

Punch Above Your Weight

Thursday, August 10, 2017
2:30-3:30 pm Central

Please stand by...



AMERICAN
FRATERNAL
ALLIANCE

Punch Above Your Weight

intellect
SEEC[™]

Xponential is the new normal[®]

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Thursday, 10 August 2017



“ The ones who are crazy enough to think they can change the world are the ones that do ”

- Steve Jobs



1

Evolving Technology

- Internet of Everything (IoE)
- Wearables, Genetics & Wellness, 3D printing
- Drones, Autonomous Cars, Telematics, connected home
- Deep Neural Nets (DNN), Blockchain
- Augmented Reality & Virtual Reality

2

Changing Paradigms

- Connected wellbeing
- Switch on/Switch off coverage
- From Traditional models to Data Driven insights
- Evolving consumer engagement methods
- Robo Advice, virtual assistants, autonomous agents

3

Non Traditional Competition

- P2P, on demand insurance
- Non-Insurance entrants
- Re-Insurers & startup partnerships

Disruptor 1: Smart Devices and Machines...



First Generation of Smart Machines are everywhere....
Virtual Personal Assistants,
Robots, Driverless vehicles,
Process Automation Bots,
Chat Bots



Smart clothing monitors biometric data on muscle activity,
breathing rate, heart activity zones



Smart Shoe Monitor that analyse running style,
distance covered, daily routes etc



Contact Lenses



Augmented Reality : Revoltionizing Work Place Safety



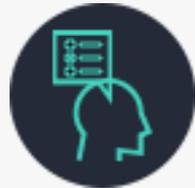
Hearable

Disruptor 2: Evolving Customer Expectations...



- Ease of everything I do, on a device of my choice
- Get expert help or advice when I need it
- Be able to compare, collaborate and purchase anywhere, anytime
- No hidden costs, rent or use when needed Vs buy
- On demand products and services to fit my lifestyle
- Connected technology that remembers me
- 24/7 hassle free self service (I will help you help me)
- Proactively engage me with things that interest me and apply to me
- Convenience with minimal effort on my part

Disruptor 3: The New Norm In Enterprise Technology Fundamentals...



AI Based Decisioning
Vs. Deterministic Rules based



Big Unstructured Data Over
Little Internal Data



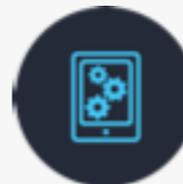
Agility over Fitment



Algorithms over Transaction



Cloud over In-premise



Mobile over Web



Multi-Tenant
over Single Tenant



Configure over Build

Staying competitive requires new ways of thinking.



We see insurers focusing their attention on ...

People	Technology	Process
<ul style="list-style-type: none">○ Hiring practices○ Organizational realignment○ Change Management○ Behaviour & Engagement Insights○ Attracting & Retaining	<ul style="list-style-type: none">○ Advanced Analytics○ Digital Marketing○ Connected experience○ Social intelligence, IoT, AI○ Cloud Services/Solutions○ Open platforms○ Speed of product introduction○ New technologies (thru Insurtechs)	<ul style="list-style-type: none">○ Integrated and interactive channels○ D2C channels○ Life Time Value of a Customer○ Field force productivity○ Evolving products○ Configure Vs Customize○ Regulatory and compliance○ Contextual engagement

As a Fraternal Society you have several advantages:

- You are small enough to be agile
- No heavy investments into major systems
- You have fewer products and niche markets
- You own deep customer & community relationships and trust

The Challenges for Small to Mid Size Companies



- Talent attraction & need for new skillsets
- Deep customer insights
- Budgets and stakeholder commitment
- Organizational culture
- Mitigating technology constraints and obsolescence issues
- Understanding of new Risk Classes, that offset the old ones



- What is the biggest challenge you face in your digital transformation journey?
 - No Leadership vision
 - Stakeholders not on the same page
 - IT challenges
 - Organizational culture
 - I don't know

Insurers fall into one of these 3 categories. The 4th is emerging as we speak.



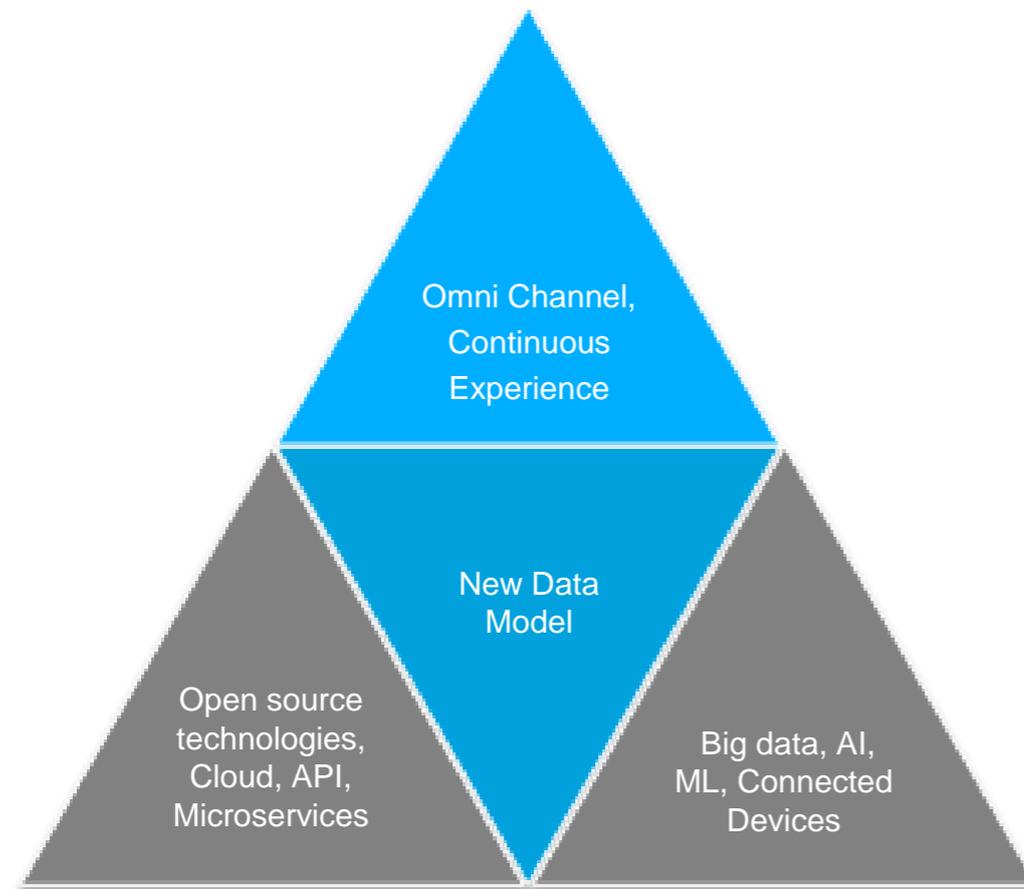
Cost of doing business	Best Practice	Cutting Edge
<ul style="list-style-type: none">○ Web and mobile channels○ Social reach and customer journey maps○ Near real time information with basic business intelligence○ Field force effectiveness & STP	<ul style="list-style-type: none">○ True Omni channel user experience○ Mobile first approach○ Customer Centric○ Social listening & historical insights – event driven triggers○ Real time apps, Ai, some Telematics○ CLTV & Business Behaviour○ Open Source & Hybrid Cloud Apps	<ul style="list-style-type: none">○ P2P , On demand insurance○ Smart connected technologies○ AR and interactive apps○ Predictive Risk algorithms○ Blockchain, Data Triangulation○ Microservices, API, Full Cloud○ RPA, Virtual Assistants○ Predictive & prescriptive analytics & processes

And Beyond...



- Which category does your Fraternal Society fit into?
 - Cost of doing business
 - Best practice
 - Cutting edge
 - I don't know

You can have cutting edge front and middle office capabilities quickly,
reliably and at a low fixed cost



Maximize ROI on existing assets, deliver competitive capabilities and buy time to develop a strong back office transformation plan

Our experience shows 10 things you can do to ensure success of digital transformations



- Clearly defined business strategy & goals
- Alignment of Investments to business priorities & outcomes
- Alignment of technology strategy with business & member engagement strategy
- Stakeholders buy in & alignment of their individual department priorities
- Promote a culture of innovation, appoint change agents & ensure a strong change program
- PMO and strong governance
- Clearly defined metrics for measurement of success
- Strong 'Super User' group (internal and external)
- Phased transformation approach for short term ROI and longer term wins
- Selecting the right external partner to ensure success

The toughest of which is identifying and choosing the right partner



A few questions to ask when choosing the right provider include:

- Is the platform, product or solution right sized for my business?
- Are your built specifically for the insurance industry?
- Is your software truly cloud native?
- Is your platform multi channel and multi device? Do you have switch on and switch off capability?
- Does your software offer a true omni-channel user experience?
- Does the same software handle multiple lines of business?
- Do you use APIs to integrate to our existing environment?
- Do you have your data and disaster recovery sites within the US?
- Is your software compliant with regulatory requirements?
- How do you address technology upgrades on a regular basis?
- How do you ensure high system performance with >99.5% uptime?
- How do you ensure data and systems security standards are met?
- What are your license models? Will my cost go up every year, by user, by transaction, by volume?
- How intrinsic are advanced technologies to your solutions? How do you plan to stay aligned with developments?
- What is your success rate and can we have customer references?



A little about us:

Our applications are built on a Big Data/AI/Cloud Native platform and even allow you to quickly build your own apps leveraging these capabilities



COMMON APPS



PRE-POLICY APPS



POST-POLICY APPS



NEW APPS

INTELLECT SEEC SERVICE PLATFORM

UI Engineering
API Gateway
Big Data
Traditional Data
Infrastructure and Performance
Operators



Utils
Rules
Workflow
Security
Integration

In conclusion...



Start Small, and Scale Fast

- ✓ Your path is determined by your business strategy
- ✓ Operate with one culture
- ✓ Sometimes small wins provide the highest immediate payoff



Over to Kate Cosyns, Federal Life Insurance Company

Business Size and Changing Technology



- **Small and medium-sized carriers are agile**

- This allows them to more quickly adopt and implement new technology than some of the larger carriers.

- **High-end technology is no longer inaccessible to small and medium-sized carriers**

- It is a misconception that high-end insurtech products pose cost and integration constraints.

The Case for a Digital Transformation



- Transition to an adaptable, scalable technology with a focus on long-term growth
- Streamline sales and customer services processes
- Provide access to customer self-service
- Promote overall efficiency
- Develop a more competitive business model (growth + retention)
- Condense legacy system and applications to better facilitate updates and maintenance
- Configurable systems allow for a consistent customer engagement experience
- Promotes positive brand association
- More cost-effective in the long term

Attendee Poll - 3



- What percentage of your IT budget is spent on discretionary items?
 - 10%
 - 20%
 - 30%
 - I don't know

Overcoming Objections



- ✓ **Objection: Our existing processes and systems are fine (aka the “if it’s not broken, don’t fix it” syndrome).**

What’s fine now, will be obsolete in the immediate future. Younger generations expect the convenience and efficiency of digital technology. It’s critical to implement a sustainable business strategy utilizing technology that will adapt and grow with your company.

- ✓ **Objection: High-end technology solutions are too expensive.**

Streamlining and replacing legacy systems and applications actually helps to reduce operating and maintenance costs in the long term.

- ✓ **Objection: High-end technology solutions are too expensive.**

- Custom builds are expensive to develop, implement, and maintain.
- Future upgrades may need to be retrofitted to out-of-date or obsolete technologies.

A Review of Technological Requirements



- Outline all legacy systems and applications. Identify which will be utilized as integration points and which will be replaced by the new digital service suite.
- Meet with key stakeholders to outline processes and data/reporting requirements, as well as desired capabilities.
- Identify who will be utilizing which apps and how each app will be used.
- Identify security requirements and review implementation and maintenance with Information Technology and Information Systems leadership team.

Determining an Implementation Timeline



Met with key stakeholders to determine and prioritize needs.



Decided to begin implementation where most immediate ROI can be achieved.



Opted for staggered rollout over 18 months, beginning with Quote and eApp for agents.



A staggered rollout provides a feasible timeline to implement change management with home office employees, agents, and customers.



Take time to identify processes that can be streamlined and/or eliminated. Ensure a solid technological foundation is created to support scale and growth in the long term.

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DIGITAL INSURANCE PLATFORM



WE INNOVATE TO SIMPLIFY INSURANCE

Q&A



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THANK YOU!



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