

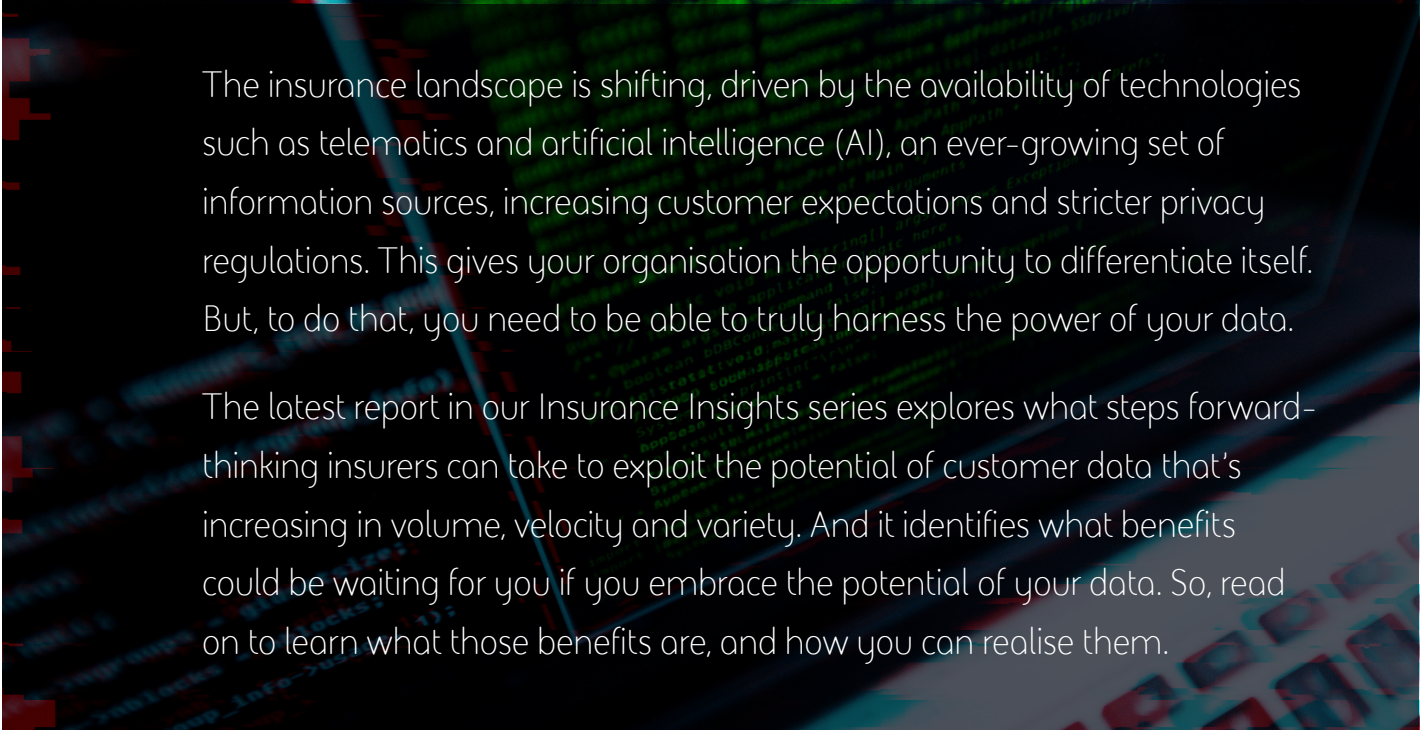
How Insurers Can Turn Data into a Differentiator

Insurance Insights

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INTELLIGENT INSIGHTS
FROM BAE SYSTEMS



The insurance landscape is shifting, driven by the availability of technologies such as telematics and artificial intelligence (AI), an ever-growing set of information sources, increasing customer expectations and stricter privacy regulations. This gives your organisation the opportunity to differentiate itself. But, to do that, you need to be able to truly harness the power of your data.

The latest report in our Insurance Insights series explores what steps forward-thinking insurers can take to exploit the potential of customer data that's increasing in volume, velocity and variety. And it identifies what benefits could be waiting for you if you embrace the potential of your data. So, read on to learn what those benefits are, and how you can realise them.

Inundated by insurance data

The feverish adoption of digital technologies means insurance firms can create, manage and interpret more data than ever before. Whether that data arrives from AI and chatbots, or internet-connected devices and Internet of Things (IoT), insurers have never enjoyed access to such an overwhelming volume of customer information.

Big Data, big benefits

The benefits of accessing this cascade of data are vast. You can improve customer engagement, develop innovative new products and services, drive business performance through operationalised insights, prevent fraud, and simplify IT estates.

But it's no one-way street. Reaping these rewards requires an investment on your part too. Specifically, it demands a step-change in your data capabilities – adapting traditional, batch-based approaches in order to answer the demands of the three 'Vs': data volume, velocity and variety.

Volume: spearheaded by IoT, AI and aggregator sites, the amount of data available to (and handled by) insurers is expanding exponentially. For example, insurance aggregator sites can generate hundreds of quotes for every policy application, placing huge data processing demands on you and your team.

Velocity: the adoption of telematics and IoT allows insurers to build a richer picture of their customers, as well as introduce dynamic pricing, deliver value-added customer services and reduce fraud. But in order to do this, you need to be able to process data extremely quickly – ideally in real time.

Variety: if you're constantly fighting to obtain a clear and consistent view of your customers using conventional policy and claim data, you're not alone. But, while the opportunity to use a range of data from new sources like social media, chat logs and browsing data might be welcome, unstructured information can make that holistic view of each customer even trickier to achieve.

Thriving amid a data deluge

To tackle this triumvirate of challenges – and in doing so take advantage of the opportunities that the influx of data offers – you'll need to follow a series of crucial (yet reassuringly clear) steps. And we've explored them in more detail below.

#1 Operationalise Business Intelligence (BI) and analytics

Getting data into a hub (or other analytical store) might address reporting and analytical use cases. But to fully utilise and exploit your data, you'll need to go one step further – closing the loop between your line of business systems and downstream platforms. This can be achieved by injecting “smart data” into operational processes, using techniques such as inline analytics or implementing data access via micro-services or APIs. By doing so, you can take immediate action based on the analytics, rather than waiting for human intervention.

#2 Next-generation data architecture

Built on patterns such as Lambda and Kappa, next-generation architectures can help manage operational information and big data more simply. These architectures typically include a number of components. Firstly, a data lake acts as a hub to reduce silos and promote simplification. That's accompanied by cloud computing, to enable the elastic scaling of computing resources and cost-effective storage. And finally, real-time interfaces help to expose data for exploitation through APIs in addition to traditional batch processes.

#3 Privacy and security

There's a perennial healthy tension between compliance and the business when seeking to exploit data. To address this friction and encourage better alignment, we recommend adopting a robust data privacy and security controls framework – one that supports compliance requirements and allows you to use (and act on) the data.

#4 Data management and governance

Governance has always been critical when you're seeking to derive value from data. And it takes on a new and more prominent role for big data, particularly as the velocity and variety of information increases. Enterprise data models, standardised data definitions and data quality all remain important. But we recommend prioritising capabilities including data lineage and metadata management to ensure that the end-to-end processing of your information is clearly understood and well-documented – vital for regulatory compliance.

#5 Create a data-savvy workforce

Access to data (and the tools to exploit it) alone is not enough. You can extract real value by building a culture of data literacy across your organisation, leveraging the pockets of analytical expertise that typically exist within your underwriting and fraud management teams and communicating this across the wider business. To achieve true data-savviness, your employees will need to invest time and energy to understand the data available to them, learn how they can make business decisions underpinned by that information, and be encouraged to run experiments to create value.

Solving your Big Data dilemmas

Big Data can be a force for differentiation across your organisation. And we can help you exploit this potential. Data, information and intelligence are at the heart of the critical business solutions we deliver for our clients – handling terabytes of data (in real time) every day. And that makes us ideally positioned to solve your Big Data challenges.

Start that journey today by booking an exclusive (and complimentary) Big Data consultancy session with our team of data specialists. You'll benefit from our in-depth expertise in bespoke analytics, data management and engineering. And you'll gain the opportunity to engage with our experienced data scientists. They'll explain how you can generate real insights for your business and explore how to wring the most value from your data.

For more information, and to apply for a Big Data consultancy session, visit: baesystems.com/datatransformation

Profile



Mark Rayner

Head of Consulting, Financial Services, BAE Systems

Mark Rayner is the Head of Consulting for the Financial Services division of BAE Systems Applied Intelligence. He helps banks, insurers and other financial services clients become data-led organisations and get the most value from the information they hold.

Mark has 15 years of experience delivering data-led transformation programmes in areas such as regulatory compliance, capital optimisation and catastrophe risk management. He specialises in helping clients maximise business benefit from data and has expertise in a range of disciplines, including data engineering, business intelligence and analytics, data governance and management.

This breadth of experience means Mark is ideally positioned to help BAE Systems' clients maximise the potential of their data.

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