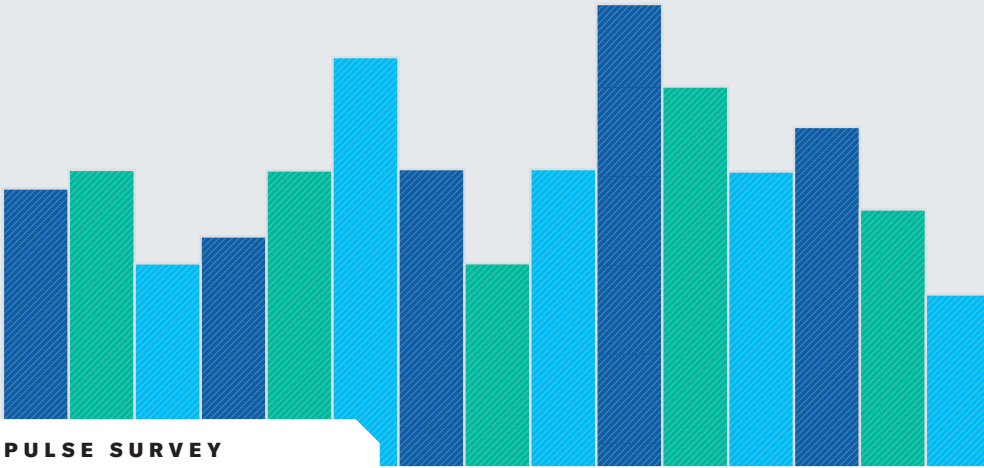




**Harvard
Business
Review**

ANALYTIC SERVICES



PULSE SURVEY

Accelerating Change in Insurance Distribution Through Technology



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Over the past decade there's been a lot of buzz about disintermediation, the rise of direct-to-consumer channels, and the billions of dollars in insurtech investment that are disrupting traditional insurance paradigms. Advances in technology are certainly forcing carriers and brokers to reimagine how they sell and service their products. At Salesforce, we've worked with insurance companies at various stages of digital transformation that run the gamut from eliminating paper in the underwriting process to building a digital, automated experience for the entire policy lifecycle.

It's now 2020 and Lemonade has gone public, numerous insurtech conferences have been held, nearly every major carrier has a C-level digital transformation executive, and Covid-19 has accelerated the demand for digital capabilities. We wanted to understand where the industry stands on the future of distribution in light of all this disruption. Are we on that path to complete automation and disintermediation or is human interaction still an important part of the insurance experience?

With the help of Harvard Business Review Analytic Services, we surveyed 150 executives globally across different lines of business and interviewed several subject matter experts to gain insights into how technology and insurtechs are influencing distribution strategies. We found that investment in direct-to-consumer channels will continue to grow; however, the majority of the respondents felt that traditional broker and agent distribution channels are also here to stay. Especially for more complex lines of business, the broker channel has some advantages over new direct models, including access to claims data collected over decades and the ability to let customers compare quotes from multiple carriers. But Lemonade and others are having a very strong influence on how distributors are operating and innovating—not only forcing a renewed focus on reimagining the customer experience but also a move to omnichannel and cloud platforms to improve operational efficiencies in the front, middle, and back office.

For a deeper look at the impact that insurtechs are having across the industry and some interesting stories from around the world, I encourage you to take a look at this report.

It was jointly sponsored by Salesforce, VLOCITY (now part of Salesforce Industries), and DocuSign, and we hope you find some valuable insights to help shape your own evolution as you evaluate your distribution and digital transformation strategies.



Ayan Sarkar
Vice President, Global Head of
Insurance Go to Market
Salesforce

Accelerating Change in Insurance Distribution Through Technology

If you want to see the influence that insurtechs are having on how insurance will be sold in the future, look no further than Lloyd's of London, which has been about as technologically behind as an institution can be. Brit Ltd. announced in May 2020 that, in collaboration with Google, it has created Ki, a new syndicate that will be part of Lloyd's, that "will aim to significantly reduce the amount of time and effort taken for [commercial] brokers to place their [excess] capacity, creating greater efficiency, responsiveness, and competitiveness." The Ki platform, which will launch in 2021, will be cloud-based, able to be accessed by brokers directly, and involve algorithms able to evaluate Lloyd's policies.

That insurtechs are having such an impact on the oldest insurance marketplace isn't surprising. Seventy percent of the 150 insurance executives surveyed recently by Harvard Business Review Analytic Services say they either somewhat or strongly agree that newer tech-based companies are driving their organizations to advance the use of technology in their distribution channel. **FIGURE 1**

"What we have seen is insurance companies set up direct channels in parallel to their agent channels, and that would not have happened in the past three years without insurtech startups," says Mike Fitzgerald, an insurance industry analyst at research firm CB Insights, pointing out that commercial carriers, such as workers' compensation insurer Employers, now have a direct-to-consumer (D2C) unit. "Those are all on digital platforms. They're direct; they're technology enabled. That wouldn't have happened."

HIGHLIGHTS



70% of insurance executives surveyed agree that newer tech-based companies are **driving their organizations to advance the use of technology** in their distribution channel.



65% agree that the **traditional approach of working with distribution partners will still be effective** for many carriers into the future.



64% expect their organization to **increasingly adopt a direct-to-consumer model** for the distribution of their products and services.



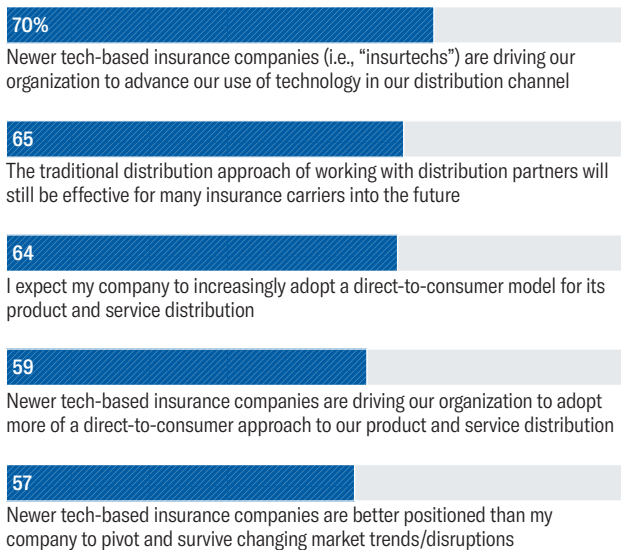
“The biggest impact that technology can have on the whole distribution piece is squeezing out all those inefficiencies and making it faster, cheaper, and even more accurate than it’s ever been before,” says Mike Fitzgerald, an insurance industry analyst at CB Insights.

FIGURE 1

Insurtechs Change the Conversation

More use of technology in the distribution channel is getting increased traction

[SOMEWHAT OR STRONGLY AGREE]



Source: Harvard Business Review Analytic Services Survey, June 2020

Insurtechs have done more than just make a business-to-consumer model a part of the insurance buying landscape. Strategically, executives say, they have accelerated innovation in the insurance industry, putting increased pressure on carriers and brokers to be more agile in how they operate, more simplistic in their approach to distribution, and more imaginative in thinking about reaching various communities when marketing their products and services.

Digital transformation is already leading brokers and other parts of the traditional distribution channel to use technology to improve the customer experience, increase buying efficiencies, and assemble more knowledge vital to the business of evaluating and underwriting risk. The customer and the broker are working smarter, spending less time on the submission of data and more on applying it, thanks to technology in both cases. In this more digitized world, insurance brokerage will be more about “understanding the role as problem solver, player/coach, doer, and builder,” says Rob Bauer, head of the sharing economy and mobility group for broker Marsh Inc.

The good news for brokers is that digital transformation is still in its nascent stages when it comes to distribution. Only 7% of respondents feel their distribution of products and services is entirely digitized today and just under one-third (31%) rank themselves an 8, 9, or 10 on this digital sophistication 10-point scale. But they do believe greater digitization is on their horizons. When asked about the next five years, 59% feel their companies will be an 8, 9, or 10 in terms of having digitized distribution.

Indeed, insurance continues to suffer from inefficiencies because paper processing predominates, but cloud and other technologies are starting to have an impact. Data, and broker access to it, is so vital to insurers, and gathering it more effectively and sharing it in the insurance ecosystem is in a state of transition. At a time when there’s increased focus on a D2C model within the insurance industry, the broker-carrier relationship continues to evolve, and innovation and technology will be a big part of how effective distribution in the sector will be in the near future.

“The biggest impact that technology can have on the whole distribution piece is squeezing out all those inefficiencies and making it faster, cheaper, and even more accurate than it’s ever been before,” says CB Insights’ Fitzgerald, who notes that the average age of an insurance broker is 60 years old. “But that’s not going to be an easy thing. It also requires insurers and agents to think about the way they do business. In my experience, brokers are allergic to technology. So, the battle royale is not so much what the broker does for the carrier as what the carrier does for the broker.”



Forty-five percent of the executives surveyed say price sensitivity and interest in comparison shopping are the changes exhibited by their customer base that have the biggest impact on their business.

An Industry Steeped in Paper

Much of the insurance industry is still steeped in paper, email correspondence, and follow-up calls. “The quality and diversity of the content that we get, and the documents we get, varies widely,” says Scott Purviance, the CEO of wholesale broker AmWINS. One thing brokers still do is cleanse and organize data they get from customers “so that the submission we send to a carrier is very crisp and clear and easy for them to review. We think that certainly makes the process better. You want to make it easier on an underwriter to evaluate your submission.”

Insurtechs, of course, have made things much easier for buyers of personal lines of insurance, who can fill in information online or via their cell phones, either to get a quote or to submit and follow the status of a claim. Similar setups for buying commercial policies haven’t fared so well. Purviance says AmWINS has set up online platforms for microproducts that typically carry premiums of \$1,500 a year or less, where the firm encourages its retail brokerage clients to transact digitally for speed and efficiency. If there’s any type of nuance—for larger accounts or if they prefer to just email AmWINS—the broker is happy to still do the work, he explains.

Executives certainly feel more work must be done to adapt to changing customer preferences. Respondents say the biggest impact on their distribution will be increasing/evolving customer expectations (39%), followed closely by the emergence of more technologically driven competitors (37%). Smart implementation of technology may be able to help with both. In fact, nearly 43% of respondents say that the increased use of technology for a more direct-to-consumer experience is the improvement that their organization needs to make to their distribution channel to boost delivery of products and services. **FIGURE 2**

Respondents feel customers are more comfortable being do-it-yourselfers; 45% of the executives surveyed say price sensitivity and interest in comparison shopping are the changes exhibited by their customer base that have the biggest impact on their business. Thirty-five percent say their customers having less brand loyalty has the second-biggest impact. Many personal lines of insurance—namely auto and homeowner’s—are more commoditized, of course. Others, such as life insurance, are more nuanced. And commercial insurance involves more complexity because the risks are usually much more complicated.

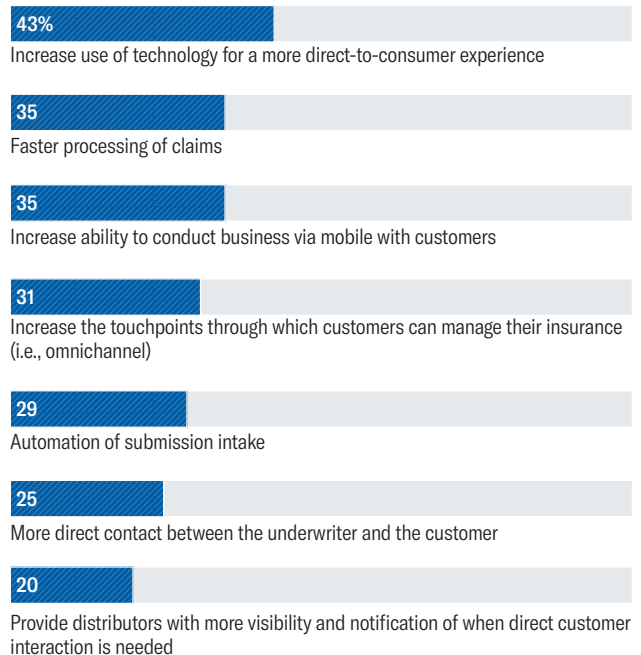
FIGURE 2

Expanding D2C Through Tech

Improving distribution by going direct to consumers outdistanced using more mobile with them

What improvements does your company need to make to its distribution channel to improve delivery of its products and services?

[SELECT ALL THAT APPLY]



Source: Harvard Business Review Analytic Services Survey, June 2020



“Now paper is a non-issue. We want these guys on the street selling, not going to the office to do paperwork. Mobile was the key to that, but it turns out that during the pandemic, the digital part is super important,” says Santiago Ontañón, the New York Life Mexican unit’s chief transformation officer.

While customers may be less hidebound when it comes to price and brands, the industry hasn’t been as adaptable. Being an early adopter of digital processes still is difficult. For example, to try to reduce the reliance on paper, Seguros Monterrey New York Life wanted to institute the use of digital signatures by life insurance customers. As simple as it sounds, there were lots of objections within the company and “100 meetings to decide” before digital signature was finally implemented, says Santiago Ontañón, the New York Life Mexican unit’s chief transformation officer (CTO).

The effort has paid off. “The addition of a digital signature feature to enhance our sales process has been a game-changer for both the agents and the customers, especially when the pandemic created a compelling need to continue business with social distancing,” Ontañón says. “The adoption of the digital platform tripled in the first week of lockdown. Physical proximity is no longer a limiting factor for our insurance agents, as they don’t have to visit the customer to get a signature or need multiple signatories to be in the same location.”

Mainframes and other legacy technologies remain in use, but executives say age isn’t the issue. As Ontañón explains, these platforms can’t share data with one another because of interface and data governance issues—a major problem considering respondents would like more insights from their data. Thirty-seven percent feel distributors need to improve their data analytics, just outpacing submission intake quality/completeness (34%) and risk mitigation (33%). They also want improved/faster data sharing with underwriters (30%) and enhanced customer data collection (29%).

One thing that the Covid-19 crisis has shown is that the digital transformation insurers and brokers have undertaken

to improve their platforms—through investments in customer relationship management systems (CRM), cloud, and other technologies—is paying off. The pandemic has helped mightily to push against cultural inertia when it comes to the use of paper, effectively leading managers to eliminate it because brokers are able to access and use back-office platforms, through mobile and digital technology, to keep selling. “When we were thinking about not using paper anymore, it was a discussion. Then suddenly one day, March 13, when we sent everybody home, the next day we said nothing is going to be done on paper,” Ontañón explains. “Now paper is a non-issue. We want these guys on the street selling, not going to the office to do paperwork. Mobile was the key to that, but it turns out that during the pandemic, the digital part is super important.”


Strategically for carriers, continuing investment in these platforms seems likely. Forty-eight percent say that less paperwork is a positive outcome their companies have realized from applying technology to their distribution of products and services—making it the most-selected answer. Those surveyed also say that improved customer experience (39%) and reduced expenses (38%) were realized from applying technology to their distribution channels.

Cloud as a Major Enabler

When executives at insurance incumbents talk about insurtechs and their meteoric rise into the mainstream, they often mention how massive the attendance by such startups and traditional carriers has become year after year at innovation conventions. “Insurtechs have been a big catalyst for change,” says Dennis Chookaszian, a former CEO of CNA Insurance and now a professor at the Booth School of Business at the University of Chicago. “They’re the ones who are bringing new ideas to the carriers. They may not buy it from you, but you’re teaching them something.”

One major thing insurtechs have taught the industry through their D2C model is to focus more on the customer and the buying experience, says Marsh’s Bauer. “What insurtechs are doing effectively is taking a customer-centric view of needs, solving those needs, and creating a community of people.” He cites Lemonade’s strategy of creating a community, starting with selling renter’s insurance to Millennials who don’t own homes yet as a foundation to sell them homeowner’s policies when they do. “Solve the need, create the community, and grow from there,” Bauer adds.

Focusing more on the customer is leading incumbent executives to reduce complexity in products and processes and make things simpler. “It’s forcing everyone to be much more thoughtful, especially when it comes to the design and language in products,” says Pedram Afshar, chief operating officer (COO), agency, for New York Life. “It’s making room for everyone to be able to spend more time on listening to our



“What insurtechs are doing effectively is taking a customer-centric view of needs, solving those needs, and creating a community of people.”

Rob Bauer, head of the sharing economy and mobility group, Marsh Inc.



The insurance industry is investing more in straight-through processing, which uses AI and other automation to enable claims, applications, and other back-office documentation to flow from one step to another with little or no manual intervention.

clients, understanding their needs, and providing them with the best solutions we can and the best guidance that we can.”

Carriers now aren’t just listening to customers, either. The agility that insurtechs are exhibiting is inspiring incumbents to worry less about making mistakes and more about the need for continuous change. “There is no five-year project,” says Seguros Monterrey New York Life’s Ontañón. “We’re going to create this product in an agile way, and it’s going to be a project that stays here for the next 10 years. We’re going to keep introducing new things. We’re going to listen to the agents, we’re going to listen to brokers, we’re going to listen to the sales managers. And we’re going to be building on the backlog through a lot of communication with the sales channel.”

Technologically, insurtechs have made cell phones a centerpiece of the D2C model. This circumstance is likely a key factor in 35% of respondents saying the increased ability to conduct business via mobile is an improvement that organizations need to make when it comes to distribution. Nearly four-fifths (79%) of respondents somewhat or strongly agree that insurance companies using the traditional distribution channel must increase the use of mobile to remain competitive. **FIGURE 3**

Carriers continue to inch further and further into D2C operations for personal lines, and, as noted, commercial insurers have also launched entrants. But when it comes to mobile, increasing commercial brokers’ and the traditional distribution channel’s use of it will likely be in the form of agents sending customer information or other documentation to digital platforms.

Indeed, as much as mobile is something that insurance executives are mindful of now and for the future, 43% of respondents say that cloud will be one of the technologies most in use within their company’s distribution over the next five years, while a close 41% select mobile apps/tools.

Mobile is more a piece of equipment than a technology, says Fitzgerald, “but if you’re talking about cloud, if you’re talking about artificial intelligence (AI), both of those are going to have a big impact, but in different ways. There’s going to be more technological choice because of cloud. It’s not a question of moving to the cloud. It’s a question of whether the cloud is going to be much more of an enabler.”

Cloud has enabled insurers and brokers to rethink their immense back offices, where CRM, enterprise resource

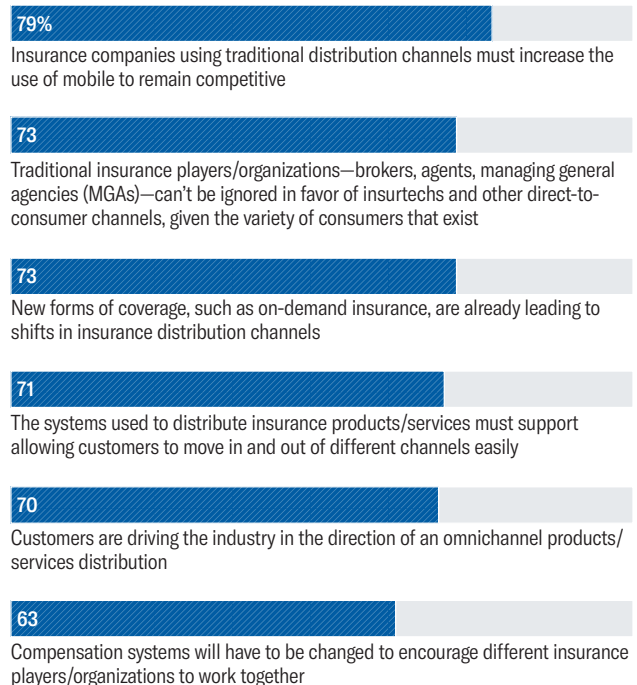
planning systems (ERP), modern payment services, and other platforms all need to talk to one another, Ontañón says. As a result, next on the agenda is structuring data to better fit into this network. The insurance industry is investing more in straight-through processing, which uses AI and other automation to enable claims, applications, and other back-office documentation to flow from one step to another with little or no manual intervention. The end game is for back offices to be very cognitive in nature, “to be able to do underwriting or claims management and things like that without much human intervention,” he adds.

FIGURE 3

Mobile as a Competitive Weapon

Traditional distribution channels remain important but can use a shot in the arm

[SOMEWHAT OR STRONGLY AGREE]



Source: Harvard Business Review Analytic Services Survey, June 2020

Still, it's not just cloud that is helping the connections in the back office, but simpler things, such as application programming interfaces (APIs). Rushi Davda, the head of U.S. operations and IT for the Ascot Group, which has a Lloyd's syndicate and a managing general underwriter among its holdings, says Ascot has been able to partner with wholesale and retail brokers to leverage its CRM technology to code and submit commercial insurance applications, and then piggybacked onto an API platform that enabled the company to exchange bulk information with all its broker partners.

"It doesn't matter what technology they have behind the scenes, what insurance management systems or agency management systems we have versus what they have," Davda explains. "What we can do is leverage APIs to easily transfer data, send [or receive] bulk submissions, or do bulk transactions between two firms. And I can leverage the same API platform to work with broker B, who's on a completely different platform. APIs use common standards that can talk to each other."

For brokers, using APIs can be especially important because they typically work with more than one carrier. "If you're a carrier, you have hundreds or thousands of individual brokers to deal with. If you're a broker, and you don't just deal with one carrier but with multiple carriers, how do you work with them?" Davda says. "Behind the scenes, having a robust API platform helps you."

Tapping a Wealth of Data

Insurers such as New York Life have been spending the past three to four years digitizing their entire technological ecosystem to "stitch"—as Afshar, the company's COO puts it—various platforms together, and then connecting to them learning engines and other technologies, such as robotic process automation (RPA), a form of AI that can find data and then apply it to a repetitive task. This transformed ecosystem is now enabling carriers to gather information on policy applicants automatically from hundreds of databases instead of them constantly having to manually enter their information. From there, the customer will be able to start his or her application and follow it electronically, while the insurer will "underwrite it all digitally and in the cloud securely," Afshar says, with the policy ultimately e-delivered to the applicant.

A similar process can be followed by brokers, who have often been bogged down entering and reentering commercial customer data. Ascot has partnered with a third-party data provider that scours more than 1,200 databases to help alleviate brokers of this chore. "We get real-time information for a particular insured and are able to use that to not only provide efficient underwriting for our underwriters, saving them time and money, but also refilling the application for the broker and the insured, saving them time when it comes



It's not just cloud that is helping the connections in the back office, but simpler things, such as application programming interfaces (APIs).


to insurance submission," says Ascot's Davda. Here is where incumbents still have an advantage over insurtechs "because it takes time for [insurtechs] to mature enough for some of the complex [commercial] lines" to have collected enough customer data to make underwriting decisions, he notes.

Many incumbents also have an edge when it comes to the huge volume of claims and other data they have, which executives say will enable traditional carriers and brokers to use RPA, AI, and machine learning to help with everything from analytics to more accurate underwriting of risks. "The amount of data now being captured across the insurance ecosystem is immense," says AmWINS' Purviance. "Those carriers [and distributors] that are passionate about that data capture have the best opportunity to leverage AI and machine learning." He points out that AmWINS is currently using an AI-based underwriting algorithm for certain nonstandard auto products. In addition, the use of machine learning to organize and analyze many, many years of Lloyd's claims history is a major part of the new Ki initiative.

Meanwhile, the wealth of data that brokers have collected can be leveraged even more because of these technologies. As Davda explains, brokers selling a specific insurance line for multiple carriers means they have lots of risk and customer information that can lead to vital trends analyses. "While the data might be confidential, you can easily set trends, [and] you can easily share the macro level data with each other," he asserts. "That helps us together as an industry, showing what's working and what's not. You can do a lot of cool things with it. So, this is where insurance companies will help the brokers and will help insureds."

The Symbiotic Broker-Carrier Relationship

The relationship between carriers and brokers is a symbiotic one. Executives say that insurtechs have inspired buyers of personal lines of insurance to become more educated consumers, but commercial insurance can be exceedingly complex. Even certain personal lines remain quite complicated.



Financial incentives are the main way to gain a broker's engagement, but other ways, such as locking arms on who controls the customer, are also very important.

New York Life has interviewed customers, done surveys, conducted independent research, listened to past, existing, and even prospective clients, and found that there is a role for human guidance when it comes to the insurance buy, says Afshar. “It’s a very delicate dance,” he asserts. “What makes it delicate is that there’s always an opportunity to do more and be of value to even more people. There is a role for a licensed professional and expert in the category who can explain and compare information.”

Brokers see risk problems first, and using technology isn’t the only way to solve them. Bauer says a common mistake when dealing with risk mitigation is falling in love with technology first before falling in love with the problem. Assessing risk involves gathering knowledge on the dimensions of that risk, why it’s present, how it should be quantified, and how it can be transferred or mitigated. Understanding the problem is the first order of business. As he notes, technologies aren’t verbs; “no one can cloud or blockchain something and make it better,” Bauer asserts. The broker may have cloud-based telematics technology available, but it’s his or her ability to see the customer problem and understand the need that is the key to a solution, he explains.

Certainly, how brokers in their role as problem solvers use technology going forward will be important, respondents say. When asked the extent to which captive agents’ (42%), wholesale brokers’ (41%), and retail agents’ (41%) contributions to their company’s business success will change, if at all, over the next five years, the greatest share of respondents selected “stay the same” for each, as opposed to “increase” or “decrease.” But when asked about brokers that leverage mobile and other advanced technologies, 53% say their contribution to the business will increase over the next five years. **FIGURE 4**

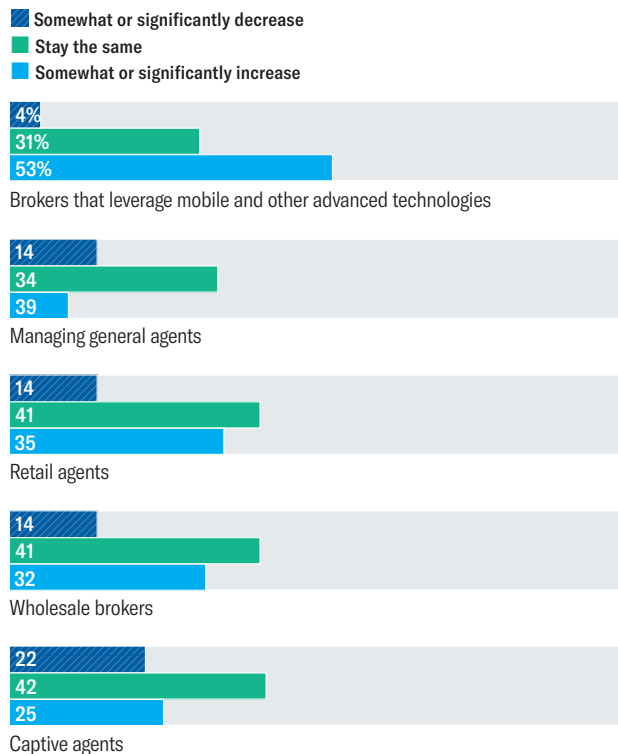
Such an evolution is in line with the gradual change that has occurred in the industry’s power struggle over the past several decades. As the University of Chicago’s Chookaszian tells it, carriers in the 1950s controlled much more of the profit in the industry than they do now because they controlled capital and information. The shift to a more even split with distributors, he adds, came about because capital became easier to raise and information has become virtually free. Relationships developed by brokers enabled them to gain control of the insurance customer, Chookaszian says, and that is now the source of their power within the carrier-distribution structure.

Their relationship with customers is one reason why carriers must be careful when it comes to keeping brokers happy. Another reason is that carriers invest in brokers by providing them with financial incentives, training, and technology, among other things, so churning them can get very expensive, Ontañón notes. “Once you get their loyalty, one of the main challenges is to get their engagement,” he adds.

FIGURE 4

Tech-savvy Brokers Endorsed

Respondents say their impact will increase going forward while traditional distributors keep their current positions



Source: Harvard Business Review Analytic Services Survey, June 2020

Financial incentives are the main way to gain a broker’s engagement, but other ways, such as locking arms on who controls the customer, are also very important. The D2C model of insurtechs has certainly changed the paradigm when it comes to auto and other personal lines, but commercial is different. “We had to convince the agents that they were never going to lose the ownership of the customer,” Ontañón says. Seguros Monterrey New York Life had to deliver this message when it introduced CRM for the first time four years ago because brokers had significant fears about the platform being a central database and that they had to share their customer interactions.

Insurers are usually the ones investing in technologies to the brokers’ benefit. That tradition could cause some tensions in the carrier-broker relationship going forward, however. Fitzgerald says that as insurers invest more in technology to gain process efficiencies, they may exert pressure on broker commissions. After all, technologies that scour databases and enable automatic population of dozens of data fields on an

application—freeing brokers of that manual work—now may lead to questions about why commissions are what they are. “It’s a very exciting time in insurance technology,” he says. “Distributors are going to benefit but they’re also going to feel the pain. There are going to be wars over compensation and over roles and responsibilities.”

Mixing Models and Channels?

While they don’t expect the traditional distribution channel to be abandoned, many respondents do expect their organizations to increase their D2C presence. In the next five years, 67% of respondents expect to have more direct-to-consumer offerings. Just 27% expect to have the same, and much fewer (6%) expect to have less.

Many insurers have already followed the insurtech path and offer a D2C option for personal lines, and, as mentioned, Lloyd’s and others are exploring such alternatives for brokers and customers when it comes to commercial products. What may become more prominent, however, is an omnichannel experience that goes beyond the traditional distribution channel and provides buyers and sellers of insurance more convenient ways to do what they do.

Seventy percent of respondents agree that customers are driving the industry in the direction of omnichannel products and services and distribution. And 71% agree that systems used to distribute insurance products and services must support allowing customers to move in and out of different channels easily.

APIs now increasingly enable brokers to offer digital channels that provide direct conduits to customers, and the information agencies garner from this contact can then be passed through to the next part of the policy writing process for execution. An omnichannel experience only builds upon this trend. According to Fitzgerald, an omnichannel experience means that a customer can switch between either of those two options or go to a call center or website to do whatever they need to. The process is seamless no matter what the point of access is. “You don’t have to start over,” he says. So omnichannel means you can do whatever you need to through multiple channels, “but to me it looks like it’s all the same,” he adds.

An omnichannel retail strategy could offer insurance buyers of either personal lines or commercial lines the best of all worlds, theoretically. The customer can do things online when they feel comfortable enough to do so or access a broker if they need guidance. As Chookaszian puts it, omnichannel is a sales and marketing approach that provides a fully integrated shopping experience by uniting user experiences, from brick and mortar to mobile browsing to everything in between. Chookaszian, like Fitzgerald, isn’t a big fan of the jargon, agreeing that omnichannel and multichannel are words describing the same thing. But when it comes to brokers, the

ability to have various access points for customers potentially provides a way for a D2C model and the traditional distribution channel to interact more harmoniously.

Mixing models and channels may also come through partnerships. Brokers, Bauer says, already live in a world of partnership, where they exist with customers, carriers, and now technology providers. He believes the partnerships that brokers have will expand because of technology—with, say, managing general agents (MGAs) that have certain specialties, or even with manufacturers that want more risk mitigation. After all, carmaker Tesla is already offering car insurance. “What’s going to be consistent with brokers on a go-forward basis is partnership, but in a different way,” he asserts. “If you want to continue to solve more risk problems, sometimes it’s an insurance solution, sometimes it’s technology, sometimes it’s something else. You’re just partnering with different folks. Who’s to say that you can’t partner with a car manufacturer that has created an MGA based on telematics that are already contained in the vehicle?”

Conclusion

Just as insurtechs have enabled the insurance industry to use technology to reimagine how to interact with customers, process huge claims and data flows in the back office, and sew different platforms together, digital transformation is also influencing how brokers can continue to be a powerful part of the distribution channel. With D2C models spreading, the threat of disintermediation hangs heavy.

But Ontañón has another take on how technology is going to make brokers even more relevant. He points to how many companies aren’t replacing workers in their warehouses with robots but are instead outfitting people with exoskeletons—wearable and flexible machines deploying hydraulics and other technologies—to enhance the wearer’s strength and endurance when handling physical tasks. More technology tools for brokers will give them “a digital exoskeleton so that they can lift heavier things, walk faster, run faster, whatever,” he says. “I don’t want to get rid of the human. I want to enable the human to be the super-agent.”

70%



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METHODOLOGY AND PARTICIPANT PROFILE

A total of 150 respondents employed at traditional insurance carriers, managing general underwriters (MGUs), or managing general agents (MGAs) completed the survey.

Size of Organization by Annual Premiums

17%
\$5 billion or more

23%
\$1 – \$4.9 billion

25%
\$500 – \$999 million

35%
\$100 – \$499 million

Seniority

31%
Executive management

23%
Senior management

33%
Middle management

13%
Other

Job Function

25%
Finance/risk

20%
Sales/marketing

10%
Top management

All other functions less than 8%

Regions

53%
North America

33%
Europe

13%
Asia Pacific

1%
Middle East/Africa

0%
Latin America

1%
Other

Figures may not add up to 100% due to rounding.



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