

Integrating insurtechs with core systems

Accelerating innovation & helping improve efficiencies

Co-authored by PwC and Guidewire

The promise of integration

Many carriers are looking to accelerate innovation and improve efficiencies - even implement new business models - through integration of their core systems with insurtechs and third-party solution ecosystems. For example, real-time data and advanced technologies are enabling many carriers to underwrite and price emerging/complex risks such as climate and cyber and thereby reduce protection gaps. Carriers also are curating partner ecosystems and solutions that can be integrated with their core systems to help better provide customers with affordable, relevant and tailored solutions when and where they need it.

New solutions to long-standing problems

Carrier solutions are increasingly coming from the inside out, help driven by technology. This includes cloud-based solutions, including alternative data sources for underwriting and pricing, predictive and preventative models, and embedded coverage through APIs. Solutions also are coming from the outside in, driven by customer expectations (which are often fueled by technological advancements). This includes digital storefronts, on-demand insurance, and usage-based insurance that customizes the customer journey.

Inside Out



Reimagine the core market and product

- Spread of value propositions for micro-segments
- Leveraging peer-to-peer networks
- Emerging solutions for shared economies
- Usage- and behavior- based personalized insurance



Reinvent the use of data and analytics continuously

- Connected car and automated driving systems
- Remote data capture and analysis
- Quantification of emerging risks
- Emerging and alternate sources of data



Redesign the customer and agent experience

- Increasing trend on direct distribution, alternative distribution and embedded insurance
- Online aggregation and comparison
- Consolidation of self-directed services
- Education and shared knowledge



Redefine approaches to help underwrite risk and forecast loss

- Sophistication of preventive insurance models
- Shift from probabilistic to deterministic models
- Use of aerial imagery and geospatial intelligence
- Granular risk and/or loss quantification
- Pay-when-you-need and pay-as-you-use models



Redraw the organizational boundaries

- Rise of B2B2C platforms
- Ecosystem partnerships
- Frictionless capital flows across the value chain



Reconstruct the op model and expense structure

- Crowd-sourcing and democratization of information
- Robotics and automation in core insurance
- As-a-service solutions for core insurance
- Advanced fraud prediction

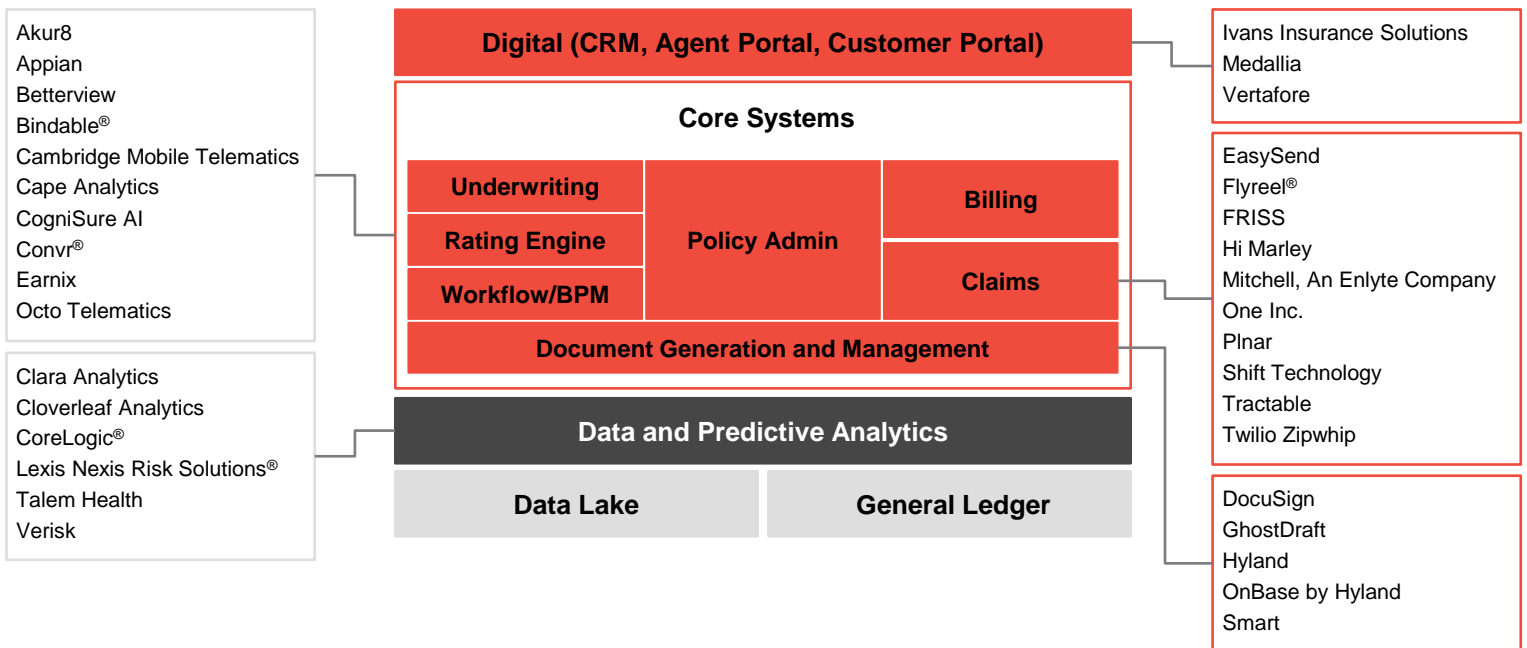


Integrated solution ecosystems

A successful transformation often depends on leveraging 'ready-to-integrate' accelerators which can enable the creation of a solution ecosystem that aligns with overall business strategy. Cloud-based platforms like Guidewire can help many carriers use the latest insurtech innovations to improve processes and even adopt new business models. Examples include:

- Insurtechs that enable alternative distribution models, conversational AI, wearables, etc.
- Insurtechs that can help enhance/transform the value chain, such as dynamic rating, real-time fraud detection using AI use of aerial imagery for underwriting, virtual/self inspections, etc.
- Third-party data vendors that help pre-fill submission information using structured and unstructured data sources and improve underwriting efficiency and effectiveness.
- Established solutions that complement core systems, such as document production, document management, electronic signatures and digital payments.

Illustrative: Guidewire Core Systems integrated with Guidewire's ecosystem of (sample) third-party insurtech solutions



PwC/Guidewire Accelerators

Guidewire has built accelerators or reference implementations that are intended to enable carriers to add new insurtech integrations into their Guidewire core systems quicker. In addition to Guidewire's accelerators, our model system has several readily available integration accelerators that have proven they can help reduce implementation time while also meeting quality standards. Thanks to 300+ Guidewire implementations at carriers of various types, sizes and lines of business, our experience spans a wide gamut of integrations (with Guidewire Systems) ranging from common integrations to new age insurtechs.

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