

Top of Mind Issues

Insurers face new challenges impacting their business, including inflation, supply chain issues, rising interest rates, rising claims costs, and low unemployment as well as a rapidly shifting market landscape, technology, risk environment, and increased competition.

The impact – profitability, growth, channel and customer loyalty.

Collectively, these challenges require nimble, creative and bold responses in assessing and reprioritizing strategies and initiatives to remain competitive, relevant and to grow their business.



- 1 Operational Profitability
- 2 Operational Costs
- 3 Cyber Risk/Data Security
- 4 Talent Retention & Availability
- 5 Inflation
- 6 Employees Choosing How to Work
- 7 Increasing Competition from Traditional Insurers
- 8 Retirements
- 9 Increased Risk Due to Severe Weather
- 10 ESG Focus



Strategic Initiatives

The slow steady investment in technology of 3-4% of DWP, is at best incremental and not sufficient to keep pace with the expanding and shifting challenges. Leading insurers are focusing on their strategic priorities and increasing investments to adapt and accelerate their digital transformation – operationally and innovatively.

Discussions on how to prepare and manage the changes needed in insurer business models, products, channels, and technology is more important than ever because new changes will rapidly emerge, accelerating the pace.

Pausing or holding back will only create a widening competitive gap, placing insurers' businesses at risk.

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|---|---|
| 1 Cost Reduction/Containment | 6 Digital Portal for Customers |
| 2 Replace Legacy with New Cloud Core | 7 Build Risk Protection/Risk Resilience Capabilities |
| 3 Innovation | 8 Enter New Market Segments |
| 4 Stand Up New/Innovation Products on Core Platform | 9 Expand Use of Data & Analytics AI/ML with External Partners |
| 5 Digital Portal for Agents | 10 Set Up New Business Model on New Cloud Core Platform |

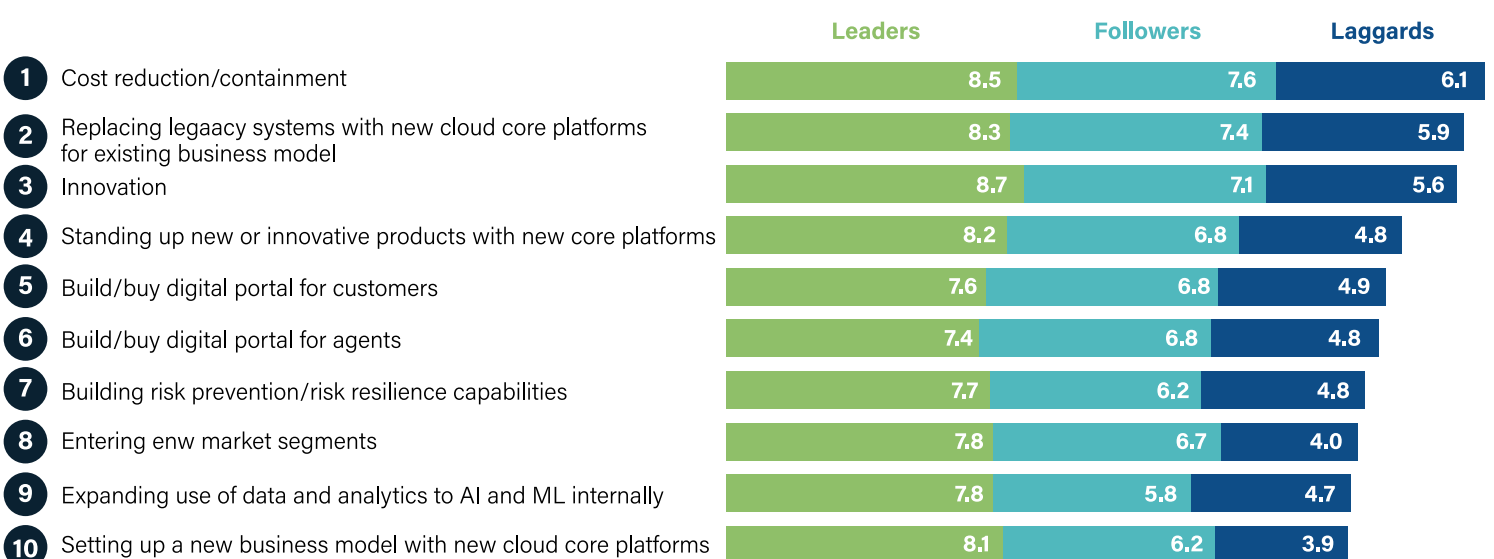
Strategic Initiatives Leader Follower – Laggard Gaps

Leaders' top 5 initiatives signal their forward looking focus on enriching business health and capabilities including innovation; cost reduction/containment ; replacing legacy systems with new cloud core platforms for existing business model; standing up new/ innovative products with new core cloud platforms; and setting up a new business

model with new cloud core platform to drive business optimization, innovation and success for today and the future.

The impact is that Laggards and Followers must recommit to change, focus and investment or risk continuing challenges and irrelevance.

How would you rate the priority of these strategic initiatives for your company in 2023?



Customer Expectation Gaps

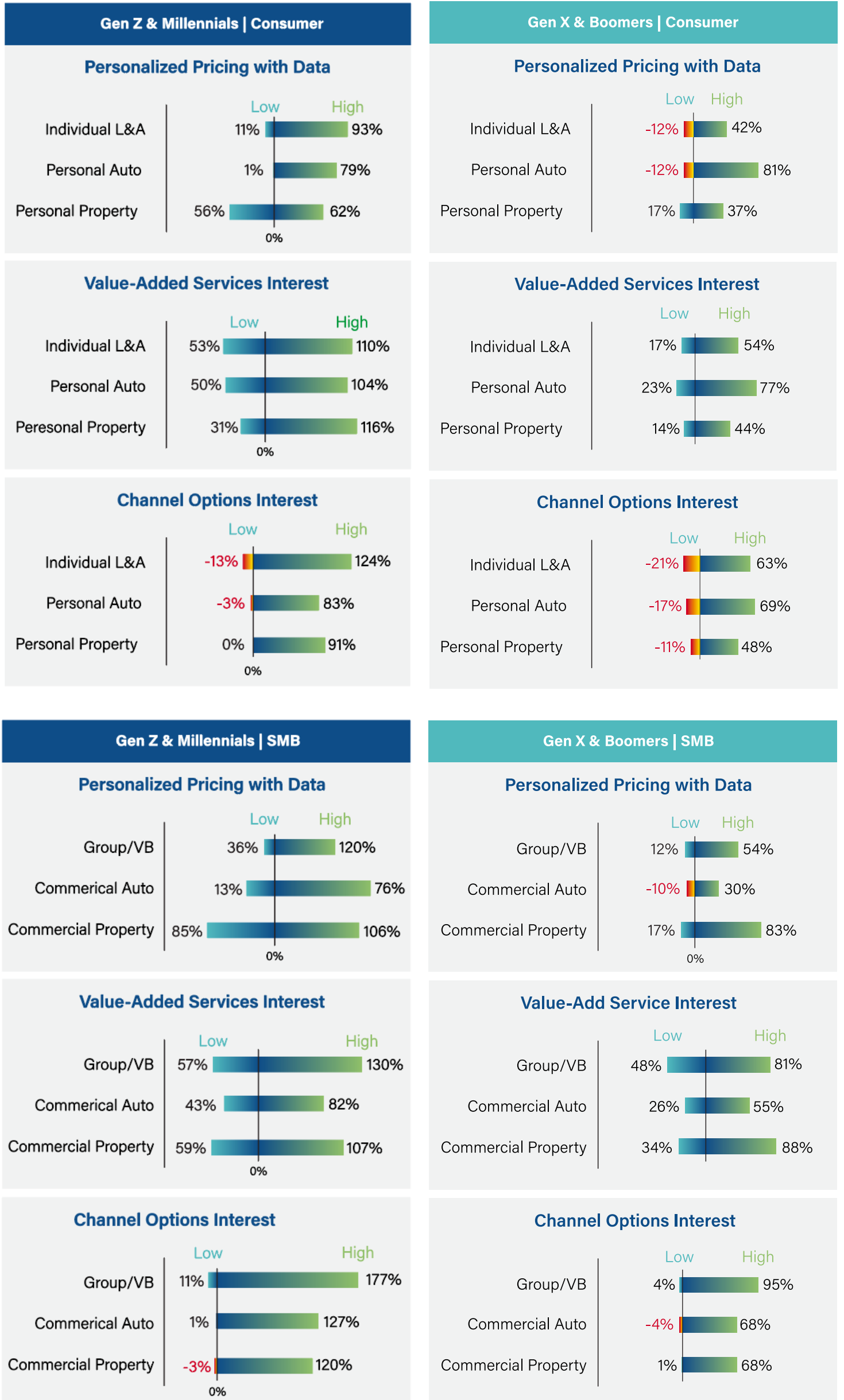
Insurance can be difficult, complex, and time-consuming with products and services that do not appear to deliver value or meet personalized needs. Today's customers expect more.

Customers expect a risk product with personalized pricing, value-added services, and a multi-channel purchase experience that meets them when and where they need

insurance. The lack of meeting those expectations, creates a customer expectation gap - the difference between what customers expect - want and need - as compared to what insurers are delivering.

The gap influences long-term customer growth, value, and loyalty.

Insurers' Use of Data, Value-Added Services, and Channels vs. Customer Expectations

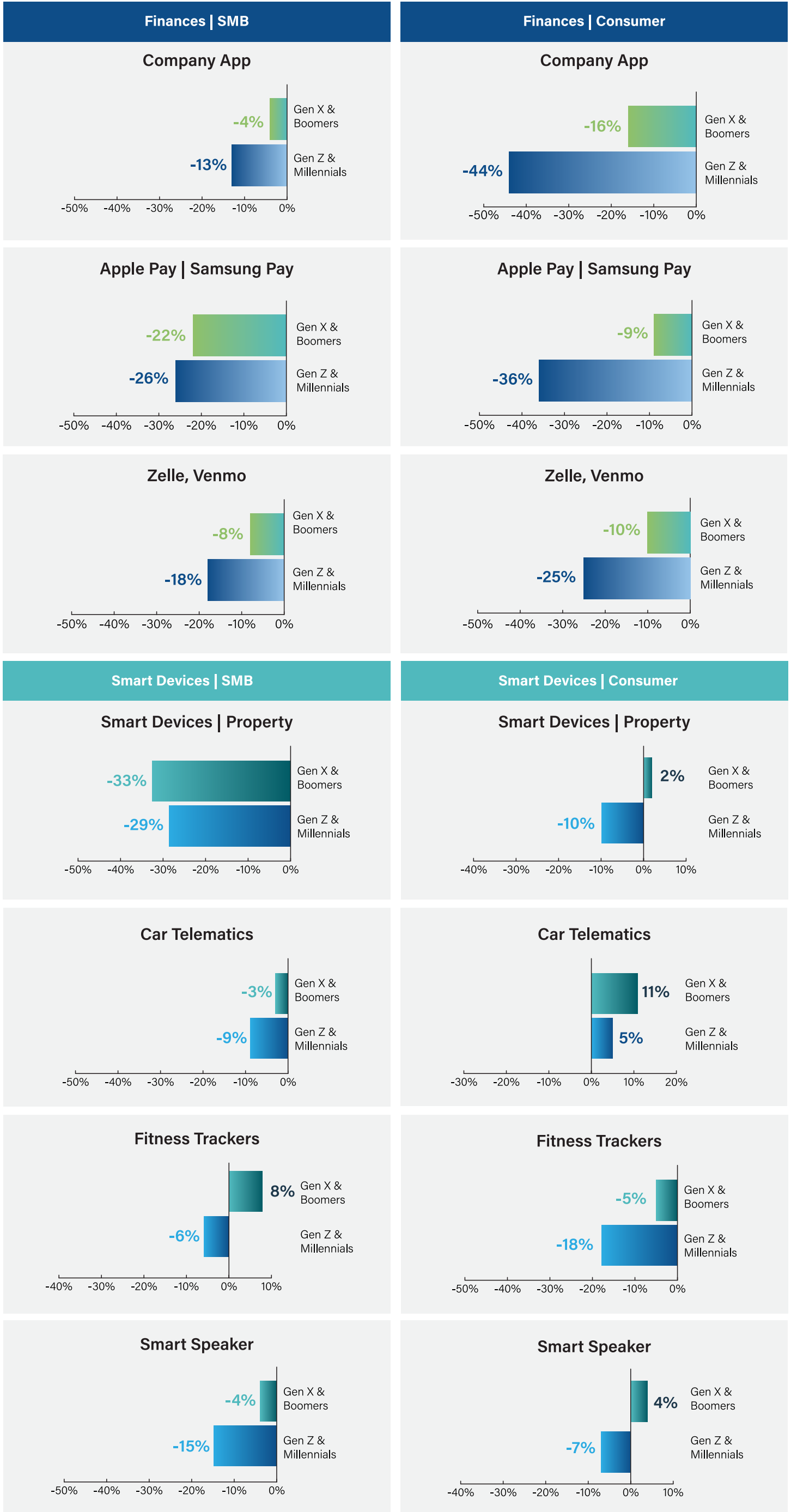


Customer Expectation Gaps

Many insurer disconnects with customers are rooted in the adoption, or lack there of, technologies and business trends that are or rapidly becoming table-stakes. The customer expectation gaps put insurers significantly out of sync with their customers – both SMB and consumers.

The gaps are particularly acute and the highest between insurers and Gen Z & Millennial SMBs – the dominant buying segment for insurance today. Payments and Smart Devices stand out as major disconnects that need immediate focus.

Insurers' Use of Technology vs. Customer Expectations

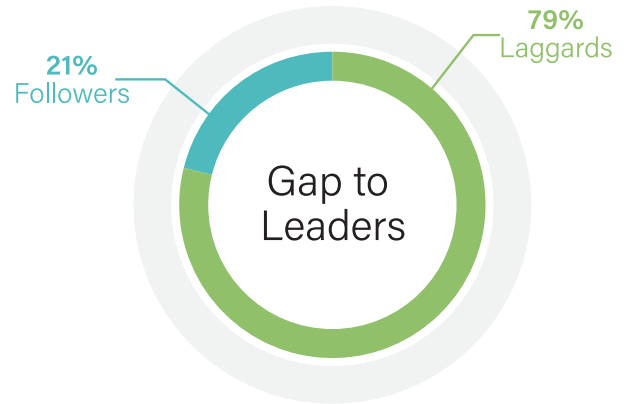


State of the Business

Next 3 Years

Leaders are optimistic about the state of their companies in the next three years across six strategic dimensions, outpacing Followers and Laggards overall by 21% and 79% respectively.

Laggards and Followers must make progress in closing their gap to Leaders because the competitive landscape will only increase in intensity. Clear strategic choices on where they need to focus to grow are crucial to thrive with continuous market shifts, technology shifts, and uncertainty.



	Leaders	Followers	Laggards
Reallocating resources to change how we do business	8.9	7.4	5.0
New products/product changes	9.0	7.2	4.8
New changed business model	9.2	7.5	4.6
Channel expansion	9.0	6.9	4.5
Core insurance replacement	8.9	7.7	5.6
Growth	9.2	8.0	5.9

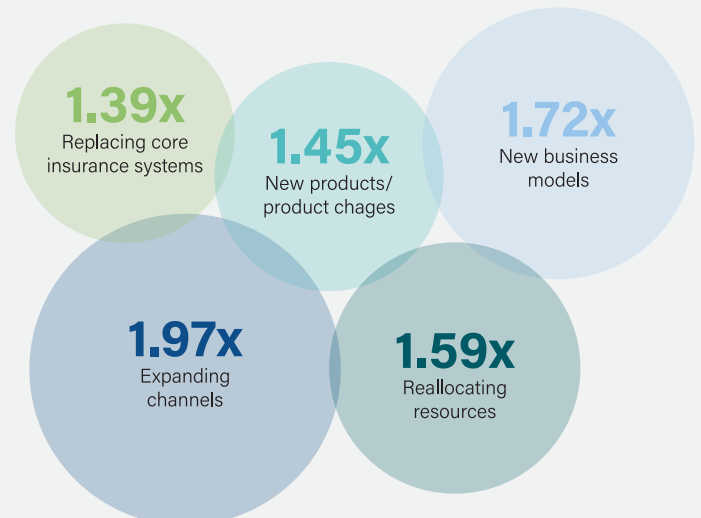
Competitive Gap Widening

Business as usual is no longer an option. Insurers must rethink the business in context of today and tomorrow, not from the past. 2023 and beyond will demand insurers strengthening business fundamentals and their technology foundation to meet the challenges of a changing market and capture the opportunities unfolding.

Successful management of the existing business and reinvention of the future business requires making a bet—one that overcomes the drag of the old way of doing things. It requires leadership, confidence and expertise that focuses on five strategic dimensions – expanding channels, new business models, new products, replace core legacy and reallocate resources.

Insurers who focus on these five experience 1.39 to 1.97 times higher growth from each. These are amazing multiples that impact growth ... and ultimately market leadership and success.

Higher Focus & Engagement in Key Strategic Areas Impact Growth





What to Consider

Leaders are accelerating their investment rather than pulling back, even during challenging economic conditions, “putting the pedal to the metal” and setting them apart from their competition. They will be prepared for the next major disruption, leaping further forward from the competition.

Every aspect of insurance is being redefined in the context of the future, and next-generation cloud technology is foundational for that future.



Is your company a Leader, Follower or Laggard in the future of insurance?



Are you prepared for 2023?
For 2025? For 2030?



Are you making the bold moves?



Do you have the right solutions to accelerate these strategic initiatives?

Your competition is -- both today and in the future!

Majesco and our market leading solutions can help you accelerate and close the competitive and customer expectation gaps!