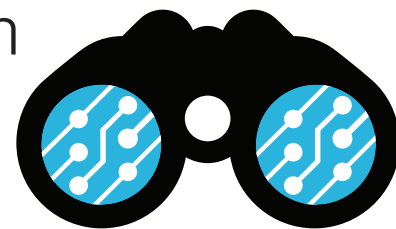# P&C insurers lean into the future with advanced analytics and technology

2017/2018 Advanced Analytics and the Future Survey

How are insurers using advanced analytics and new technology to transform business operations and enhance customer experiences?

Future uses of advanced analytics to elevate customer focus

How insurers plan to improve customer experiences

67% Faster service

65% Faster, easier information access

61% More personalized experiences

53% More mobile-friendly interactions

Top data sources insurers plan to use two years from now for customer centricity

	Now	Two years
Internal customer data	49%	76%
Customer interactions/surveys	43%	69%
Auto telematics	24%	57%
Social media	18%	45%
Web scraping	6%	37%
Clickstream data	14%	35%
Home telematics	0%	29%

How AI and machine learning will streamline processes

Top applications insurers plan to use two years from now for artificial intelligence (AI) and machine learning

	Now	Two years
Reduce time spent by humans	8%	49%
Identify high-risk cases	10%	45%
Build risk models for better decision making	8%	45%
Help humans identify appropriate risk attributes	6%	43%
Better understand risk drivers	20%	41%
Identify patterns of fraudulent claims	6%	39%
Augment human-performed underwriting	6%	37%

How advanced analytics will transform claim management

Current and planned applications

Evaluation of claims for fraud potential
Now **26%** Two years **82%**

Evaluation of claims for litigation potential
Now **15%** Two years **74%**

Claim triage (identify complex claims to triage workflow)
Now **26%** Two years **80%**

Evaluation of claims for subrogation potential
Now **13%** Two years **62%**

Claim triage applications

$ 70% Claim amount

50% Likelihood of complexity
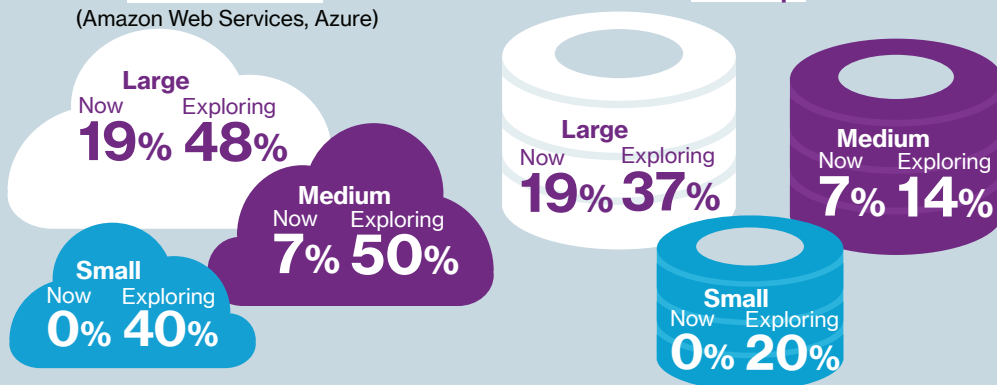
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Cloud-based environments and Hadoop

Regardless of size, insurers are actively exploring technology to manage big data

Cloud-based
(Amazon Web Services, Azure)

Large
Now: 19% Exploring: 48%

Medium
Now: 7% Exploring: 50%

Small
Now: 0% Exploring: 40%

Hadoop

Large
Now: 19% Exploring: 37%

Medium
Now: 7% Exploring: 14%

Small
Now: 0% Exploring: 20%

How insurers measure model value

Top metrics used to evaluate model results

81% Points saved on loss ratios

49% More efficient use of resources

44% Better portfolio management

32% Ability to reduce claim costs

27% Faster processing time

Telematics' future impact on insurance is real

Five-year outlook

Telematics impact on insurance company business functions

- **90%** Rating and pricing
- **80%** Underwriting and risk selection
- **61%** Customer behavior modification
- **51%** Claim triage and analytics
- **39%** Loss control

Telematics impact by line of business

- **86%** Personal auto
- **77%** Commercial auto
- **43%** Homeowners
- **16%** Commercial property

Telematics data use by company size

	Large		Medium		Small	
	Now	Two years	Now	Two years	Now	Two years
Personal auto	50%	94%	13%	50%	0%	71%
Commercial auto	29%	67%	0%	22%	0%	33%
Homeowners	0%	65%	0%	22%	0%	0%
Commercial property	0%	38%	13%	38%	0%	0%

Top-growing new data sources for insurers

Personal lines

	Now	Two years
Smart home/Smart building data	0%	52%
Usage-based insurance information (telematics)	26%	70%
Social media	26%	52%
Unstructured internal claim information	39%	61%
Unstructured internal underwriting information	30%	52%
Images	13%	35%

Commercial lines

	Now	Two years
Unstructured internal claim information	46%	92%
Other unstructured customer information	11%	54%
Unstructured internal underwriting information	25%	39%
Usage-based insurance information (telematics)	11%	47%
Web/Clickstream/Phone/Email customer interactions	11%	36%
Images	3%	39%

Source: Willis Towers Watson 2017/2018 P&C Advanced Analytics Survey
willistowerswatson.com/aasurvey2018

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