

# Insurers' investment in technology

Across the globe large (re)insurers are proactively investing in technology to remain relevant as consumer preferences change. While technology offers insurers an opportunity to boost margins and grow in the medium term, over the coming decades, technological advancements could disrupt the traditional business model.

## Technology is both a threat and opportunity for the insurance sector

The extent to which different technologies will impact the insurance value chain

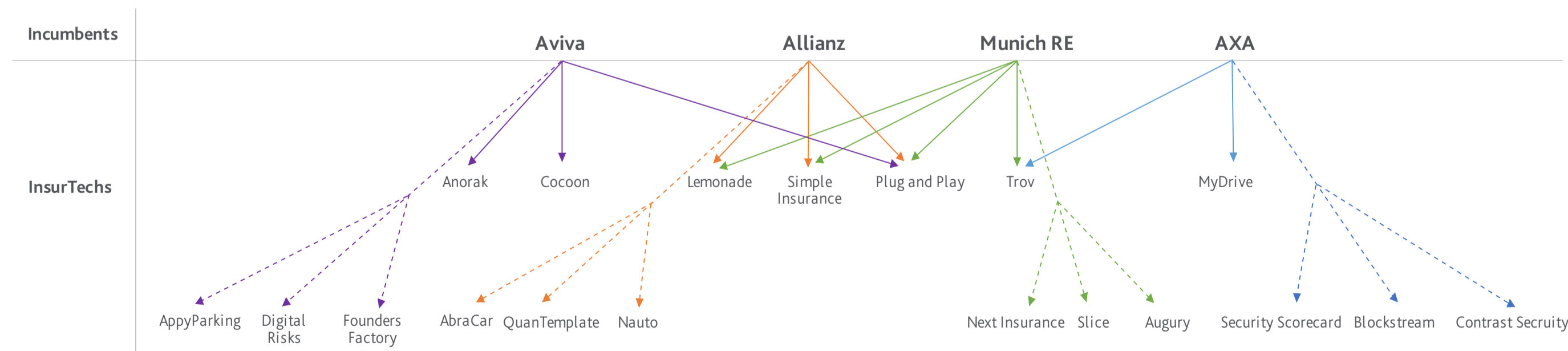
	Product Development	Marketing	Sales & Distribution	Underwriting & Policy Services	Claims Management
Digital Front End Platforms	>	>	<< >>>	>>>	>
Data Analytical	<< >>	>>>	<< >>>	<<< >>>	>>>
Blockchain	<		>	>	>
Internet of Things	<< >>>	>>>	< >>	<<< >>>	>>>
Artificial Intelligence	>>>	>>>	<<< >	<<< >>>	>>>
Digital Ecosystems	<<< >>	<<< >	<<< >>	<< >>>	<<< >>

>>> Opportunity  
<<< Threat

Number of arrows denotes size of potential impact

Source: Moody's Investors Service

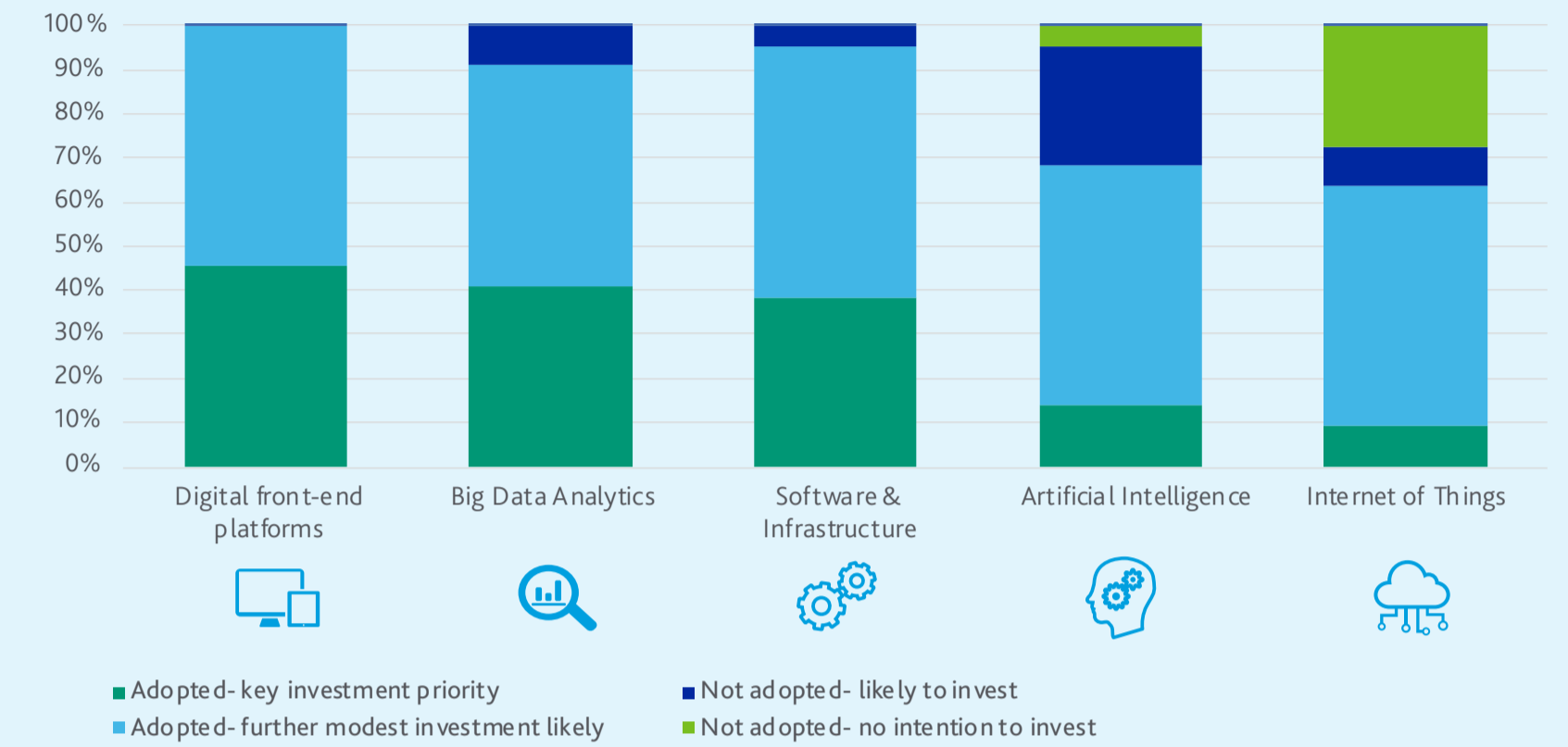
## Examples of collaboration between European incumbent insurers and InsurTechs



Source: Company reports and Moody's Investors Service

## Insurers are increasingly investing in data analytics technologies

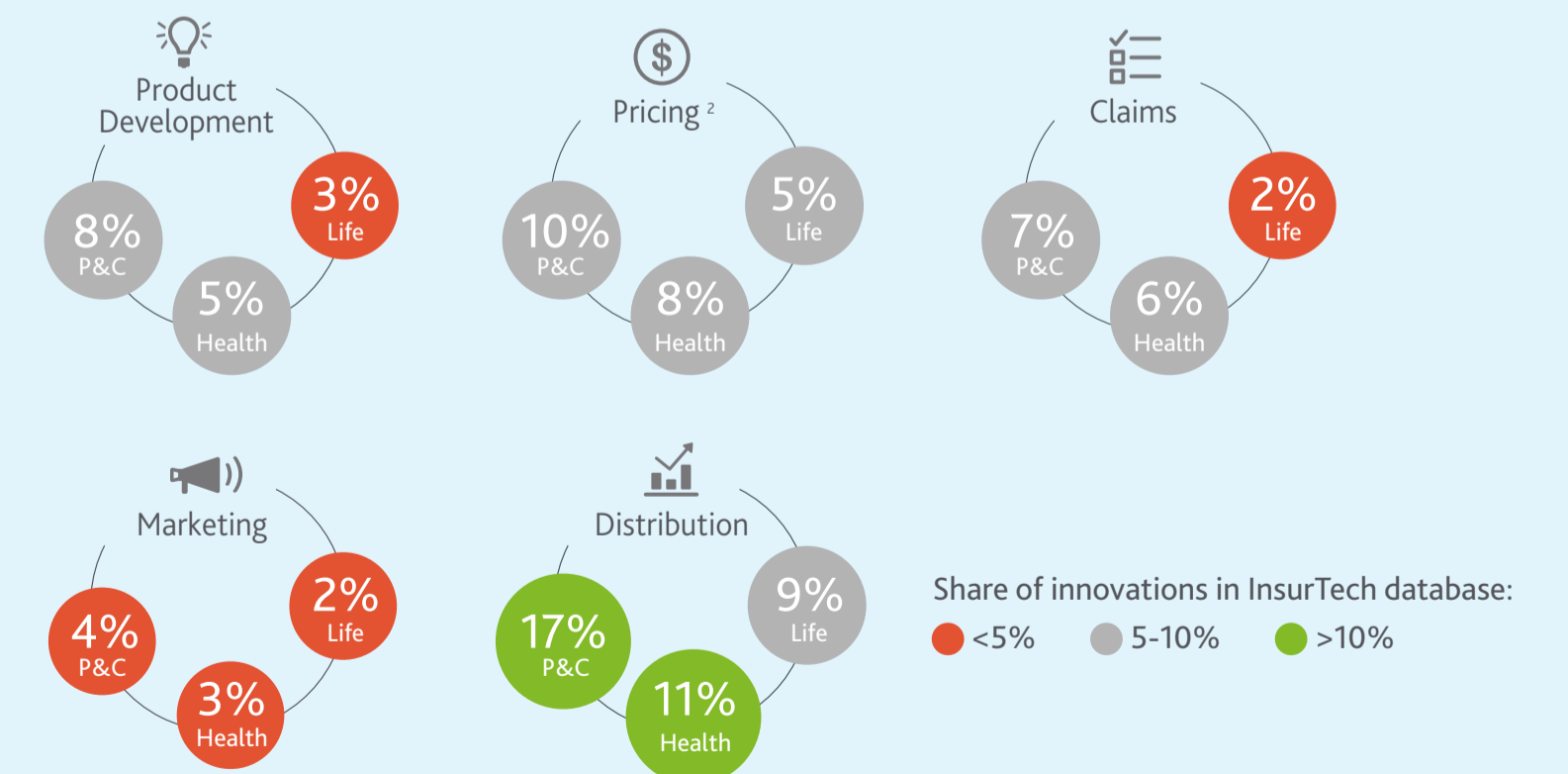
CFO survey question: Please indicate to what extent your firm has adopted or is investing in the following types of technology



Source: Moody's 2018 CFO survey, based on responses from 22 insurers, including many of the largest European multinationals

## InsurTechs cover all lines of business and are active across the value chain

Number of innovations as a % of total in the database<sup>1</sup>



<sup>1</sup> Based on c.500 commercially most well-known cases registered in McKinsey's Panorama InsurTech Database.

<sup>2</sup> Includes underwriting and policy issuance

Source: Digital disruption in insurance: cutting through the noise, McKinsey