

What tech trends will transform insurance?

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Over the past decade or so, technology has fundamentally changed the face of insurance. That is true for both customers and the insurers themselves. Of course, many of the fundamentals of insurance remain the same but technology has made insurance faster, more personalised, and simpler for consumers and insurers alike.



Source: Supplied. Keletso Mpisane, head of MWay Blink.

For most ordinary people, the biggest and most visible technological change in the insurance space has been the rise of insurer smartphone apps. In their earliest iterations, these apps did not do much besides provide customers with easy access to their policy documents and the insurer's contact details.

Today, they allow people to take out policies on specific items, get emergency assistance, earn incentives (for things like safe driving), and make claims in a matter of seconds. Insurers, meanwhile, have used technology to improve their operational efficiency, process claims faster, and improve the customer experience, among other things.

But where will technology take insurance next? What shifts should customers and insurers look out for in 2024 and beyond, and how big an impact will they have?

Machine learning enhances data-driven decision-making

Over the past year or so, tools like ChatGPT and Midjourney have propelled artificial intelligence (AI) and machine learning into the public consciousness. While most of us use these tools for simple tasks, the technological principles behind them have many uses across a broad range of sectors. That includes insurance.

Many insurers, for example, already use AI for things like algorithmic underwriting, risk assessment, claims processing, and customer service. However, new and emerging uses for machine learning look set to take things to the next level.

That is particularly true when it comes to data-driven decision-making. Machine learning allows insurers to analyse the vast swathes of data they have on hand more accurately. This, in turn, will allow them to evaluate risks more precisely and to personalise policies better, enhancing the customer experience.

Self-service becomes (even) more prevalent

If you have ever been in a car crash or your vehicle's been broken into, you will know how important it is to file your insurance claim as quickly as possible. The faster your claim is processed, the sooner you can get your car repaired or replaced.

But you will also know that the last thing you want to do in that situation is to spend hours on the phone with your insurer or get home and be obligated to send large volumes of emails back and forth. Many consumer-facing applications have already made it easier for consumers to service themselves when it comes to things like filing claims and requesting emergency assistance.



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In the coming year and beyond, self-service will become increasingly prevalent, especially as more and more customers start using their insurers' smartphone apps. Technological advancements will also allow for even more functions to be completed via self-service. This, in turn, means an enhanced experience for many customers.

Better customer service when you need it most

There are, of course, times when even the slickest self-service interface in the world will not help you with your insurance query. In those instances, you will have to reach out to your insurer directly. But, thanks to technological changes, doing so will be an increasingly pleasant experience.

With so many time-consuming processes now being automated, the people who used to have to do them can now focus on ensuring they are providing the best possible customer experience. That is as true for the customer service department as

it is for the rest of the business.

Beyond customer service, the freed-up expertise created by automation may allow insurers to further embrace innovation. They may, for example, be able to offer an even greater degree of policy tailoring and personalisation or engage with customers in a more consultative way.

Tech as an enabler, not an end-goal

However, it is important to remember that the biggest shifts in insurance have come when it has been used as an enabler rather than an end goal. That will continue to be the case in the future. With the data available to them and their enhanced ability to analyse that data, insurers should be well-positioned to understand what the next big tech enabler will be.

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