TINtech
LONDON MARKET

Pre-event survey report

Insight from the 200 delegates attending TINtech London Market.

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THE INSURANCE NETWORK

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This year's TINtech London Market has more than 200 practitioners registered (not including speakers), which means that with our sponsor and exhibitor colleagues, and the 30 or so speakers, the final audience is likely to be 300+ – that's more than this events 'big sister', TINtech attracted in 2017.

As you can imagine there have been some high fives around TIN Towers this January.

As always, we have asked the registered delegates what they would like to gain from attending the conference: what follows is a summary of their replies, with some of my thoughts where I thought they might be of interest, all kindly sponsored by Hyland, who are chairing and facilitating the Digital Claims workshop at 3.20.

As always with an industry event of this nature, people are keen to 'catch up', benchmark their approach with peers, and understand the challenges and opportunities across the market. Many are looking for a better understanding of how future technologies will be enhancing processes across the London market, and seeking to 'get under the skin' of innovation and "revolutionary and disruptive technology in the London Market". I sense a frustration that there has been a lot of talk and not much action around some of these new technologies, with quite a few delegates keen to hear Insurance based use cases for technologies like Blockchain, data science, Machine Learning and AI.

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Key technology challenges

Here's a selection of answers to the question "what are your key technology challenges for the next 12 months?"

- Modernisation, robotics, compliance
- Tech change
- Rate, quote, bind
- Robotics process automation
- Consolidation of applications
- Client experience, blockchain
- ML platforms
- Cloud
- Core System Consolidation & managing legacy in a digital world
- Selecting a platform
- Data Migration

Others included the perennial need to balance the 2 demands of reducing operating costs whilst exploring ways to improve the customer experience in the London market.

There seems to be some uncertainty around the second half of this balancing act, with many citing a key reason to attend as a desire to better understand client expectations for a "digital journey" – and at this point I will just quote:

"What exactly does the customer want and expect?"

"Are we spending money and investing time and resource in the things that will please - and retain - our customers?"

"How do you put the client at the centre of everything like the retails industry does?"

And finally a challenges that I think sums up the answer to all 3 of the above:

"What are the commercial objectives that drive this cultural change?"

"How will you change the culture of our industry?"

It seems that in order to leverage the opportunities of the emerging and potentially disruptive technologies many are keen to explore NOT the idea of developing a culture of innovation, but how to achieve one - at both a company and a market level.

Security

One theme that has come out much more strongly than in previous years is an increased concern around security, and growing the ability to respond to increased security and regulatory challenges. Rather worryingly (I thought) every time security was mentioned, however, so was regulation. It seems the key driver for more investment in security is not to secure customer data or protect the organisation from damaging and disruptive cyber attacks: its keeping the regulator happy. The closest any respondent came to putting the client at the centre of security was this.

"Meet external partners needs for increased security that can be evidenced"

Those last 4 words compromise the first half of the sentence, in my never humble opinion. My point here is not one about the warm feeling you get by putting the customer first, it's a harder business point than that: if you are hacked and you give away data about your biggest and best clients do you think they'll be back for more at renewal? Will they listen when you say you've "taken steps"? Or will they take their business to a competitor who hasn't suffered a breach?

AI / machine learning and Blockchain

Of the new technologies we all hear so much about, AI / machine learning and Blockchain seem to be the ones generating the most interest (if not the most investment, but more of that later....)

People are keen to explore and assess the impact of AI / machine learning on rating models and claims management (specifically fraud detection and speedy claims resolution). A few mentioned intelligent automation, and another wants to create "machine learning pipelines to automate processes"...I confess I'm not sure what means. What is clear to me is that the sector is embracing this technology, and not just in theory. One respondent summed up where we are very nicely:

> *"Where is AI most likely to have earliest impact? Front office or back office? What is realistic?"*

As for Blockchain, the hype continues unabated, as does interest from our audience. I think we can all sympathise with this honest soul:

> *"I simply need to understand blockchain and how it really works"*

As well as getting their heads round it, people are keen to explore the implications for incumbents (headcount / skills / technology), the related challenges and opportunities, and to find a way forward that might lead to the Nirvana of a market wide solution using blockchain.
More specifically there's a desire to understand how companies intend to use "Smart Contracts" and the implications and applications to London Market contracts (policy documents) and contract settlement.

I do sense some scepticism out there. For example:

> *"What will blockchain let us do that we can't do today?"*

> *"What size business (by premium) is being transacted over blockchain today? (AKA Show Me The Money. ed) and what will increase it's footprint?"*
> *(AKA Is This Going Anywhere? Also ed)*

It will be very interesting to hear an update on B3i from Greg Crow at XL Catlin, but equally interesting to gauge to what extent the audience think Blockchain will actually be used in their businesses in the next 12 months.

Old favourites

As well as these new emerging themes an old favourite recurs throughout the survey: legacy modernisation.

Another old favourite would have to be claims technology, and along with the other workshops, the Digital Claims session seems to be attracting people because it features a case study – as ever people are keen to hear 'war stories' and benchmark their own approach with those of their peers. Some specifics that delegates hope this session will cover: are how will predictive analytics support proactive claims management, how FNOL can be automatically assessed, and how to utilise the value of legacy in digital claims – yep, back to the legacy question…

I suppose the 'new old favourite' has to be Market Modernisation, with many keen to hear from an "update, and outlook and roadmap" from Shirine Khoury-Haq. I'm afraid one obstacle to progress cited by more than one respondee was…the LM TOM…so I suspect there will not be universal support for the initiative in the room. It's for sessions like these that I am pleased we have stubbornly stuck to the Chatham House Rule and our own Golden Rule of NO PRESS. We want every side of the argument to be heard in this session, and we want no one inhibited by what might appear in the press or their inbox tomorrow morning.

I should stress here that actually the positive comments about the TOM outweigh the negative, and the fact that this is one of the most popular sessions underlines how important people feel it is that transformation is adopted and driven at a market level - and that a change in market culture is achieved. Others see it as much on a company level as a market level:

> *"What insurers' key modernisation needs? How might this affect MGAs? How might this impact brokers?"*

The spend

For the first time we asked a question about budget allocation. We were keen to see whether all the discussion of Insurtech / Innovation / Disruption /Blockchain / AI / RPA / The Next Big Buzz Word would translate into how companies actually spend their money.

Here's the question we asked:

> *"What percentage of your budget is operational spend?*
> *(i.e. keeping the lights on) and how much is new development?*
> *(i.e. innovation, R&D, exploratory IT)?"*

Now I accept that is not an easy question to answer, or one that you are likely to have a precise answer for when completing a survey. I also hope that you will understand it's difficult to come up with a useful stat when the answers ranged from the very precise ("85% v 15%") to the not very informative ("I'm sorry, I haven't got a clue"). There were quite a few of the latter. However, I would say that 70% on operational v 30% on new development/innovation would be a decent "finger in the air". No one had more spend on new development and innovation. So it seems that the enthusiasm for new technologies demonstrated by the attendees is not shared by the people with the purse strings...

In the context of a continued soft market and one of the worst hurricane seasons in living memory pushing many into making a loss in 2017, this is perhaps understandable, a point well made in November 2017 by Robin Merttens :

> *"...the effect of the 2017 losses is already manifesting itself in the setting*
> *of 2018 innovation budgets. Those who were just "innovation tourists" – had*
> *been taking a look out of curiosity or a sense they should be seen to be*
> *doing something - will close their innovation efforts down."*

http://insights.instech.london/post/102eko5/the-cost-of-retrenchment-in-2018-lessons-from-the-battle-of-thermopylae

That notwithstanding it seems that whilst many boards 'buy in' to technology innovation and see digital transformation as a key strategic imperative, this does not always translate into a will to commit the necessary budget to enable it.

Achieving objectives

This interpretation seems to be supported by delegates' views on the key challenges in achieving their objectives – the top answer was variations on the theme of paucity of investment and resource and a lack of "stakeholder buy in".

It seems the inertia that the market is sadly famed for has not left us – something I'd say was evident not only in how the market spends on tech, but also in its approach to modernisation.

One can only hope that the record interest in this year's TINtech London Market intimates that this is just a blip, and decision makers will not only accept that digital tech and effective organisational change are the only way to retain market share, client engagement and build sustainable competitive advantage – they will back that up with the kind of investment seen in other sectors. Time will tell, but I suspect it will be those that do (and get it right) that will be left standing at the end of the next decade.

Another thing the London market is famed for is networking, and that word appears again and again in our audiences' responses to the question 'For what reason did you book onto this event?'

"To keep up to date with current developments, networking, problem solving, meet sponsors etc."

"Relevance of topics discussed and calibre of speakers to address these issues"

"Get up to date with the Insurance Technology arena – Networking"

"Networking and understanding new initiatives"

"Networking, understanding current trends and initiatives, understanding current drivers for change"

And I am going to close by urging you to network like hell, to really work at it and get out there to 'hear and understand what our peers are doing' – AND tell *them* what *you* are doing. This will be the biggest gathering of technology strategists in the London market this year, and you'd be missing out if you didn't take advantage of the networking and benchmarking opportunity the day presents. I will leave it to one of you to sum it up for me:

> *"It is a good forum for technology professionals in the insurance market to hear and understand what our peers are doing"*

This is the kind of thing 'us event types' like to have in the testimonial section of our website. And I will finish with another that I think really hits the nail on the head and sums up both what we hope this event is about, and the challenge facing the market:

> *"Understanding how the insurance market & tech market is working together to use new technology and creating new IT roadmaps that recognise the true challenges of complex insurances, and not use old roadmaps without understanding what issues they did not solve"*

Who we are

TINtech London Market is not about the technicalities of processing or standards, and it's not another InsurTech 'show & tell' – it's the forum where business and IT leaders come together to explore the extraordinary shifts taking place in the market and how to leverage the potential of the new technologies that are driving change.

www.TINtech-London-Market.co.uk

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