

Shifter, Norway: Cognizant's Country Client Partner, Norway, Outlines Reasons for Insurance Companies to Make the Digital Shift



"In the digital age, where products and services are rapidly outdated and emerging from new technology creates new demands from customers, it is no longer appropriate for insurance companies to rely on five-year strategic planning, as they may do today," writes **Matthias Peter**. "However, to adapt the strategies to tomorrow's market, insurers will need work with much shorter planning cycles." Excerpts:

"The insurance industry is now experiencing a digital transformation of its traditional business model that resembles what the banking and finance industry has been through over the last 3-4 years. In the face of increasing competition from non-traditional areas, what should insurers do to maintain their competitive edge and support customers most efficiently?

At Cognizant, we have looked for the answers and found three areas to stay relevant in the long run:

1. Embrace technology. Insurance companies are embracing new technologies to secure a strong competitive position.
2. Monitoring human behaviour. Although users must first allow using their data, a survey from loyalty specialist Aimia shows that consumers are willing to do so if they feel they have real benefits from sharing their data. In other words, there is an opportunity to tailor assurances and bonuses to every customer.
3. Creating new business models. To speed up the development of new business models, it makes sense to assess whether it is worthwhile to enter into strategic partnerships. Innovative start-up companies are often able to recognise so-called disruptive elements in the market.



By investing in new technology, combined with the smart use of customer data they have available and entering into strategic cooperation, insurance companies can position themselves to be stronger than ever."

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