

Healthcare disrupted

Disruption today will cause displacement in the future

Business as usual for health insurance companies is under siege. Innovation and digital strategies can no longer be neglected.



NEW INSURTECH MODELS

NEWCOMERS ARE ERODING MARKET SHARE

NEARLY **1/3** OF CUSTOMERS RELY ON **INSURTECH** SOLUTIONS

EITHER EXCLUSIVELY OR COMBINED WITH AN ESTABLISHED INSURANCE COMPANY¹

20% OF PAYER REVENUES ARE AT RISK TO **INSURTECH** COMPANIES

INSURTECH STARTUPS HAVE RAISED **\$4.8** BILLION IN **5 YEARS**¹

AUTOMATION
SELF-SERVICE
FAST CLAIM PROCESSING

KEY TO COMPETING AGAINST THE NEXT GENERATION

MANUAL PROCESSES ARE ERROR-PRONE AND INEFFICIENT

THE RISE OF CONSUMERISM

PERSONAL HEALTH INFORMATION GROWING EXPONENTIALLY

245 MILLION WEARABLE DEVICES WILL BE SOLD IN 2019³

1.7B WILL USE A MEDICAL APP THIS YEAR⁴

SECURITY THREATS ABOUND



DATA PRIVACY RULES ARE EVER-EVOLVING

CONSUMERISM INCREASES PRESSURE FOR TRANSPARENCY AND MORE AUTOMATION



9 OUT OF 10 CONSUMERS WANT PRICING IN ADVANCE OF CARE⁵

65% OF CONSUMERS WANT THEIR WEARABLE TECHNOLOGY TO PLAY AN IMPORTANT ROLE IN HEALTH AND WELLBEING⁶

NEW MARKET ENTRANTS

A SIGN OF THINGS TO COME

NONTRADITIONAL NEW ENTRANTS ARE SEEKING ECONOMIES OF SCALE TO TRANSFORM THE INSURANCE INDUSTRY

amazon

J.P.Morgan

BERKSHIRE HATHAWAY

JOINT VENTURE

Walmart*

Humana

POSSIBLE MERGER

CVS

/Aetna

ACQUISITION

INSURANCE CEOS SAY INSURANCE IS AMONG THE MOST DISRUPTED INDUSTRIES

85% ARE CONCERNED ABOUT THE PACE OF TECHNOLOGICAL CHANGE⁷

94% of insurance execs feel digital partnerships are critical to their business⁸

Traditional payers are

20 YEARS

behind new entrants in tech⁹

Top 2 innovation trends

DRIVING THE INSURANCE INDUSTRY OVER THE NEXT 5 YEARS²

- 1** MORE SOPHISTICATED DATA MODELS AND ANALYTICS TO BETTER IDENTIFY AND QUANTIFY RISK
- 2** BETTER TOOLS TO REACH, ENGAGE AND SERVE CUSTOMERS

Top 3 insurance technology

INVESTMENT PRIORITIES FOR 2018¹⁰

- 1** CLOUD
- 2** INTERNET OF THINGS
- 3** MOBILE TECHNOLOGY

Transformation barriers

NEARLY **2/3**

OF INSURANCE CIOs STRUGGLE WITH COMPETING BUSINESS PRIORITIES¹⁰

57% OF INSURANCE CIOs SEE INNOVATION AS A CRITICAL COMPETENCY, COMPARED TO **75%** ACROSS ALL OTHER INDUSTRIES¹⁰

87%

OF INSURANCE COMPANIES STRUGGLE WITH HIRING AND RETAINING TALENT TO INNOVATE¹¹

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