



# New Digital Transformation Research: Carriers Are Falling Behind Customers

In the race for digital transformation, many carriers are finding that their customers are way ahead of them.

Today's consumers regularly use their smartphones to complete transactions online, yet according to RGA's 2019 Global Claims Survey<sup>1</sup>, only 52% of carriers provide policyholders with mobile access to their accounts, and only 34% offers claims functionality.

Wearable health tech is another area where carriers are falling behind. Morning Consult<sup>2</sup> studied Americans' use of health tech in 2018 and found that a full 85% of adults said they use apps to track, "Exercise, fitness, pedometer or heart rate monitoring, including special types of exercise like running, ab workouts, yoga, etc." Despite this broad acceptance, our study showed that very few carriers leverage wearable tech to streamline underwriting processes (8%), improve claims processing (6%), or offer discounts for healthy lifestyles (5%).

Chatbots are even gaining ground. In one study<sup>3</sup> on consumer preferences, 65% of people said they would prefer to get help from a chatbot immediately instead of waiting for a human. In our study, only 7% of carriers were using chatbots in the claims process and 5% in the underwriting process.

## A Deeply Emotional Journey

On the bright side, our study found that many carriers are determined to do better. A solid majority (71%) have plans to introduce new or additional technologies, and almost half (45%) plan to launch within the year.

However, bringing insurtech to market can be a long and expensive process. A 2017 survey by the Society of Actuaries found that carriers are spending at least \$2 million (USD) and ten months from development to launch. These kinds of investments leave little room for error, and despite what technologies consumers say they are willing to adopt, carriers never really know how their customers will react until the product is in the market.

Charlie Matthews, the RGAX Director for Innovation-as-a-Service in Asia Pacific, has helped dozens of carriers develop and launch new products, and he advises his clients to spend more time getting to know their customers on a more human level. According to Matthews, "The life and health insurance customer journey is, after all, a deeply emotional experience, from the first time an individual considers purchasing insurance to the moment a policyholder navigates the claims process."

In his latest post, Matthews talks about the process of getting to know the policyholder first and how approaches like RGAX's Life Design Sprints can help carriers cut the time and expense of bringing a product to market and increase its chance of success. For more, read Matthews' latest post on our RGAX site: *Fail Fast? First, Understand the Customer*<sup>4</sup>.



**Charlie Matthews**  
Director of Innovation  
Services and Business  
Development  
RGAX Asia Pacific

## References

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