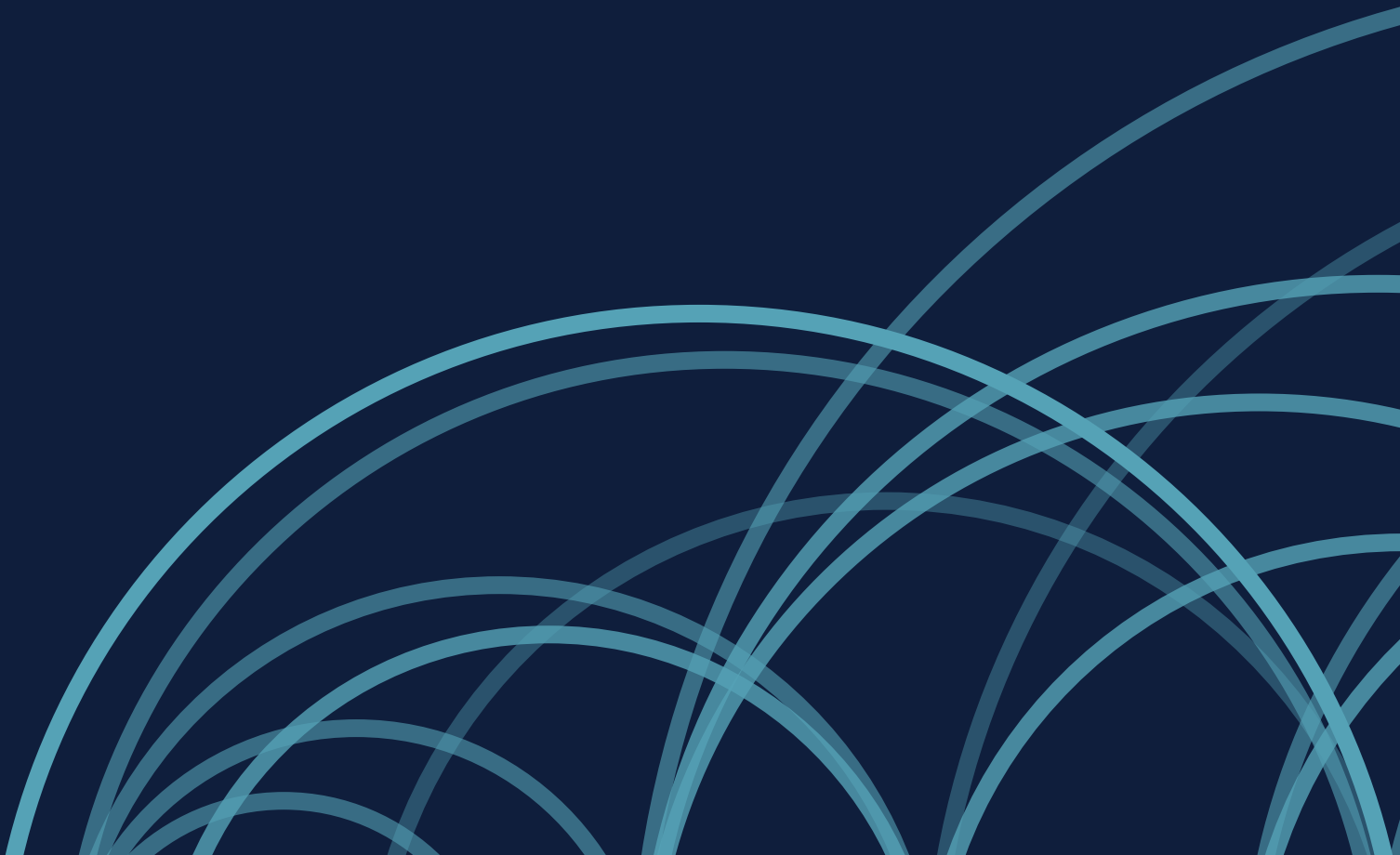


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Data Culture

# The Insurance Imperative for Growth and Resilience





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## Data Culture:

a company's commitment to use data to make informed decisions.

# 60%

of North American life insurers say data insights led to increases in sales and profitability

## It's a now or never moment: innovate the way data is used throughout your business to address industry challenges and gain strategic advantages

The challenges facing the insurance industry are multiplying in the wake of the global pandemic that has shaken the economy and accelerated a shift in customer expectations for digital-first, streamlined, and personalized relationships with their insurance providers.

A global outlook survey<sup>1</sup> by Deloitte's Center for Financial Services found 48% of insurance executives agreed that the pandemic "showed how unprepared our business was to weather this economic storm." Only 25% agreed their company had "a clear vision and action plan to maintain operational and financial resilience."

It's more important than ever for insurance companies to see and understand the data at their fingertips in order to solve problems, innovate, and remain competitive. Leaders need to disrupt the status quo and build a Data Culture that permeates the entire business.

Leveraging data and implementing a self-service analytics tool can accelerate time to insight, build competitive advantages and resilience, and personalize customer interactions. But it doesn't stop there. It also unlocks crucial opportunities for growth.

This report explores how creating a strong Data Culture empowers employees to turn raw data into actionable insights that can inform better decisions, improve customer experiences, streamline operations, reduce costs, and enable higher profit margins.

<sup>1</sup> Deloitte, "Financial Services Global Outlook Survey," 2020

<sup>2</sup> Willis Towers Watson, "Life Predictive Analytics Survey," 2019

# 80%

of consumers say the experience a company provides is as important as its products<sup>4</sup>

*"Insurers should consider upgrading four major areas in tandem—strategy and governance, data and analytics, technology, and culture and talent. These areas are interconnected and interdependent, which means success in the transformation journey will likely depend on making continuous advancement across each of the four areas."*

**Deloitte, "The rise of the exponential underwriter"**

## Leveraging Data to Strengthen the Customer Experience

Deloitte's 2021 Insurance Outlook report<sup>3</sup> identified innovative customer experiences as one of the highest priorities for insurance industry leaders. In fact, rapid digitization, accelerated by the COVID-19 pandemic, has fundamentally shifted customer habits and expectations. Failure to demonstrate resilience and innovate in the face of those changes could be enormously detrimental to long-term market share.

*"How insurers respond not just to the pandemic's impact but to longer-term shifts in technology, the economy, and consumer preferences will be critical. Indeed, generating continuous innovation in insurance policies, sales strategies, operations, and customer experience could turn out to be the biggest differentiator in 2021 and beyond." - Deloitte, "Insurance Outlook," 2021*

A company with a strong Data Culture and a flexible, scalable analytics platform can gather insights leveraging critical capabilities in the areas of business intelligence (BI), artificial intelligence (AI), and machine learning. These powerful tools enable the data and insights necessary for informed decisions at every level of your company. Combined with a cultural shift towards intelligently leveraging data to support decision-making, they can completely transform your customer experience—improving both retention and profits.

<sup>3</sup> Deloitte, "Insurance Outlook," 2021

<sup>4</sup> Salesforce, "State of the Connected Customer" Survey, 2020

## Streamlined Interactions

Front-office employees can deliver faster, more seamless services to their customers using a powerful CRM platform like Salesforce, enhanced by an integrated data analytics solution like Tableau. A single source of truth makes it possible to customize sales offerings for every customer, create detailed risk analyses, and even automate processes from marketing to claims. This leads to faster, more personalized touchpoints that drive loyalty and trust by making your customers feel seen and valued. It also generates deeper insights that can drive profitability by improving pricing, risk selection, and capital management.

## Internet of Things (IoT)

IoT is an increasingly important technology in the insurance industry. From health-monitoring wearables to telematics, IoT can help insurers reduce risk and customers reduce premiums. An adaptable, enterprise-ready data analytics platform and a commitment to Data Culture are needed to successfully leverage the enormous amount of data created by these programs.

Without a bias towards data-driven decisions, IoT programs run the risk of becoming shallow offerings that fail to deliver on promises. Key stakeholders in IoT programs need an empowered Data Culture to make the informed adjustments necessary for

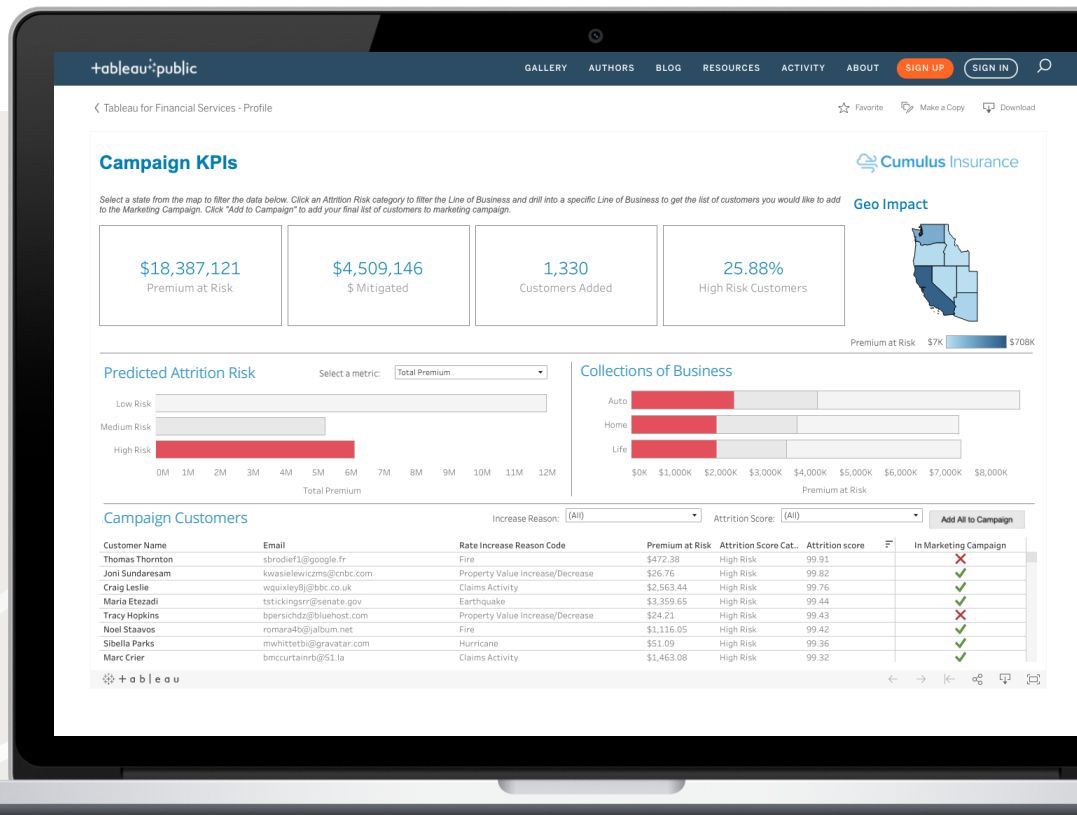
profitability and growth. With the right execution, IoT allows insurers to shift from risk supervision to risk prevention.

## Proactive Engagement

Both marketing and sales teams with a bias towards data and the platform to leverage it can drive profitability by moving from **reactive to proactive** customer engagement. For example, an AI tool like Salesforce's Einstein Discovery can help identify customers who are at higher risk of attrition and create segmented campaigns to win loyalty and improve retention. It's also possible to identify customers who are strong candidates for cross-selling and up-selling, and prioritize leads accordingly.

## Sample Dashboard

This sample Tableau dashboard is designed to provide managers with a high-level summary of live customer performance data including up-to-date attrition risks, lines of business, and premiums at risk by region.



## How do analytics and BI tools relate to Data Culture?

Data Culture is about incorporating data-based insights into everyday decisions. Trusted analytics and BI platforms create a single source of truth that make the necessary data easy to find and leverage. They add bricks and signposts on the otherwise overgrown path to Data Culture.

## Improving Operational Efficiency

It is through Operations that insurers' employees and policyholders experience a true Data Culture. Removing current barriers to data-driven decisions improves efficiency and agility for business processes across the company. And those improvements create the resilience necessary to navigate the mounting complexity and competition in the industry. For example, Deloitte's 2021 Insurance Outlook report identified underwriting as a crucial opportunity to adapt to new risk and reduce operating costs.

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*"Many insurers are in the early stages of underwriting transformation projects...The ultimate goal is to better leverage artificial intelligence, alternative data sources, and more advanced predictive models to augment an underwriter's capabilities and eventually transition them to higher-level, multifaceted roles."* <sup>5</sup>

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Between underwriting, claims processing, product management, actuarial analysis, and finance, the high skill labor and time-consuming tasks of insurance company operations provide compelling opportunities to make your business more efficient. And it's more than just purchasing technology—it's about having platforms, processes, and a Data Culture that encourages your employees to have a data-first mindset that leads to informed decision making. Below are specific examples.

<sup>5</sup> Deloitte, "Insurance Outlook," 2021



## Automation and a Single Source of Truth

Many insurance company employees are spending significant time swiveling between data sources to accomplish their tasks. They're developing piecemeal processes that require manual intervention and workarounds. With a centralized data storage and analytics platform like Tableau, operations teams can easily find, organize, and analyze the data they need to make informed decisions. Many previously manual operational steps can now be automated—freeing up time and headspace to look for growth opportunities and optimizations.

For example, streamlined access to the right business data can provide insight into which products are the most profitable in a portfolio. Knowing which products to push into the market and which to roll back can be a powerful strategic advantage.

Another benefit of a single source of data truth is flexibility. As insurance companies modernize their data warehouses, they need a platform that can adapt and incorporate legacy on-premises data, multiple systems of record, and a modernized, cloud-based data warehouse.

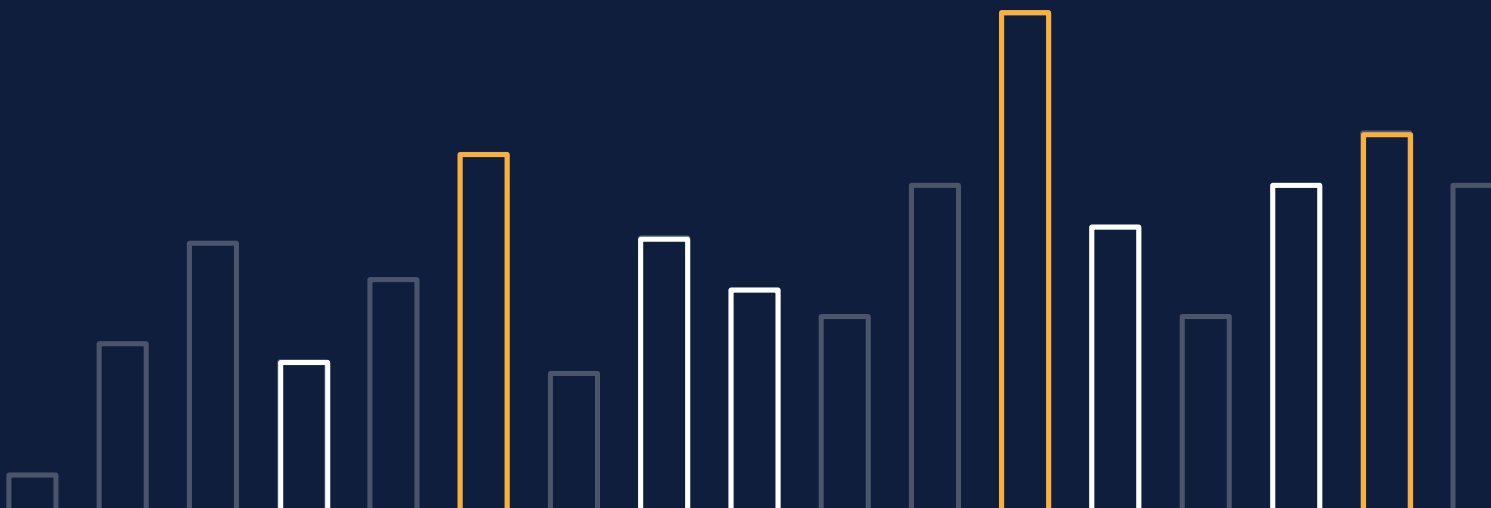


## Unifying Siloed Data

Historically, many data systems have been inaccessible by different groups in insurance companies. Siloeing has been the norm. For example, underwriters, actuaries, and analysts might all be working from separate data sources with different stories to tell and different parameters to measure with.

We can also consider product management, where customers are often viewed as individual policies rather than an account that owns multiple products. When a customer's policy portfolio can be viewed in its entirety instead of by policy, marketers can provide more personalized messaging and analysts can provide better-informed risk measurement and scoring.

Siloed data in these contexts creates unnecessary friction, noise, and inefficiencies, and makes it difficult to provide timely insights. Improved connectivity between data sources using tools like Tableau and [MuleSoft](#) can be an effective solution to remove those inefficiencies. MuleSoft is an API management and integration platform that allows insurance companies to connect data across legacy and modern systems to streamline a wide variety of tools and processes.





## Empowering Strategic Insights

Executives trying to make strategic business decisions need real-time data to base those decisions on. But that data can come from a lot of places including legacy systems, financials, marketing, and purchased customer data. Leveraging siloed data to make strategic business decisions can be an enormous and time-consuming task. It's not unheard of for reports to take three months to generate.

With the tools to access centralized, near-real-time data and easily visualize results, executives can lead by example practicing Data Culture in their business. AI and ML functionalities like Einstein Discovery can also identify and predict trends that empower nimble, strategic decisions on a day-to-day basis.

Imagine a brief example: A product manager is analyzing performance by region and finds that one state is not hitting its targets. With the ability to analyze data at a more granular level, the manager can see the problem more clearly. A closer look reveals the region is only underperforming because of two specific counties where there are perhaps pricing or competitive issues. Precise insight into a problem often leads to a more efficient solution.

## Sample Dashboard

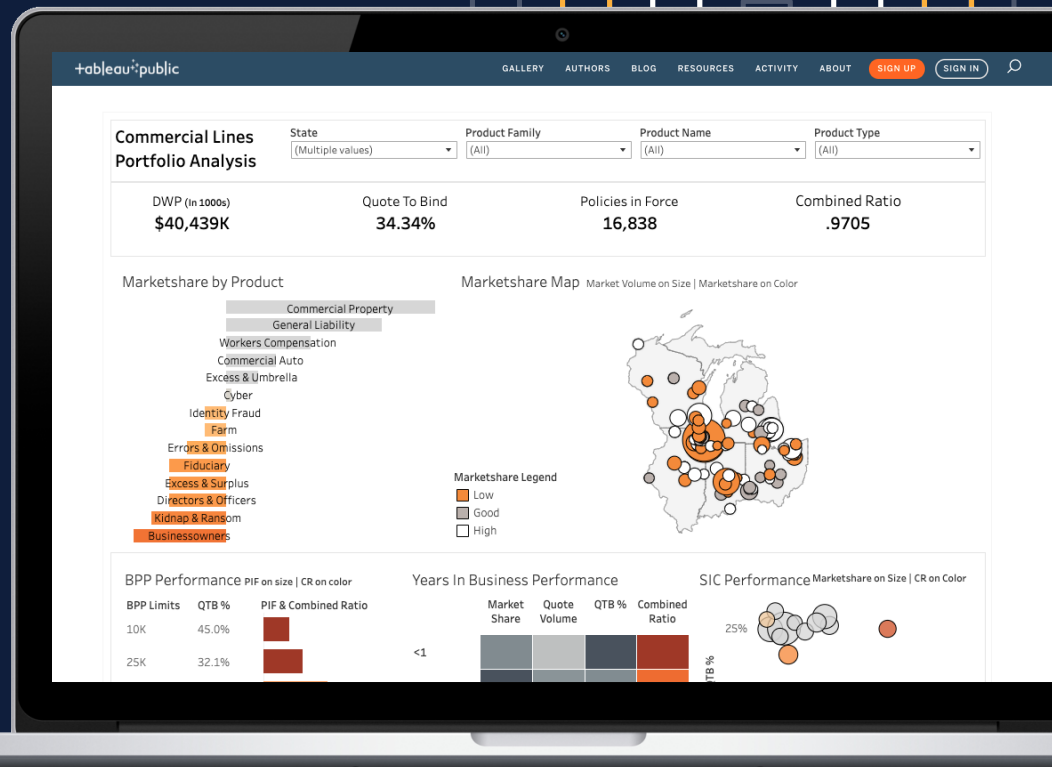
This sample Tableau dashboard is designed to provide managers with a high-level summary of live product performance data including market share by region, direct written premiums, and policies in force.



## A Proactive Approach to Fraud

Fraud in the insurance industry is a constantly shifting landscape and one of the best ways to prevent it is to identify warning signs as early as possible. Data analytics can be a powerful tool for that purpose.

Fraud detection teams need effective and efficient ways to aggregate millions of records related to claims and policy information so they can develop methods of finding trends or red flags in their data. It's yet another scenario in the scope of operations where a data-driven company culture, combined with the right tools, can introduce proactive, effective solutions to complex problems.



## The Right Platform and the Right Team

What are some practical ways to make tangible progress implementing Data Culture in your company? The first step is to find a data analytics solution that allows people from across your organization to see and understand their data, and lead with data-driven decisions. Tableau, the industry's leading data analytics and business intelligence platform, is designed to help people explore and manage data so they can discover and share actionable insights. Tableau also natively integrates with the Salesforce Customer 360 platform—making an informative 360-degree view of insurance customers more accessible than ever.

Once you have the right technology solutions, the second step is to find the right team. Deloitte Digital Analytics is a proven Tableau expert with extensive experience helping insurance companies turn Data Culture from a concept into a day-to-day reality. Deloitte Digital helps improve ROI and reduce time-to-value by working closely with your key stakeholders to understand needs, design solutions, and deploy those solutions at scale.

## What Data-Driven Success Looks Like



### Situation

Lincoln Financial is an industry leader in life insurance, focusing on leveraging innovation and technology to thrive in the face of evolving consumer demands, dynamic market conditions, and competitive pressures. From a data perspective, leaders saw the value of being a data-driven organization, and identified opportunities to improve data access across the life insurance organization. Siloed data and multiple sources of truth presented challenges and required interim manual processes to derive basic insights.

### Solution

Lincoln Financial worked with Deloitte to create the LifeIQ data platform. Powered by Tableau and AWS, it provides a centralized cloud-based solution that supports data accessibility and transparency across Lincoln's lines of business, enables nimble strategic decision-making with data-driven insights, and eliminates manual processes. LifeIQ created new data possibilities at Lincoln Financial and supports the robust data culture within the business.

### Results

The LifeIQ platform generated a significant number of Tableau dashboards and supported numerous analytics initiatives in a governed and scalable manner, while achieving the benefit goals well before the targeted date. Notable results include 75% time reduction in monthly report generation processes, automated dynamic generation of 500+ extracts for qualitative new business automation and standardization of operational processes and improved transparency.



## Take the Next Step Towards Data Culture

This is not a “hunker down and weather the storm” moment for the insurance industry. Organizations that do not innovate to address challenges head on risk losing customers to competitors who have a stronger customer experience, more streamlined operational processes, and do a better job at identifying and preventing fraud. With a data analytics and business intelligence solution like Tableau, combined with a leading CRM platform like Salesforce, and a trusted consulting and implementation expert like Deloitte Digital, the move towards Data Culture can become a catalyst for adaptive resilience and reliable growth in a rapidly changing industry.

The teams at Tableau, Deloitte Digital, Salesforce and Mulesoft are committed to finding integrated and customized solutions for your unique business needs. They're as informed as they are passionate about leveraging data to improve customer experiences and operational efficiency at insurance companies.



As the business intelligence platform for more than 90% of Fortune 500 financial services companies, Tableau is the proven solution for organizations that are focused on leading with data. Tableau provides a complete, integrated analytics platform that enables teams to work collaboratively and gain deep insights from their data using machine learning, statistics, natural language, and smart data prep. With enablement resources, including training, certifications, and Tableau Blueprint, not to mention inspiration and support from the passionate Tableau Community, insurance companies who choose Tableau can be confident their deployment will be a success and lead them to data-driven culture.

## Deloitte. Digital

Deloitte Digital uses creativity, technology, strategy, and the power of partnership to help our clients transform impersonal transactions into trusted relationships. We are innovators, designers and architects of the future who build solutions that put people front and center. Together with Salesforce, we help our clients re-imagine the way they engage with employees, suppliers, and customers.

Strategy & Vision



Development & Testing



Implementation



Results Analysis & Iteration

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Salesforce is the world's #1 CRM platform—integrating every part of a company's interactions with customers including marketing, sales, service, commerce, HR, and much more. As part of the Salesforce family, Tableau is designed to connect seamlessly with products across the Customer 360 platform. This allows you to use Tableau to blend Salesforce data from any Cloud with your other business data for a complete view of your customers. Put customers at the center of everything you do, and deliver the connected experiences they expect.



MuleSoft platform empowers your organization to move faster and be more agile. It supports insurance companies' digital transformation goals by connecting applications, data, and devices seamlessly on a unified platform. With MuleSoft, developers and IT employees can securely unlock data and drive API-led adoption at scale within an application network, tackling mission-critical projects with greater agility. Insurers around the world trust MuleSoft to accelerate project delivery and provide automated, out-of-the-box, and compliance-ready security standards. With 99% uptime and flexibility to deploy from anywhere, MuleSoft creates a foundation of resilience for your business.

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