

Insurance Business, UK: Cognizant's Senior Vice President, Cognizant Digital Business, Outlines How Insurers can Stay Relevant in the Age of AI

[Cognizant Digital Business](#)



"To compete and grow, insurers must adopt new technologies to build deeper, richer relationships with their partners and customers," writes **Sanjiv Gossain**. "Only by investing in new technologies, such as data analytics and AI, and by establishing strategic collaborations with new innovative industry players, will insurers be able to deliver greater and tailored value to their customers, accelerate business growth and survive the mass industry disruption looming on the horizon." Excerpts:

"The insurance industry is rapidly changing due to the rise of data, algorithms and artificial intelligence (AI). With the whole market poised for disruption, it is imperative that insurers look at how digital technologies could help them stay relevant.

Research estimates that the latest digital developments are set to create \$1.6 trillion of value over the next three years. As such, insurers that don't embrace new technologies will not only miss out on the value-add, but risk maintaining their competitive advantage.

The rapid growth of the wearables market has significantly increased the number of people connected to the internet. Now, under strict rules and regulations, more data can be collected to provide insight into the physical condition and lifestyle of the wearer. This promises to completely transform the consumer-insurer relationship, with the opportunity to create tailor-made insurance contracts – and even develop new products – that better meet individuals' needs.

Insurers can deliver value beyond competitive prices by providing data-driven actionable insight, such as how people can improve their health or avoid potential problems. This experiment, which uses AI to identify depression at an early stage, shows how such data could help users diagnose health issues and understand how to tackle it.

Relevance is perhaps the greatest challenge that established insurers face. To accelerate the development and adoption of new business models, insurers should consider entering into strategic partnerships. Partnering with an innovative start-up, for example, may help established firms identify the opportunity to take advantage of disruptive technologies or trends."

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