Insurance and ERP in the Experience Economy
Key Business Drivers in Insurance

88% of insurance firms in the Forbes 2000 innovating with SAP® solutions

68% of customers are willing to pay more for better customer service*

>50% of organizations will rely on AI to drive supply chain transformation


Digital Engagement
• Communication between insurers, people and devices connecting external data to build engagement with the real world
• Reimagined digital engagement with new-generation claims processing

Protection Services
• Hybrid products bundling insurance across lines of business with non-insurance products and services to offer requested protection services
• Reimagined protection service with the connected home

Data-Driven Influence
• Key insights provided by Internet of Things to deliver innovative products to market quickly while maintaining existing products more efficiently
• Reimagined data-driven influence with product lifecycle and process

“Quickly adapting to change – foreseen and otherwise – is the critical, central capability for every organization. Systems and technology must be an enabler to this change, not an impediment.”

Simon Ellis, Program Vice President, IDC
Insurers that stand apart have emerged as leaders in the adoption of new business models. They drive sustained, value-added relationships with consumers seeking “managed risk based on accurate usage”. This builds long-term relationships with clients and consumers based on a deep, real-time understanding of their evolving wants and needs.

From ...

Managing insurance products in silos
Static, one-size-fits-all experience
Standardized products
Limited analytical capabilities

To ...

Managing assets and managed services with data speed
Dynamic, highly personalized insurance
Bundled insurance with products and services
Real- and full-time analytics
Traditional Processes Are No Longer Good Enough
Example: Claims Processing
Updates to financial reserves posted manually, sourcing of repair providers and associated work orders negotiated individually and/or manually
Additional delays in repair process
Increased financial risk
Customer perceives slow or inadequate response

Claim response
Manual, disconnected processes, limited or non-existent aggregate views of customer interaction across channels and products

Claim investigation
Updates to financial reserves posted manually, sourcing of repair providers and associated work orders negotiated individually and/or manually

Settlement
Difficulty responding to market conditions effectively or in time, best-guess approach to capital/reserve requirements planning

Initial claim recording
Call center registers new claim; all data is manually entered and prone to error, follow-up processes manually defined and triggered

Challenges

Outcomes
Increased probability of errors
Customer perceives lack of responsiveness
Increased financial risk
Customer perceives slow or inadequate response
Additional delays in repair process
Frustration from length and complexity of claim process creates ex-customers
Enabling Better Customer Experiences in Insurance
Example: Intelligent Claims Processing
Key capabilities delivered

Initial claim recording
- Sensor data is ingested and analyzed in real time
- Anomaly detected and flagged for human review
- Financial reserve automatically posted
- Repair request triggered with Ariba Network

Claim response
- Claim is updated with additional details from various sources
- Financial reserves automatically adjusted
- Status available in real time to policy holder via self-service
- Natural language queries

Claim investigation and processing
- Service orders processed through Ariba Network automatically
- Electronic invoices matched intelligently
- Payments automatically initiated
- Financial reserves continue to be updated automatically based on latest claim status and investigation

Settlement
- Repairs completed by service partner
- Claim status maintained and available to policyholder
- Automated settlement triggers policyholder notification
- Client confirmation updates machine learning algorithm with new data for future claims processing

Intelligent technology outcomes

Sensor and external data sources reduce the need for manual entry and chance of process errors for each claim

Simplified IT landscape reduces cost while also improving customer response time and visibility

Real-time simulation and analysis enable smarter financial decisions during claims processing

Reduction in claim-processing time and error rates increase customer satisfaction

SAP S/4HANA® customers achieve

50% reduction in time customers spend making claims

20% reduction in procurement and services cost

5%–10% decrease in operations analysis and reporting

81% reduction in the number of steps in the claims payment process

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What **Industry Leaders** Are Doing Today

Examples
What Industry Leaders Are Doing Today
Ryan Specialty Group

Objectives
• Faster decision making and financial closing
• Real-time data, insights and reporting
• Improved employee lifecycle management
• One source of truth to redefine business process, create internal controls, and improve risk management

Resolution
• Established single source of truth for all HR data with the SAP® SuccessFactors® Employee Central solution
• Created a comprehensive process for recruitment and performance management process with SAP SuccessFactors solutions
• Centralized, automated approvals and a centralized system with workflow

Benefits
• Well-established organizational hierarchy
• Reduced manual data input and processes
• Business has real-time access to data
• Reduction in the time onboarding documents are signed and returned
• Reduced TCO
• Data integrity
• More robust analytics and time for reporting staff
• Audit trails to increase accuracy and compliance

“We invested in Cloud ERP because it is key to our growth strategy, and SAP exceeded expectations in many ways. We experienced ups and downs as SAP was co-developing at the same time, but we have already realized immediate benefits.”

Diane Aigiotti, CFO, Ryan Specialty Group
Challenges
AIG realized that in an environment that is as competitive as the insurance industry, it all comes down to operational efficiency. But with as many as 500 general ledgers, reporting was complex and time intensive. So AIG started out on a quest to become an intelligent enterprise, enhance visibility into finances across the entire organization globally, and establish a single source of truth for all financial reporting.

SAP S/4HANA Innovations
AIG deployed SAP S/4HANA and established a single source of truth to bring together all financial information into one spot while at the same time increasing the speed and agility of its applications.

Benefits
• Reduced TCO by 25%
• Established single source of truth for all financial reporting
• Eliminated reporting repositories
• Enhanced visibility into finances across the organization

“By moving to SAP HANA® we’ve seen great benefits in the stability and the speed of our applications as well as the overall cost.”
Doney Largey, COO & Finance, AIG

What Industry Leaders Are Doing Today
American International Group

INDUSTRY | EMPLOYEES | REGION
--- | --- | ---
Insurance | 55,000 | NA, United States

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Swiss Re selected the SAP S/4HANA and SAP HANA business data platform to process large data volumes in a shorter period of time for improved decision-making.

Using data integration and drill-down functionality, they can now better evaluate products from a financial perspective.

Capital requirements are calculated automatically.

Swiss RE transformed their operations and improved decision-making.

They can now better evaluate products from a financial perspective and manage capital requirements automatically with real-time adjustments within their finance and risk data platform.

Swiss Re needed a comprehensive financial transformation program to meet the economic challenges of today’s low-interest-rate market. It needed to calculate solvency capital requirements in a timely way to reduce financial risk.

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