insurers need to explore ways to reinvent their business to provide the best and most appropriate products and services. Especially those that can withstand whatever comes next.

Rely on data, the driving force behind it all

Few could argue that this is a small undertaking. On the contrary, this may be the most significant transformation the insurance industry will ever go through. However, through the use of technology, it is possible to achieve these goals. Today, insurers have the ability to consolidate, analyze and utilize data-driven insights (https://www.propertycasualty360.com/insurance-technology/analytics-data/). Data is the driving force behind it all and is undoubtedly the most vital component an insurer can use to withstand and overcome future disruptions, irrespective of the cause.

For example, data improves visibility when applied to operational models. When used in conjunction with accurate scenario-based modeling and planning (http://www.vuealta.com/), data can reveal how and when customer service functions might be impacted by fluctuations in pandemic-related restrictions. Data also assists in the development of a more agile organization, which is especially important at a time when some insurers have had to do more with less.

Evolve to meet the growing needs of the market

Whether serving consumers or businesses, all customers want the same thing: quality insurance that can be counted upon when they need it most. Data is at the core of how that goal is reached, enabling products and services to evolve organically based on customer wants and needs.

Data is also essential to insurers looking to balance their coverage to avoid overexposing themselves to events that could appear out of nowhere. With accurate data and the very best artificial intelligence-driven technology, insurers can meet the growing needs of the market. As a result, they'll be able to offer more dynamic and customized solutions while adjusting their premiums to better suit customer needs.

Everything the industry needs

Insurers continue to deal with the unexpected effects brought on by last year's events. Thus, the time to evolve is now — insurers must persevere through the pandemic, harness invaluable data-driven insights and tackle the market head-on. In doing so, insurers will be able to more accurately identify problems and

react quickly, achieving operational continuity while delivering a remarkable customer experience. This is what the industry needs, and with the right technology, this is exactly what it will get.

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