

# Insurance 2023 and beyond...



The global economic and financial landscape has shifted dramatically over the last few years, and we're all still trying to establish what the "New Normal" is. As we push into 2023, trepidation and uncertainty are pervasive. For the insurance sector, much more is required than simply embracing digital technology to meet and accommodate the ever-changing customer mindset.

With increased consumer expectations towards well-targeted products tailored to specific needs, insurers must counter extreme exposure risk and regulatory demands. The industry must also put focus on Environment Affairs with greater attention to Social and Governance matters. (ESG).

We expect rising inflation, increased attention to climate change, competition from tech firms, and soaring interest rates to characterize the months ahead. As a result, partnerships between traditional insurance companies and technology-led insurance providers must strengthen to overcome potential market hurdles.

Here are a few core trending themes for the Insurance industry for 2023

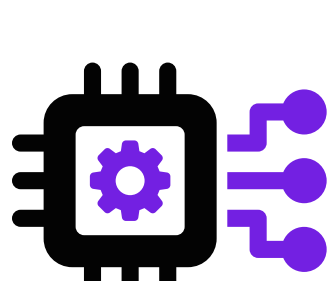
## For insurers, the primary focus will be on

- ▶ Cross-selling along with tailored insurance packages
- ▶ Increased prevalence of workbenches for underwriting
- ▶ Distributed Infrastructure and Cloud-based solutions led by Digital Transformation
- ▶ Advancement in Low/No Code Development
- ▶ Technology-focused R&D

In the present volatile economy, innovation led by technology will be crucial for boosting revenue, mitigating risks, and reducing overheads for all industries.

## Predictive Analytics

The near-future will be entirely data-driven. Initiatives that leverage data in uniquely-purposeful ways are being furthered daily, and the feedback loop on data-driven analytics continues to tighten. Adopting analytics and predictive modeling has proven to enhance revenue models, especially for insurance providers.

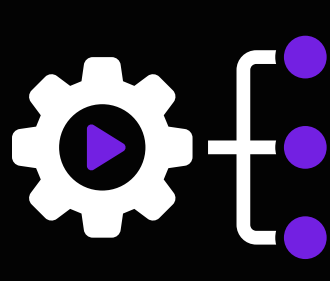


More than two-thirds of insurers credit predictive analytics with reducing issues and underwriting expenses...



## AI and RPA as the Frontrunners in Innovation

Incorporating complex technologies within insurance requires multiple steps and repetitive tasks, which is ideal for automation and RPA integrations. Switching to automated time-efficient practices increases process efficiency and reduces manual effort and errors, which can significantly cut down business costs.



R&D in AI is ongoing to improve business processes like cost optimization, data-driven decision-making, and enhancing customer experience. It also contributes to seamlessly augmenting critical processes like underwriting, pricing, and claims.

## Fraud Detection is another key area for AI implementation

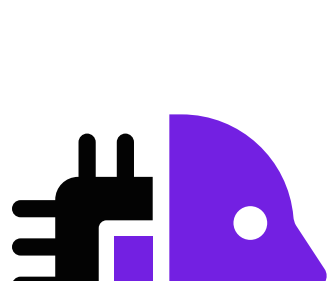
According to the FBI, general insurance fraud costs American families 400-700 USD per year in increased premiums due to annual losses as high as

**40 Billion USD per Year**

<https://formotiv.com/blog/predictive-analytics-in-insurance/>

## Automation and Robotics Processes in Insurance

The growing popularity and the dependency on automation will continue to change how humans interact with the world and reshape manufacturing and the commercial insurance offerings of the future.

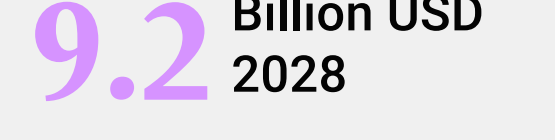


In addition to managing workflows, companies can use bots to check records, complete forms, improve customer service, and facilitate transactions. Robots provide tangible business benefits, and the IT-enabled robotics market multiplying at a CAGR (Compound Annual Growth Rate) of 41.5% in 2022 is expected to reach over 9.2 billion USD by 2028.

**1.1** Billion USD 2022



**9.2** Billion USD 2028



CAGR of **41.5%**

The collaborative robotics market is projected to reach 9.2 Billion USD by 2028; it is expected to grow at a CAGR of 41.5% from 2022 to 2028.

<https://www.marketsandmarkets.com/Market-Reports/collaborative-robot-market-194581224.html>

## Embedded Insurance and a Connected Insurance System (IoT)

New offerings like Embedded Insurance alongside automation and analytics technologies will drive growth and enhance customer engagement, finding greater acceptance in the industry. As a progression of the legacy insurance model, IoT uses interconnected devices to gather data. It analyses user behavior, automating information collection to monitor and determine rates, diminish risk, and proactively prevent losses.



As a result of this first-hand data, other insurance technologies will be able to improve the accuracy of risk assessments in the coming decade. Insureds and insurers benefit from the direct impact on their policy pricing, while the latter has a chance to increase accuracy and profits.

Our research indicates Embedded Insurance will account for over...



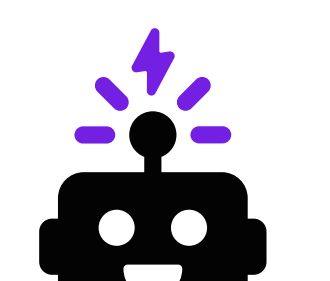
OR

roughly 25% of the worldwide market

<https://www.janiperresearch.com/press/tech-cost-savings-in-chatbots-reach-7-3bn-2023>

## Chatbots

Chatbots leverage AI and ML (Machine Learning) to operate independently. They interact seamlessly with customers without needing a customer support department, saving companies millions in work hours and money. As per a Juniper report, AI-based chatbots can facilitate cost savings of approximately 7.3 billion USD across life, health, and property insurance by the end of 2023.



AI chatbots can facilitate cost savings of approx. **7.3** Billion USD

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## Conclusion

By 2030, the assessment of risks due to shifts in risk pools, altered customer expectations, and new developments around automation will be vital in supporting new products and channels. Furthermore, automation in clinical procedures, farming, and the automotive industry will pave the way for commercially viable and highly programmable autonomous features in the coming decade.



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