

Upcoming trends in the digitization of the Insurance Industry

Global insurance markets worth an estimated US\$5 Trillion are in a transitional phase of new tech adoption. Big data, automation, and artificial intelligence are the main drivers of a 'Digital Revolution' for a paper documents-dominated industry from centuries ago. We will now identify and explore the rising trends of the industry and NIACE's plan for navigating the shift.

Web Presence

In the past, more than 80% of fresh premiums collected were lost to distribution costs, mainly sales commissions and administrative costs. In the digital age, with consumers increasingly purchasing directly from insurers via the internet, there are significant savings for insurers. With this set to be the new norm, consumer insurers are driving up efforts to create a strong web presence with more outreach to their potential customers.

New products, expansion of existing product scope to new markets

In a rapidly saturated scene in developed markets, price wars were waged between insurers over the past decade to jostle market share. This is still happening today between consumer-focused insurance in healthcare, life, and lifestyle policies, but with less focus as insurers are coming up with innovative personalized 1 stop solutions and fresh new products to penetrate the market deeper.

New products are being introduced to the markets at an unprecedented rate with flexible coverage options, micro-insurance, and peer-to-peer insurance. Reinsurers readily pump risk capital directly into digital products and create a shorter value chain.

Amongst the new lines of products, NIACE's new personal capital insurance particularly stands out as it looks to carve a new niche market. Capital insurance has been around for decades, providing risk exposure management for corporates worldwide. NIACE remodeled the essence and provides capital protection for millions of gamers in risky prediction games.

Insurtech Partnerships

Insurtech firms have shown significant growth in recent years. With the increasing demand for innovative products and services from millennials, collaboration with insurtech firms is an immense value add for any traditional firm.

In a \$231 billion industry in online and offline gaming, NIACE-appointed insurer, ProCap Insurtech, recently tied up with gaming giant Evolution Gaming. This partnership is expected to bring in additional millions of revenues in the coming years.