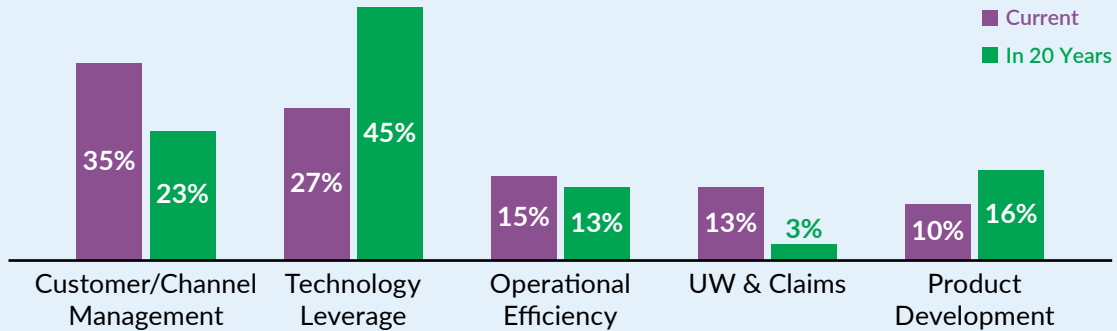




ACORD Insurance 2040

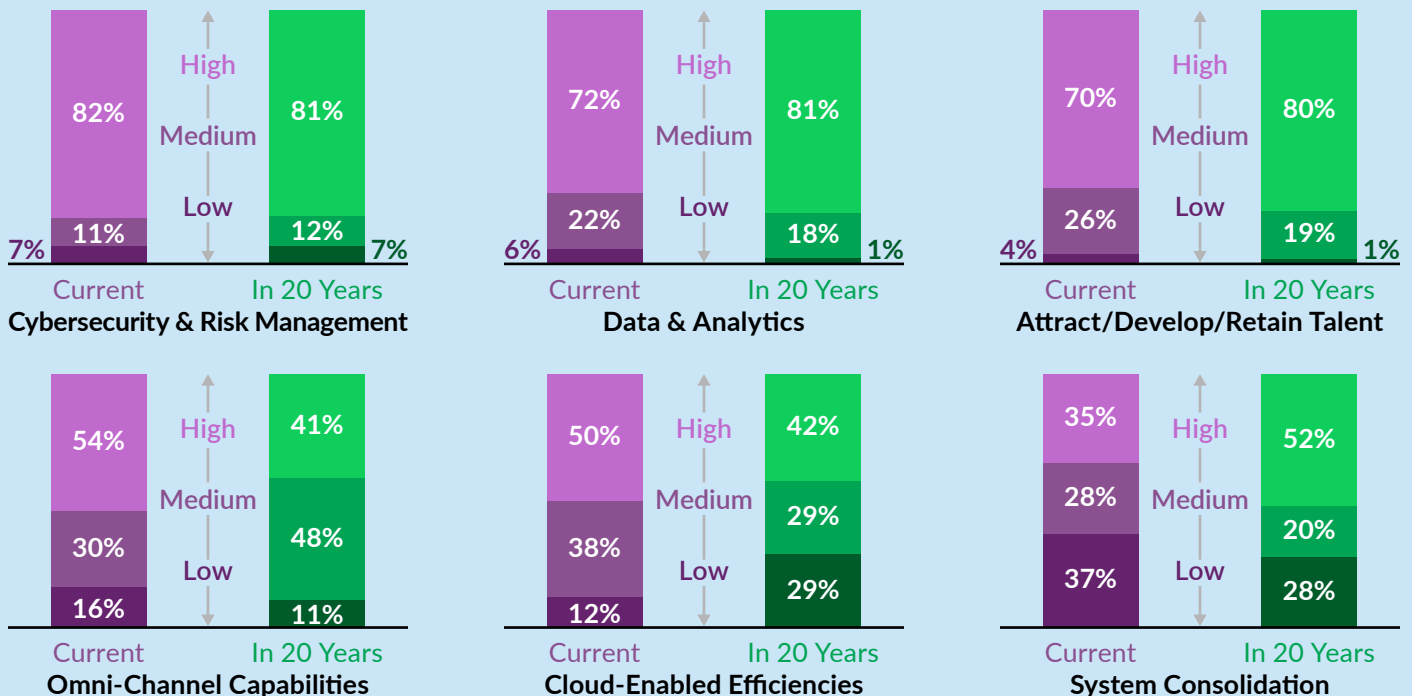
Survey distributed in collaboration with **DXC TECHNOLOGY**

What is/will be your organization's primary source of advantage?



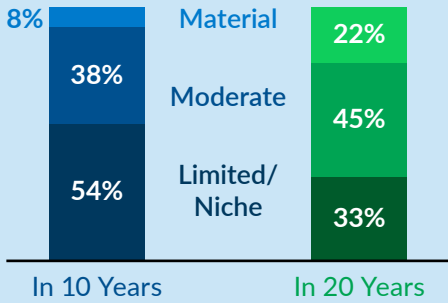
Survey participants largely agreed that their greatest long-term source of competitive advantage will be the way in which they leverage technological capabilities. They expressed that operational efficiency and excelling in core insurance functions (underwriting and claims) may not be the key to driving superior performance in the long term – rather, technology-enabled optimization of these functions will become a baseline, necessary but not sufficient for differentiated advantage.

What are your technology priorities?



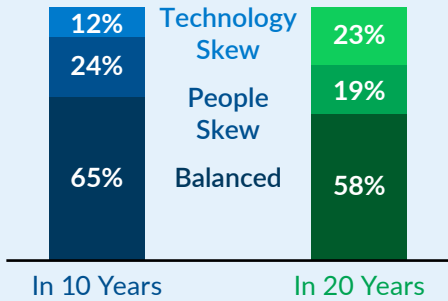
Industry stakeholders believe that cybersecurity and risk management technologies will remain a top priority. Data & analytics and the need to attract and retain top talent – already key priorities – are expected to become even more significant over the next 20 years. They believe that omni-channel capabilities and cloud-enabled efficiencies will start to move into the realm of “solved problems” in the decades to come, with system consolidation becoming a greater challenge.

What share of premiums and industry profit will emerging non-traditional competitors achieve?

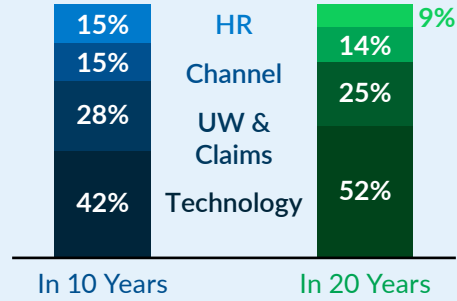


The role of non-traditional competitors in the insurance space is anticipated to grow considerably over the next 20 years. Though it may take a significant amount of time, nearly 1/4 of industry professionals believe these competitors will capture material industry share and profits by 2040, with only 1/3 of respondents believing their impact will be limited or niche.

What will be your organization's capability mix between talent and technology?



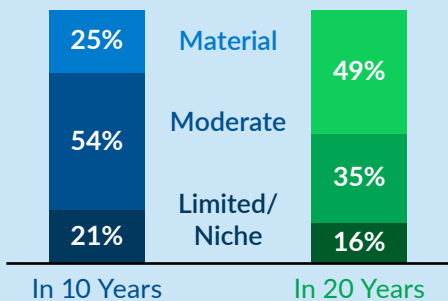
What will be the most critical capability/competency for the C-suite?



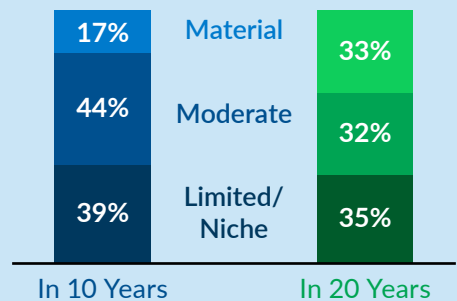
Increased sophistication of technologies such as AI, machine/deep learning, and Internet of Things (IoT) will doubtlessly have impact across the enterprise. Even tasks currently considered more "people-focused" will require tech expertise. Our respondents recognized that, from the C-suite on down, familiarity and proficiency with available technology tools will be an increasingly important capability.

What share of premiums and industry profit will be captured by...

...bundled products?

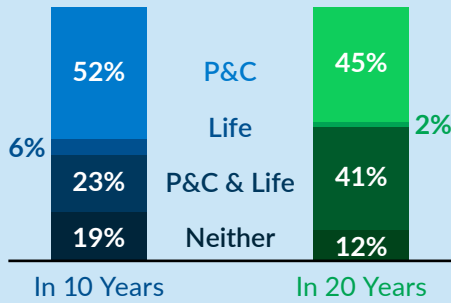


...embedded insurance?

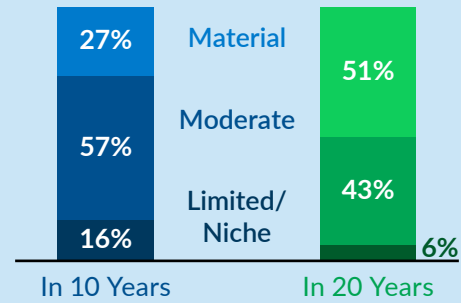


Survey respondents anticipate these current industry trends to persist, exerting material influence over the industry in coming decades. Bundled insurance products are expected to become particularly ubiquitous, with embedded insurance products also likely to achieve significant share of premiums and profits.

Usage-based underwriting will become the standard across the majority of which policy types?

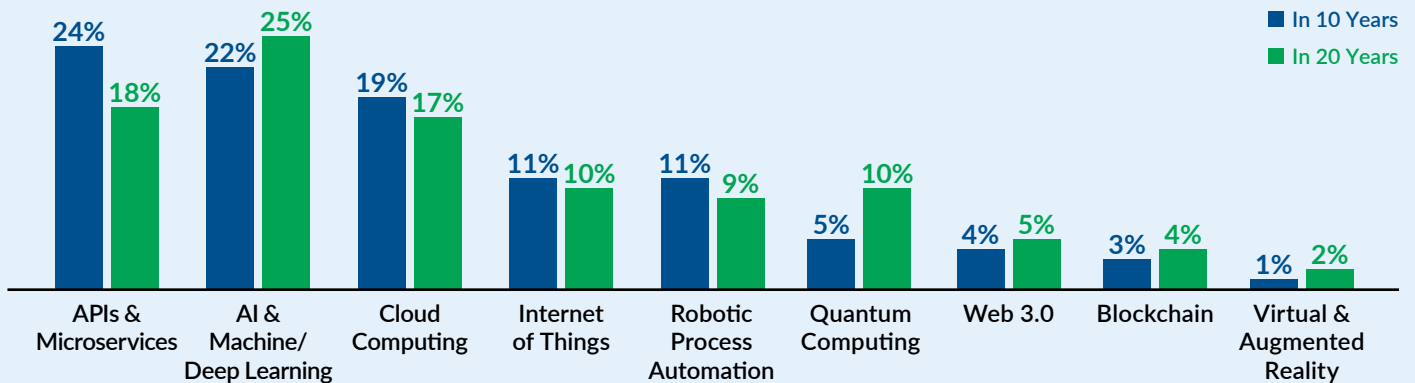


Simplified issued will achieve what share of life protection product sales, vs. fully underwritten?



As technology continues to yield both greater amounts of accurate, timely data, and the capabilities to extract insights from it, practices such as usage-based underwriting and simplified issued life products are expected to become commonplace across the industry. Telematics, wearables, and other devices will enable insurers to leverage personal data to more accurately assess risk and dynamically adjust premiums, with cost savings likely driving consumer uptake.

Which technologies would you rank among your top three priorities, with respect to their impact on growth, share, and profitability?



APIs are widely recognized as the most important necessity for the near-to-medium term. Survey respondents have confidence in addressing the need for API development over the next 10 years, anticipating their priorities to shift in the longer term. They recognize that artificial intelligence and machine learning capabilities, as well as quantum computing, will become significantly higher priorities 20 years from now – with the potential to truly transform the industry. These technologies will almost certainly have dramatic impact across stakeholders and the insurance value chain.



Details of this study, as well as other ACORD research, can be made available to ACORD members by request. To arrange an opportunity to learn more about this study, or explore the findings in more detail, please contact us at research@acord.org or visit www.acord.org/research.

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