

servicenow[®]

When insurance works, the world works



Deliver insurance automation at warp speed

Insurers need technology to automate at warp speed

Insurance carriers are feeling pressure to digitally transform their operations to improve experiences and optimize technology investments.

Digitization priorities include:

- 01 **Modernize IT architecture**
- 02 **Drive process automation**
- 03 **Deliver consumer-grade experiences**

To succeed in today's digital ecosystem, insurance carriers must adopt a growth mindset, supported by agile, flexible technology infrastructures. Unfortunately, many carriers are burdened with siloed, fragmented technology systems and mission-critical core systems of record in various states of cloud migration.

Cloud migration of a single core system is a costly, multi-year process consuming valuable IT resources, and reducing capacity for new digitization projects designed to help grow the business.

With growth as a priority, carriers need to consider other options. Connecting core systems of record on a single cloud-based platform, without massive data migration, can help carriers achieve agility and flexibility fast—often in months instead of years.

By unifying disparate systems, carriers can automate processes across the value chain. For example, commercial lines claims are inherently more complex, and less likely to be automated than personal lines claims. With a single system of orchestration, carriers can automate commercial claim processes, including third parties, from first notice of loss through special investigation to payment and closure.

Once systems, processes, and people are connected, carriers can move faster and more efficiently, driving down operational costs and improving experiences for stakeholders including brokers, agents, adjusters, policyholders, and employees.

With the platform for digital business carriers can:



Accelerate digital enterprise transformation



Manage IT risk, resilience, and compliance in real-time

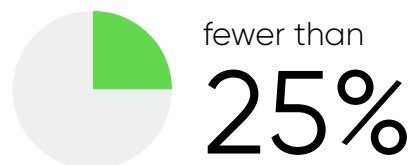


Reduce cost while delivering seamless experience



Activate ESG across enterprise operations

Among the top 200 world-wide insurers:



have truly digitized the value chain



are not appreciably leveraging digital technologies within their current business processes

Slow-to-adapt carriers will not be able to succeed against digitally mature carriers that learn how to attract and retain customers through customer-centric capabilities.

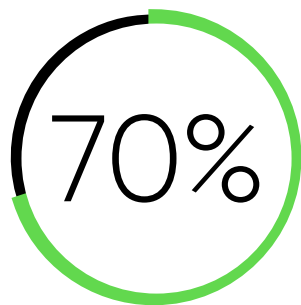
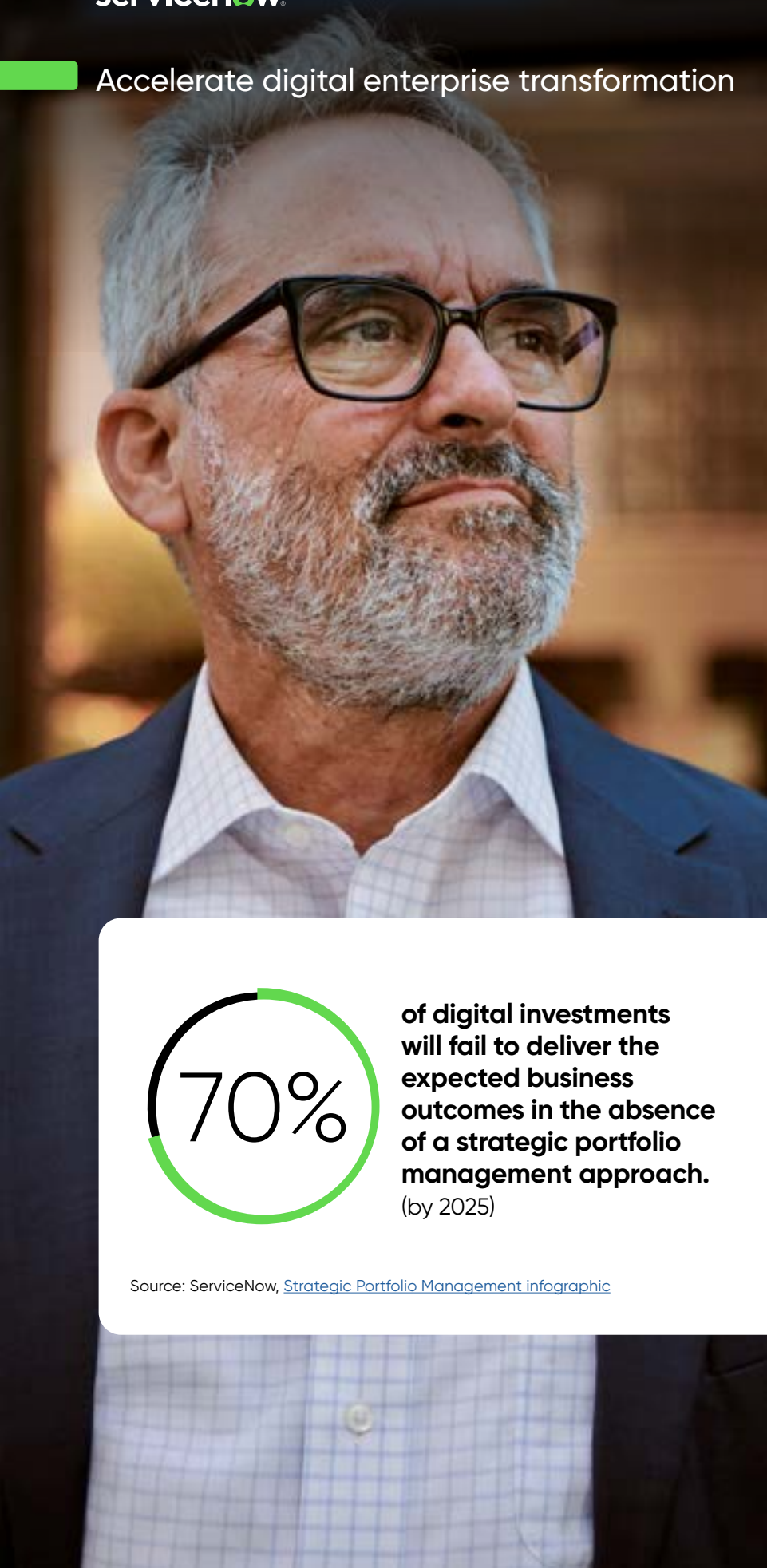
Accelerate digital enterprise transformation

THE CHALLENGE:

Siloed systems and data make work difficult for people, increase vulnerabilities, drive-up operational costs, and stifle digital transformation initiatives. Insurance technology service providers feel overwhelmed with the demand to deliver improvements on proprietary applications, legacy core systems of record, and mainframe architectures that weren't designed to support today's insurance organization.

It is not uncommon for business leaders to view IT service providers as inefficient and slow, questioning the high cost of maintaining the function. Employees are irritated by erratic service availability, high wait times, and manual escalation processes. Meanwhile, IT leaders struggle with a lack of insight into service delivery issues, and technology service providers are frustrated with repetitive requests and manual DevOps change processes.





70% of digital investments will fail to deliver the expected business outcomes in the absence of a strategic portfolio management approach. (by 2025)

Source: ServiceNow, [Strategic Portfolio Management infographic](#)

THE SOLUTION:

Reimagine seamless, always-on technology services to accelerate digital transformation. With automated service operations, insurance technology teams can easily identify and operationalize ways to improve workforce effectiveness and improve processes.

IT talent is empowered to resolve issues fast and make a bigger impact with better collaboration tools and repeatable, evolvable processes. By automating manual, repetitive work, insurance carriers can reinvest resources into innovation projects while maintaining the security, reliability, and integrity of the IT function.

And, most importantly to insurance carriers, IT leaders can maximize digital business growth with a cloud migration strategy, cost optimization, and governance framework aligned to business objectives.

By reimagining technology services carriers can:

- ⊕ Increase the amount of infrastructure and services fully mapped and visible.
- ⊕ Improve service compliance with company standards.
- ⊕ Manage the technology asset lifecycle systematically to increase utilization, reduce costs, and mitigate asset risk.
- ⊕ Execute a comprehensive cloud migration strategy across the enterprise.

Accelerate digital enterprise transformation

The ServiceNow impact: Gothaer

With 4.3 million insured members and premium revenues amounting to €4.4 billion, the Gothaer Group is one of the largest insurance groups and mutual insurers in Germany. The company, which has a tradition dating back more than two centuries, wants to be a leading partner for SMEs and has been one of the most successful insurers for property and casualty insurance for many years on account of its above-average premium growth.

The challenge: Gothaer wanted to redesign the way its diverse operating and service processes were managed. They needed a better platform for managing employees' daily work—and one that wouldn't reinvent itself every time an upgrade was necessary. The IT team wanted to avoid lengthy planning and implementation cycles to reduce waiting times for business stakeholders.

THE RESULT



4 weeks to complete change of release



9x faster than previous release upgrades

The solution: ServiceNow enabled Gothaer employees to use the same modern, integrated, and intuitive tool in their daily work—for all types of processes. Since the platform was implemented, the IT team has been able to improve its response to users' requirements and act faster. Upgrades to the platform took weeks instead of months. Users now have a more active role in the development process and IT has a closer integration with the business.



Reduce costs while delivering seamless experiences

THE CHALLENGE:

To compete in today's dynamic economy, incumbent carriers need frictionless, omnichannel experiences for customers, agents, and distribution partners. Unfortunately, having siloed systems of record across claims, underwriting, and policy administration prevents the seamless flow of work beyond the front-end engagement layer.

Years of mergers and acquisitions, regulatory mandates, and geographic expansion have led to layers of siloed systems housing customer data—many of which aren't integrated with one another. Many carriers lack a single, clear picture of what's happening with a policyholder, making it hard to provide proactive, personal service.



Reduce costs while delivering seamless experiences



Anywhere from

30–40%

of an underwriter's time is spent on administrative tasks, such as rekeying data.

Source: McKinsey, "[Insurance productivity 2030: Reimagining the insurer for the future](#)" (Oct 2020)

THE SOLUTION:

When carriers intelligently orchestrate and automate work across existing processes and technology, they can enable convenient, empathetic experiences. They need to:

- + Deliver consistent, personalized experiences to policyholders through whatever channel they choose to engage.
- + Provide underwriting, claims, and distribution employees with more relevant, contextual information about policyholders to better serve their needs.
- + Accelerate claims resolution by enabling the front, middle, and back offices to work on requests in sync—instead of jumping in and out of siloed systems.
- + Help employees work more productively with automated, connected processes that reduce the time spent on administrative tasks.

Reduce costs while delivering seamless experiences

The ServiceNow impact: American Family Insurance

American Family Insurance, founded in 1927, is an American private mutual company with over 11,000 employees, focusing on property, casualty, auto, commercial, life, health, and homeowners insurance. In addition, they also offer investment and retirement planning products. American Family is a Fortune 500 company and the nation's 13th largest property/casualty insurance group with over \$14 billion in revenue, and over 13 billion policies in force as of 2021. AmFam sells products primarily through exclusive agency owners in 19 states.

The challenge: American Family Insurance wanted to improve legacy processes to be more efficient and reduce operational costs. Since work was often assigned manually, it was difficult to track progress or determine what was causing delays. Repetitive interactions with distribution partners caused frustration and strained resources.

THE RESULT



20% reduction in operating costs



40% improvement in cycle time



80% reduction in redundant conversations

Source: American Family Insurance case study; shared at ServiceNow's Knowledge 2022 conference

The solution: Working with ServiceNow, American Family Insurance automated work assignments—intelligently routing tasks by competency and providing complete visibility into their status. The low-code environment on ServiceNow's platform empowered frontline employees—including underwriters and contact center agents—to fix processes and solve their own problems in real-time. Now, 75% of coding is done by frontline employees.



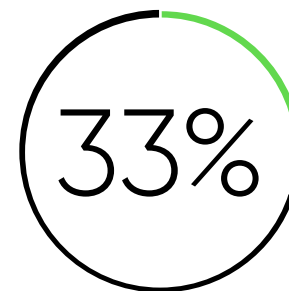
Manage IT risk, resilience,
and compliance in real-time

THE CHALLENGE:

Product innovation is a core requirement for economic growth in the insurance industry. For many carriers, developing new products means expanding their digital ecosystem, from insurtech partners to third-party administrators. With this expansion comes increased risk; carriers are challenged to quickly respond to cyber threats and keep up with changing compliance requirements.


In a dynamic technology environment with so many different systems, security professionals often lack the end-to-end visibility necessary to understand how risks are being prioritized and managed across the enterprise. Add a global chronic shortage of security professionals to the equation, and the level of risk carriers are facing is compounded.

As risk experts, carriers have an intimate understanding of the need to mitigate cyber risk. And with a shortage of people, having the right technology to manage risk while driving resilience and compliance is not a 'nice to have'—it's a must.



of insurance organizations have the right technology to manage risk effectively.

Source: Strategy &, "[Refashioning insurance risk management functions for a future world](#)" (Jan 2022)

A solid green horizontal bar.

Manage IT risk, resilience,
and compliance in real-time



THE SOLUTION:

Carriers must centralize risk activities to gain better control over security and compliance risks. They need to:

- ④ Proactively manage enterprisewide risks by pulling data from across different systems into one platform.
.....
- ④ Improve data access and visibility into the IT estate.
.....
- ④ Embed risk management, security, and compliance into digital workflows.

Manage IT risk, resilience,
and compliance in real-time

The ServiceNow impact: IAG

IAG is Australia and New Zealand's largest general insurer. As such, risk is their core business. They are highly regulated, governed by federal, state, and local laws that frequently change.

The challenge: With 2,000 regulatory obligations to meet and varied risk management across divisions, IAG found it incredibly challenging to manage its own risk and controls environment.

The solution: IAG created a holistic risk management framework supported by ServiceNow. Risks, controls, and weaknesses are now centrally accessible for better-informed decision-making.

THE RESULT



\$1.2B in potential risk exposure managed



6k controls and
600 risks consolidated



4k vendors assessed through
supplier segmentation

Source: IAG case study; shared at ServiceNow's Knowledge 2022 conference.



Activate ESG across enterprise operations

THE CHALLENGE:

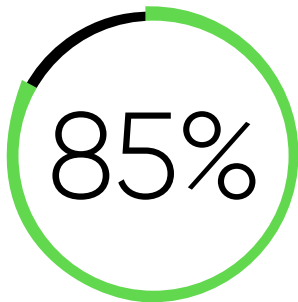
Environmental, Social, and Governance (ESG) concerns have escalated across the insurance industry.

Key stakeholders—including investors and regulators—want to know more about how carriers are addressing key ESG issues. ESG regulatory disclosure requirements vary by country—and sometimes by regions within a country. For example, the EU sustainable finance strategy regulates disclosure requirements for institutional investors relating to how ESG factors are integrated into risk management processes and investment decisions.

Regulatory ESG disclosure requirements vary by state in the U.S., but the Securities and Exchange Commission (SEC) signaled a potential move away from voluntary disclosures toward mandatory requirements with the release of climate disclosure requirements in March 2022.

In addition, the National Association of Insurance Commissioners (NAIC) released an updated climate risk disclosure survey in April 2022. Survey questions align almost entirely with the Task Force on Climate-Related Financial Disclosures (TCFD) framework. According to a PwC report, this will result in a significant shift towards TCFD-aligned disclosures for U.S. insurers, forcing carriers to think about climate change in multiple facets of their business and confront how they address it.

This drive toward standardized ESG frameworks means carriers will need to digitize the processes and audits they use to manage their ESG initiatives. Digitization will reduce the cognitive load for employees, while providing the transparency necessary for audits and reporting.



of global insurers believe ESG will impact all functions of their business.

They identified the single largest area of impact as investments **(91%)**, followed by risk and internal audit **(90%)**, and underwriting **(88%)**.

Source: PwC, ["ESG: A growing sense of urgency"](#) (2022)

THE SOLUTION:

A more holistic solution would help carriers achieve ESG excellence. They must:

- ⊕ Stay ahead of regulatory requirements for ESG disclosures.
- ⊕ Bring together the right data and the right stakeholders to make informed decisions about ESG initiatives.
- ⊕ Align the ESG strategy with work already taking place across the enterprise.
- ⊕ Plan, deliver, and track ESG efforts across different methodologies with a single system.

ServiceNow delivers insurance automation at warp speed.

ServiceNow helps insurance carriers deliver modern, personalized customer experiences across distribution networks while reducing costs. Our native, cloud-built platform is designed for intelligent work orchestration and business process automation. We bring people, systems, and data into one system of action with one data model and one architecture.

Accelerate digital enterprise transformation

- Maximize the return on tech investments and drive down technical debt with a comprehensive IT modernization strategy.
- Unify the technology environment without replacing core systems of record.
- Extend application functionality through low-code tools and process automation.
- Deliver applications at scale by leveraging cloud, microservices, and distributed architectures.

Reduce cost while delivering seamless experiences

- Enable employees to personalize service, cross-sell, and upsell with relevant, contextual information about policyholders.
- Enable straight-through claims processing to support fast, accurate resolution.
- Equip employees with role-based workspaces that support prompt and efficient service.



Manage IT risk, resilience, and compliance in real-time

- Drive consistency, compliance, and productivity across claims, underwriting, and policy servicing with automation.
- Proactively manage and report on enterprisewide cybersecurity risks and compliance with continuous monitoring.
- Seamlessly embed risk management, security, and compliance into first line user's daily work across digital experiences.

Activate ESG across operations

- Convert ESG intent into impact with digital solutions that mitigate risk and accelerate value creation.
- Deploy an ESG command center to translate vision and goals into measurable actions.

A photograph of a man and a woman sitting at a table in a bright, modern office or home setting. The man, on the left, has dark hair and a beard, wearing a dark sweater. The woman, on the right, has blonde wavy hair and is wearing a blue and white striped button-down shirt. They are both looking towards the right side of the frame with thoughtful expressions. The background shows a window with a view of a building and a bookshelf filled with books.

When insurance works, the world works.

Additional resources:

- Ebook: [Reimagine financial services: Discover stories of digital transformation](#)
- Ebook: [Guide to modernizing insurance customer and distributor experiences](#)

ServiceNow (NYSE: NOW) makes the world work better for everyone. Our cloud based platform and solutions help to digitize and unify organizations so that they can find smarter, faster, better ways to make work flow. So employees and customers can be more connected, more innovative, and more agile. And we can all create the future we imagine. The world works with ServiceNow™. For more information, visit: www.servicenow.com.