INNOVATI●N IN INSURANCE

Summary & Highlights

Warsaw, 14th - 15th January 2019

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Innovation
is about "HOW"

On 14th January 2019, 324 insurance professionals from 14 countries met in Warsaw to discuss their options on their way to innovation. Digitalisation has become a trend that affects insurers in all parts of the world. The conference **Innovation in Insurance** showed, how Sollers Consulting supports insurers in a variety of ways.

This was the seventh edition of **Innovation in Insurance** and it has become the biggest international insurance conference in Poland. Insurers from the United Kingdom, Germany, Switzerland, Denmark, Russia and many other countries met to discuss the rise of digital ecosystems, the role of modern core systems, improvement of claims handling, practical use cases for technological issues such as APIs and artificial intelligence.

IT departments play a critical role in the industry's innovation process. They are often the first to reorganise and the ones involved become the drivers of change. On the other hand, they are pressured by tight budgets. A survey conducted during the conference showed that the majority of insurers (56%) will not spend more than 10 to 30% of their IT budget on innovation. This seems to be in line with similar surveys conducted by market researchers.

The pressure on insurers to innovate is great and the pressure on IT departments is even greater. Therefore, it is not only important to answer the question: "What is the right thing to do?" It is even more important to think about how to achieve these goals. During **Innovation in Insurance** we heard many stories about this and we hope you have found the right answers to your questions.

We would like to thank all the participants for coming to Warsaw and look forward to welcoming you again in January 2020.

Michał Trochimczuk, Managing Partner

Marcin Pluta, Managing Partner

Grzegorz Podleśny, Partner

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Insurers are undergoing profound change

Christoph Baltzer, PR Manager, Sollers Consulting

The insurance industry is restructuring its business in a way it never has done before. The changes currently taking place in the industry are driven primarily by new technologies. These technologies are changing the way insurers get across to their clients, organise their business and assess risk. These changes are taking place in almost all markets and around the world.
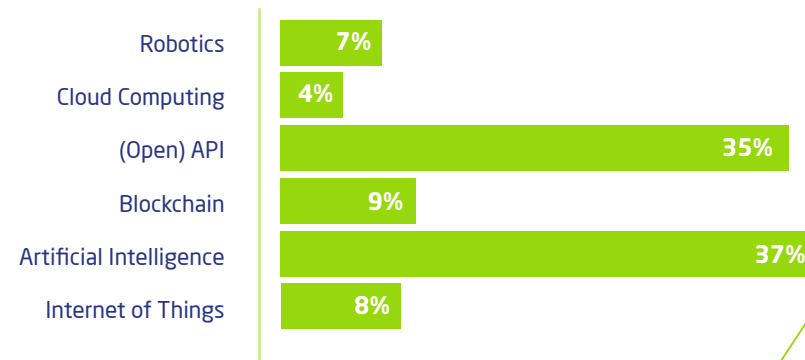
Innovation in Insurance has shown how important change has become for insurers. When asked about the reasons of innovation, 40% of the participants said that this was due to a change in strategy. A smaller number of insurers are more defensive. For 29% of respondents change is a question of survival.

It is remarkable that the will to change comes from all parts of the companies. 42% of the respondents say that each division is implementing innovation initiatives in their company. 14% say that it is driven by the CEO, another 14% say that it is driven by one department. For insurers, innovation has become something that changes their lives. It is not just about new products or adapting new technologies, it is about the whole life of the company. 24% of the insurance professionals present at the conference are convinced that innovation is about following a new business model, for 30% it goes beyond that. For them, change is about forming a new corporate culture.

More efficiency and better service through process automation are the areas, where insurers want to improve. **Innovation in Insurance** has shown that ambitions in this respect are high. An automation grade of 30 to 50 of all processes seems achievable for 38% of insurance professionals. 47% of them believe that an automation level of up to 90% can be achieved in five years.

Artificial intelligence is among the technologies, which insurers are most likely to invest in. 37% of the respondents believe that ai will be the technology that will bring the highest value to the insurance industry in 2024. 35% believe APIs will be the most important technology issue for the insurers.

Which of the following technologies will be bringing the most value to the insurance industry in the next five years?

Technology	Percentage
Robotics	7%
Cloud Computing	4%
(Open) API	35%
Blockchain	9%
Artificial Intelligence	37%
Internet of Things	8%

Innovation is based on strong core systems

Michał Trochimczuk, Managing Partner, Sollers Consulting

In his opening speech, Michał Trochimczuk shared his view on the insurance markets. In recent years, there has been much speculation that InsurTechs are disrupting the industry. But this didn't happen. 'We have seen that start-ups often work with established companies to apply advanced solutions and processes,' Trochimczuk said. 'Many insurers set up their own start-ups.' Trochimczuk mentioned the Chinese start-up company Zhong An, a true digital player with very low operating and distribution costs. The InsurTech was founded by Ping An, Tencent and Alibaba. An example from Europe is the Berlin-based InsurTech Friday, which was launched by Basler to expand direct distribution and offer flexible products. Friday created a simple product and an outstanding digital experience.

Insurers understand the importance of partnerships. 90 % of insurance executives believe that partnerships are becoming increasingly important for insurers' sales strategies. 98% expect new business generated as part of a principally non-insurance transaction will increase. However, many insurers are not prepared to connect with ecosystems.

> **Insurers should be a part of digital ecosystems. They must offer their products in cross-industry value chains that can connect them in many ways with other parties such as banks, real estate companies, telecommunication companies, airlines, car manufacturers or retailers.**

'There are two models for insurance companies to grow their business', Trochimczuk said. Digital transformation of the existing business or creation of new ventures to quickly take advantage of digital ecosystems.

> **98 per cent of insurers expect new business generated as part of a principally non-insurance transaction to increase. However, many insurers are not ready to connect with ecosystems.**

By 2025, over 30% of the world economy will be concentrated in 12 mega-ecosystems, whose organizers will be the real leaders of the global economy. Insurers must integrate into these ecosystems. At the same time, customers expect insurance companies to deliver a much better user experience and online interactions. This forces insurers to change digitally.

There are a lot of initiatives from start-ups and incumbents. They are forcing insurers to answer one question: Why should you do that? Is it just hype or is it a business imperative? If you look at estimates of strategic researchers, it is an imperative.

Important takeaways

→ Without strong core and front-end capabilities, innovation will remain theory

→ Insurers must connect to ecosystems

→ Innovation is not a goal, but a journey, a way of conducting business

Transformation needs a dedicated team

/ Hans Vranken

Innovation can come in many shapes and sizes. The shape can vary, but it is important that a company stays on the move. Hans Vranken reported about the most important success factors in transformation and innovation. Vranken has more than 20 years of professional experience in the banking and insurance industry. He has broad expertise ranging from P&C insurance, business transformation and change management to communications and human resources. He is currently serves as President and CEO at Axa Direct Japan.

From his point of view, it is very helpful to work with consultants to help a company start its transformation. 'There are two kinds of consultants,' Vranken said. 'The first one understands the client's business and adds value. The second one simply creates an invoice.'

'Get clear about your *why* but it has to be your personal one,' said Vranken, who previously worked for Touring Insurance in Belgium, AXA Group Solutions in France, Winterthur Insurance Belgium and many other companies. The *why* question is often not answered, but very important. 'Any *why* is good as long as it is yours and you accept the consequences,' he said.

Before a company gets started, it should be clear about its status and then choose the right way forward. According to Vranken, innovation should ideally come from all parts of the company, but in a transformation project it is good to form a dedicated team that drives it. 'There needs to be a high level of trust.' After all, one should never forget the results and compare the *why* at the beginning with the impact that the change has afterwards.

Success factors in transformation projects:

↪ Consultants (if they understand your business)

↪ A dedicated team

↪ Focus and resources

↪ Common sense

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Ready for the digital age

Dr Adam Melski, Project Manager, VHV (Germany)

The German insurer VHV has completed the first phase of its goDigital project. The German insurer is digitalising its entire operative business including life insurance and P&C insurance. Dr Adam Melski, project manager at VHV, reported about the ups and downs as well as the final success of the first phase of the P&C project, which constitutes the major part of the goDigital program. Agility was one of the factors that helped VHV achieve its initial goals.

> **The journey was 'twisted', we had ups and downs, but we ended up on time and within budget.**

VHV began digitizing its business processes with the implementation of Guidewire ClaimsCenter in motor insurance. VHV is the fourth largest motor insurer on the German market. It was struggling with legacy systems from the 1980s and operated on nine core systems, almost one system for each line of business, as Dr Melski reported. VHV will implement the entire new core system in five releases, the entire process will take five to six years. It took 14 months of the joint teams to go live with the first part, the new claims system in motor insurance. More than 200 people were involved in this project.

Before the inception VHV defined "ten commandments" which serve as guidelines of the project. "Stay out of the box", is one of them. In fact, 97% of the implemented functionalities followed this principle, Dr Melski reported. VHV started to perform system demos early and often. This helped maintain the spirit in the team and facilitated corrections. On 3rd November 2018, VHV went live with the claims ssystem which included an integrated digital portal for clients, facilitated process tracking and increased automation. 'We made VHV future-proof and fit for the digital age,' summarised Dr Melski .

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Bionic claims management

Jeffrey Crawford, Global Claims Platform Lead, Beazley (UK)
Steven Flood, Claims Operations Manager, Beazley (UK)

'The demand for insurance is rising dramatically,' reported Steven Flood, Claims Operations Manager at Beazley, a Lloyd's of London insurer. For example, natural catastrophes in recent years became severe and new cyber risks emerged. Since 2015 Beazley has grown by a third and now has a total premium income of around $3 Billion USD.

As examples of losses Beazley has covered, Steven Flood mentioned Hurricane Florence in the US, kidnapped sailors off the coast of Africa, typhoons in Japan and the Philippines, the Marriott Cyber Breach, an injured Russian football player, a volcanic eruption in Hawaii, earthquakes in Papua New Guinea, claims around the opioid epidemic in the US, wildfires in California, Cirque de Soleil show cancellations and a fire on a super yacht. He also explained Beazley's business model as a specialist insurer, with the Lloyd's market being the key to access over 150 countries worldwide with over 150 claims managers active.

Jeffrey Crawford, Global Claims Platform Lead at Beazley, reported on the IT side of Beazley's insurance business, mentioning that the classic waterfall model for project management does not really work in the new world of digitalisation.. Referring to a recent market survey, he highlighted four major challenges for IT projects: lack of focus, unaligned teams, unrealistic schedules and changing requirements. He continued by pointing out solutions which are likely to be chosen but will not fix the situation if applied in isolation: Increasing budgets which have a diminishing rate of return, enlarges the team, which brings a new level of complexity.

As an obvious solution, he referred to Agile methodologies. But Agile alone is not the solution for Beazley either. An important success factor for Beazley was the establishment of a Digital culture, which was clearly defined from the top to bottom, well understood, enabled by a vision and implemented with flat hierarchies. He also looked at new trends in IT, concluding that the main shift is in the reduced cost of computing power, resulting in a more advantageous use of available data.

Finally, he presented Beazley's core competences: the right culture, powerful data science and collaborative teams. This mix, which Crawford described as bionic underwriting and bionic claims management, allows Beazley to benchmark where they are, make informed decisions and break through silo structures.

Food for thought:
How digital transformation works

IT transformation can be done in a simpler and more effective way than is generally assumed. To achieve that, it is important that business and IT align their vision of the project from the very beginning. Direct and strong commitment from top management and a clear definition of a customer-oriented target operating model are prerequisites for a successful transformation. In ambitious projects, complexity should be reduced. The IT should not be built around business processes. Business processes and organisational structures must be critically scrutinized. Furthermore, clear prioritization lowers the risks and the costs of a project. External know-how is indispensable, but it is important to make sure that knowledge transfer is really happening. Classical project management methods quickly reach their boundaries in large-scale projects. Agility, on the other hand, enables a company to be focused on the goal and to keep flexibility. The iterative approach enables a company to combine business and technology.

Seven rules that make transformation easier

→ Pursue a vision

→ Follow Agile methodologies

→ Prioritise and manage the scope of the project before you start

→ Look for an experienced system integrator

→ Ensure transfer of know-how from the service provider to the insurer

→ Build joint teams

→ Ensure strong commitment of the top management

Become a digital leader!

Marcin Grabowski, Managing Consultant, Sollers Consulting

Insurance companies demand from IT suppliers to acknowledge their uniqueness. 'Many insurers develop their products in variants', reported Marcin Grabowski, Chief Customer Officer at Sollers Consulting. These products typically require multiple data forms to be filled in, the customer gets a minimally personalised offer. Insurers that intend to focus on building a loyal customer base must provide service in line with individual customer preferences, characteristics and needs, Grabowski said. 'Otherwise, their service will become commodity and they will move themselves into risk holders' position with margins constantly squeezed.'

The path to becoming a digital leader, who resists commoditisation, is the implementation of a suited digital ecosystem. In the digital ecosystem the customer is in the centre and is supported by five business pillars. To build these pillars, foundation is needed: clear digital vision, good data quality, agile organisation and an IT ecosystem; this will enable a company to respond to customer needs and accelerate growth. 'We approach the digital transformations in insurance with our RIFE omnichannel platform', Grabowski said. It empowers insurance companies to:

- manage micro-segmentation with data provided from multiple analytical systems and customer-journey-oriented business rules
- personalise offers based on customer personal information independently of number and complexity of the core systems behind
- deliver a seamless customer journey throughout several different touchpoints in line with customer preferences.

Combining the technical capabilities of a proper omnichannel insurance platform with customer-centric and personalised approach is the gateway to becoming a true digital leader.

> *Insurers need a focused, clear vision how to make profit from digital.*

Five pillars to support customer centricity

→ **Product & services innovation** with customer-oriented simplicity and high time to market speed

→ **Distribution** through a network of multiple business partners in a seamless omnichannel experience

→ **Sales** of highly personalised offering supported by digital marketing

→ **Servicing** with superior customer experience and automation

→ **Running** with scalability and two-speed architecture

RIFE

rife.sollers.eu

Fastest project in the history of Santander Consumer Bank

Małgorzata Kruaze-Kulewska, Senior Process Manager / Product Owner,
Santander Consumer Bank (Poland)

Last year, Santander Consumer Bank Poland took its first steps to a coherent omnichannel customer experience with bundled insurance offerings. The cornerstone of this transformation was to enable the company to launch new products quickly and easily. Santander Consumer Bank understood that in order to maintain relevance and market position, it needs a much broader portfolio of insurance products.

Santander Consumer Bank selected Sollers Consulting's omnichannel insurance platform RIFE, which was implemented in just four months. Małgorzata Kruaze-Kulewska, Product Owner of Insurance Platform, stressed the importance of the close cooperation between Santander Consumer Bank and Sollers Consulting. 'It was the right project at the right time' she said.

This was the first ever Agile project in the organisation. The proposed schedule was very challenging and created fears that expectations were too high. But thanks to the determination of bank's leadership and Sollers Consulting as a provider and implementation partner, the goals were achieved. The implementation of the insurance platform was the fastest IT project of this size within Santander Consumer Bank.

In the first phase, three insurance products from two different providers were implemented, each offered in three variants. They are now sold in a single sales process. The customer is asked only three questions and an automatic recommendation of a package offer is generated. The process of obtaining consents, additional customer data and payments need to be processed once, which ensures a shorter process and higher customer satisfaction. Early business results are very encouraging because a considerable part of customers purchase several policies within a single interaction.

'The new insurance platform of Santander Consumer Bank, based on the Sollers Consulting Solution RIFE, will be further expanded to include a wider portfolio of products and to support additional distribution channels,' reported Kruaze-Kulewska.

Lessons learned

→ Sprint review was important to keep spirits up

→ Close cooperation with board members

→ Alignment of different teams is key

→ Transparency is needed

Core systems as innovation enablers

Carsten Vraa-Jensen, CCO, Tia Technology | Niels Zijderveld, Sales Director, Guidewire Software
Roger Hodgkiss, Member of the Management Board, PZU | Ryszard Dyszkiewicz, Head of Group IT,
Vienna Insurance Group | Christoph Baltzer, PR Manager, Sollers Consulting (moderator)

The insurance industry is going through dramatic changes of its business models. Roger Hodgkiss, Board member at PZU, Ryszard Dyszkiewicz, Head of Group IT at Vienna Insurance Group (VIG), Carsten Vraa-Jensen, Chief Commercial Officer at Tia Technology and Niels Zijderveld, Sales Director Northern Europe at Guidewire Software discussed the consequences for insurers. "Core systems as innovation enablers" was the main topic of the panel discussion conducted by Christoph Baltzer, PR Manager at Sollers Consulting.

'It is difficult for an insurance company to change processes and products with an outdated system. Operating on a standard system, insurers can use their customers' data in a much better way and improve customer experience,' commented Roger Hodgkiss. Ryszard Dyszkiewicz said that an insurer can go on operating with its system when it is functional and there is a good team to develop it. But if a system does not sufficiently support business needs, it should be replaced by a standard system. 'A company which does not have a proven team on board should not try to build up a proprietary solution,' he said. Flexibility is one of the most important things insurers must achieve. Currently, the insurance industry is facing three major challenges:

- New technologies
- Regulation
- Rising customer expectations

The panel participants shared their opinions on companies from outside the insurance industry which are disrupting the market. Insurers react to that by shifting from traditional business models to becoming service providers using data to support and protect their clients. They discussed the role of regulation which is challenging all the players on the market. During the discussion the panellist stressed the positive aspects. Regulation aims to make insurance stable and trustworthy. Insurers should therefore use customers' trust as an opportunity to grow.

The insurance industry, being data-driven, is confronted with new ways of handling information. Tech companies have the capabilities to track data which never used to be collected before. Can insurance companies compete with that? Niels Zijderveld believes that insurers should concentrate on existing data. 'Start using the data you have, there's plenty available,' he said. Carsten Vraa-Jensen thinks that insurers should be more courageous in establishing data-driven offerings. 'Customer behaviour should be tracked in order to prevent claims and protect customers in the future,' he said.

Insurers are seemingly preparing to use their data better. In a public poll conducted during the panel discussion, Artificial Intelligence and APIs were identified by the audience as the technological issues that are expected to bring the highest value to insurers. The discussion was closed with a message that insurers must never stop modernising. If new core systems are not to become the legacy of tomorrow, they should have a high integration layer. Working with providers and advisors helps insurance companies keep their systems relevant.

Streamline goals of business and IT

Workshops on 2ⁿᵈ conference day

> *Be ready for change. Clarify the business case and streamline goals of business and IT.*
>
> Marcin Pluta, Managing Partner, Sollers Consulting

Project management has become extremely important in the insurance industry which is going through a profound transformation. Marcin Pluta, Managing Partner, and Grzegorz Podleśny, Partner at Sollers Consulting, conducted a workshop for the international participants of the conference. About 20 representatives of insurers from the UK, Germany, Luxemburg and Denmark discussed the key factors of success in project management. "IT is not at all an IT project" was the guideline of the workshop.

In his introduction, Marcin Pluta referred to the tennis player Roger Federer, who has been dominating this discipline since he became a professional in 1999. 'Roger Federer has been a successful tennis player for so many years because he manages to transform all the time', Pluta said. 'The ability to renew is the reason why he has repeatedly managed to come back and beat much younger players during his career.'

The participants individually developed several factors which should be considered before an insurance company starts a transformation project. Sponsorship is important. That communication should also be a key concern, was one of the results of the round tables. In big projects, communication between streams and teams must be ensured. Everybody involved in the transformation project should understand their role in the whole program. Other participants of the workshops stressed the cultural aspects in transformation projects. Insurers should ensure the participation of key users in that process. To prevent maintenance costs from going up, it is important that insurance companies stay close to the standard while implementing a new core systems.

Important factors for the management of a core IT implementation:

→ Sponsorship

→ Culture

→ Communication

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Food for thought:
Don't let legacy eat up your budget

How to become innovative and execute your ideas successfully?

First, it is important to understand the need to change and areas to change. Secondly, it is crucial to find and define a valid business case. Finally, execution is key. At Sollers Consulting we are convinced that insurance companies need three things:

→ **People and a new company culture:** Create an environment that fosters innovation and reasonable openness to risk.

→ **Budget:** Define how much can be invested apart from keeping legacy systems running.

→ **Technology:** Insurers need to select what technologies or solutions are needed and find out whether they work with the data and with the legacy systems of the company.

To be innovative, insurers must focus on improving the back-end that forms the basis for all other initiatives. Each company is an ecosystem of business functions and the core system serves as its heart. If it limits the ability of a company to connect to the providers of external services, external data sources and latest technologies, it is a major blocker not only for innovation, but also for maintaining relevance in the long run. Currently, up to 88% of the IT budget goes into maintaining business operations and implementing minor improvements, essentially maintaining the status quo. This means that only 12% of the IT budget flows into real transformation, which is far from sufficient to enable significant improvements. The clean-up of legacy systems is the first step. It could also release part of the budget for more innovative projects.

Food for thought:
Improving sales with the use of AI

Monika Siemaszko, Senior Consultant, Sollers Consulting

Big data and the use of data analytics, machine learning and artificial intelligence have become one of the main strategic objectives in the insurance industry. Monika Siemaszko, Senior Consultant at Sollers Consulting, gave practical examples of how data tools can deliver quick results. 'Machine learning is a method of teaching computers how to make predictions based on data. The more data you have, the better predictions you get,' she said. By means of a use case based on a user of the core system Tia, Siemaszko demonstrated that an insurer can improve products and sales initiatives without having to overcome huge technological barriers. The only data for the model was provided by the standard core system. 'Even a small set of data gives fast results,' Siemaszko said.

She demonstrated the implementation of an open solution by H2O.ai in Tia. It provides a set of ready-to-use algorithms for machine learning. The solution can work on a local infrastructure or in the cloud. In the use case, which was supported by Sollers Consulting, the insurer found out interdependencies of various clients' purchases and used them to improve product bundling. Here it was travel insurance and credit card insurance. The second step was to find out which data factors correlate with the willingness to buy credit card insurance and travel insurance.

There were several factors which might correlate with the sales proposition, including: unemployment risk, sex, renewal prerequisites, the amount of premium spent and others, but in this case, the age factor was outstanding. The model tested also the time factor. As a result, the product is most likely to be bought during summertime, winter breaks and long weekends. 'Regardless of the trip duration, in most cases insurance is bought one day before it starts,' Siemaszko reported.

The model was trained on a file with about 1.5 million records with 100 columns. The best model selected by the automatic machine learning process consists of 180 decision trees. 'Our model is able to pick a group of 1% of the customers with a probability of buying travel insurance nearly 10 times higher than on average,' Siemaszko said. The model was used to select a group of 20% of customers for a marketing campaign. As a result, the H2O.ai solution selected a group which had a probability of 19.3% for a transaction. The probability of a purchase in this group is 2.5 times higher than in a randomly selected group.

How does it work? A training file is produced by a batch and sent to H2O.ai. When the model is done, it is deployed as REST service. This way the core system can ask about the customer scoring at any time and use the information during the sales process or while selecting customers for a specific marketing campaign.

The solution can be used without a lengthy preparation process and significant infrastructure investments. It takes around two weeks to analyse the data potential, and approximately another three weeks to prepare the agreed models.

Open API at Basler Switzerland

/ Branislav Siarsky, Product Owner, Baloise Group (Switzerland)

Technological integration with partners has become very important for the Swiss insurer Basler. Branislav Siarsky, Product Owner at Basler Switzerland, reported on how the company is building up an API (Application Programming Interface). Basler Switzerland has basically four types of partners to deal with:

- Aggregators
- Brokers
- Startup companies
- White label partners

The insurer cooperates with start-up companies from innovation incubators. 'We want better access to young people,' said Siarsky. One of the most successful start-ups is the German insurtech FRI:DAY. Basler also works in white label partnerships with automobile manufacturers and other companies. The insurer decided to develop an API for its core system in order to better integrate them into its core system. 'We earn money with API. That works very well,' Siarsky said. The insurer has started to implement Guidewire in 2014. It is using Policy Center, Billing Center, Portals and DataHub. Property lines were implemented in 2015, motor insurance in 2016 and a portal for all lines in 2017.

Currently, there is no API for the Basler start-ups, they are integrated manually. Aggregators and brokers are connected by both portals and an API. Basler follows the Swiss broker standard and looked for a dynamic solution.

White label partners are currently migrated from a portal to an API. For the creation of the API, Basler coordinates workflows and operating models and follows the same security concepts. The search for existing customers and products is standardized and they have defined rules on how to deal with customer addresses and how to deal with exceptions.

Basler has completely changed the structure of its IT department. It has abolished the "head" position and replaced it with engineers, product owners and scrum masters. The manager who switched the entire IT department to Agile now has become Chief Innovation Officer, Siarsky reported.

Key takeaways:

→ Basler works with a variety of partners

→ Partners are connected to Basler manually, and via portals and API

→ White label partners are moved from a portal to the API

How Globality moves to digital innovation

Cyrille Dersch, Head of IT and Program Manager, Globality Health (Luxembourg)

Through digital innovation, the Luxembourg health insurance company Globality wants to reach customers better, improve its service offerings and to increase its operational efficiency. Cyrille Dersch, Head of IT and Program Manager at Globality Health, reported on how the insurer succeeded to move from a heritage system to an organization which now has the capabilities to innovate and deliver. Globality was created ten years ago and is part of Munich-Re Group. It offers health insurance for expatriates, both for companies and private individuals.

Globality's insurance business has a strong service component. In addition to paying for treatment costs, the insurer helps clients find a qualified medical provider, obtain a second opinion and psychological support (24 hours a day, seven days a week).

The aim of the digitalisation programme is to attract more customers by developing new distribution channels. The insurer wants to get more insight into its customers and to facilitate interactions. According to Cyrille Dersch, that an important part of this program is to improve the customer experience by offering self-services and tailored solutions.

At the same time, the insurer is improving its operational effectiveness to establish fast and efficient services. To digitalise its business, Globality created a new structure for its IT. 'The move to the new architecture enabled Globality Health to begin its journey towards digital transformation,' said Cyrille Dersch.

The innovation began with the implementation the core system Insis by Fadata, followed by a transformation of the IT department. Now it is about digital innovation. Sollers Consulting supports Globality in coordinating the communication with Fadata/Insis and challenges the vendor's estimates and deliveries for core fixes. Sollers Consulting also improves the software delivery process (versioning, continuous integration toolset), takes over the bug fixing process and tests the code received from Fadata/Insis.

The entire innovation process took three years. The new core system went live in 2017. Globality is now considering switching to a new release in its core system. The company is already able to develop and to deploy new tools like messaging documents, online claims and searching for health providers.

Steps to Innovation

→ Implementation of a new core system

→ Restructuring of the IT department

→ Transition to digital innovation

Insurtech pitch

Smabbler, SpaceKnow, Runvido, Boomerun

The four Insurtechs Smabbler, SpaceKnow, Runvido and Boomerun presented their technological solutions. Their offerings are based on artificial intelligence and other data-related technologies. Sollers Consulting supports the cooperation of insurers and insurtechs as one of the sponsors of the Polish chapter of the Massachusetts Institute of Technology Enterprise Forum (MIT EF).

Manage Text Data

During the conference, Łukasz Pytel, CEO and co-founder of the Poland-based **Smabbler** showed how it applies artificial intelligence to written language interpretation. Scalability and the holistic approach of the language reasoning was highlighted as a unique value. For instance, the application can manage all text data, from reading mails and categorising them to preparation of descriptions and answers.

Augmented Reality for Marketing

Runvido from Poland presented an augmented reality platform, a solution for displaying interactive photos or videos on printed materials based on augmented reality. Co-founder Natalia Ciosek compared the app with the magic pictures in Harry Potter books, where normal pictures were brought to life. Insurers can use this innovative technology to conduct more sophisticated marketing activities and raise the interest of old and new customers, especially of the target group of digital natives.

Analyse Satellite Pictures

SpaceKnow from the Czech Republic uses artificial intelligence for satellite image recognition. The company developed a solution which extracts data from satellite imagery through machine learning, reported Alden Baldock SpaceKnow. By creating algorithms in house, SpaceKnow can provide data faster and on a larger scale than possible ever before. The company identifies and quantifies objects, land usage and monitors changes over time. This includes effects from catastrophic events or vegetation and crop health monitoring. They are planning to gather data on damages caused by natural disasters and to monitor the number of consumers in retail car parks.

Augmented Reality for Marketing

Tomasz Uściński, co-founder of **Boomerun** reported on its data tool for wearables which can be applied in insurance pricing and for shopping discounts and aims to reward healthy lifestyles of consumers. Every time the consumer uses the Boomerun app, the platform provides the data to retailers with loyalty programs, employee benefits providers, and insurance providers who can offer customised insurance. This way, the insurtech builds an ecosystem of mutual benefits.

Sollers award:
Santander Consumer Bank rewarded for velocity and quality

On behalf of Santander Consumer Bank, Małgorzata Kruaze-Kulewska accepted the Sollers Award for transformation into a digital leader, which is given to outstanding innovation projects.

> *Santander Consumer Bank completely redesigned its insurance business in Poland. It adopted Agile methodologies for the first time and completed the project in just four months. It was an outstanding partner considering velocity and quality.*

said Grzegorz Podleśny, Managing Partner at Sollers Consulting, who presented the award. Santander Consumer Bank made a bold decision to start a deep digital transformation, implementing Sollers Consulting's Omnichannel Insurance Platform RIFE in their first ever Agile project. It required the orchestration of multiple teams and setting a clear long-term objective of providing a coherent omnichannel Customer Experience, with bundled offerings relevant to customers' needs.

After a record-breaking implementation in only 4 months, a new Insurance Platform was delivered. Early business results are very encouraging.

The decisiveness of the bank's management and very positive business results were the main factors why Santander Consumer Bank was selected for the Sollers Award. 'The Bank's Digital Transformation is ongoing and will include several further phases, but the vital first step has been made, and its positive effects will significantly help to continue this long road. This kind of boldness is necessary for financial institutions which want to remain relevant in the long run and benefit from the digital economy, instead of becoming its victims', said Grzegorz Podleśny.

Talking about the future of insurance

Copernicus Science Centre

The Copernicus Science Centre was opened on 5th November 2010 and has become one of Warsaw's main attractions. It contains **over 450 interactive exhibits** that enable visitors to carry out experiments and discover the laws of science. The Centre is the largest institution of its type in Poland and one of the **most advanced in Europe**. It attracts about 1 million visitors every year.

The science museum is located on the bank of the Vistula River. The first module of the Centre was opened on 5th November 2010 with five galleries (On the move, Humans and the environment, Roots of civilization, Lightzone, Bzzz!); an exhibit for teenagers (RE: generation), a planetarium (The Heavens of Copernicus), a Chemistry laboratory, a Biology laboratory, a robotics workshop and a Physics laboratory were opened in 2011.

We hope to see you again at Innovation in Insurance

→ **20th-21st January 2020**
Copernicus Conference Centre, Warsaw

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