

Transforming insurance products with EY Insurance Nexus

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working world



Microsoft

In today's fast-moving, digitally disrupted world, insurance companies face a growing challenge: getting new insurance products to market quickly to meet demand. That's true for both smaller carriers as well as larger ones focused on launching new lines of business.

The root of the problem is older legacy systems that can't keep pace with today's digital customers. It takes an enormous amount of time for an insurer to configure a new product; add it to the company's policy, billing, claims, and general ledger systems; and begin marketing it to potential customers. Replacing those legacy systems could address these challenges, but it's neither a quick nor easy fix: implementing a new technology suite in a tier-one insurer typically costs hundreds of millions of dollars and takes years to become fully functional.

But there's a better alternative. EY Insurance Nexus™ solution, built on key Microsoft technologies, including Azure and Dynamics 365, gives insurers the capabilities they need to quickly and cost-effectively bring new products to market – and do so without having to incur the time and cost of building and implementing a new on-premise technology suite.

With Microsoft Azure serving as the technological foundation for Nexus, insurers enjoy a low total cost of ownership, higher service levels, and fast and easy upgrades. And, Microsoft Dynamics 365 provides the integration, automation, mobility and intelligence that are critical to fostering the agility today's insurers need to keep pace with evolving agent and customer needs.

Key benefits for insurers

With its managed core IT operating platform – including claims, policy and billing plus data, mobile/portal, and security – EY Insurance Nexus helps enable insurers to:

- ▶ Boost speed to market by developing and launching new products, implementing new business capabilities, and automating business processes faster. On average, insurers using Nexus have cut their product development life cycle by as much as 40 percent.
- ▶ Generate profitable growth by reducing costs associated with IT core systems via cloud-based digital platforms that are implemented and managed by third parties. With Nexus, insurers have reduced their IT maintenance costs by up to 30 percent and significantly reduced the number of their upgrade cycles.

- ▶ Transform processes by embracing insurtech innovation using digital technologies such as intelligent process automation, blockchain, sensors, and artificial intelligence (AI). EY Insurance Nexus has helped insurers increase their automation capabilities by more than 50 percent.
- ▶ Enhance customer loyalty by continually developing innovative ways to engage with customers, agents, brokers and employees with deep, relevant and ever-increasing insights.

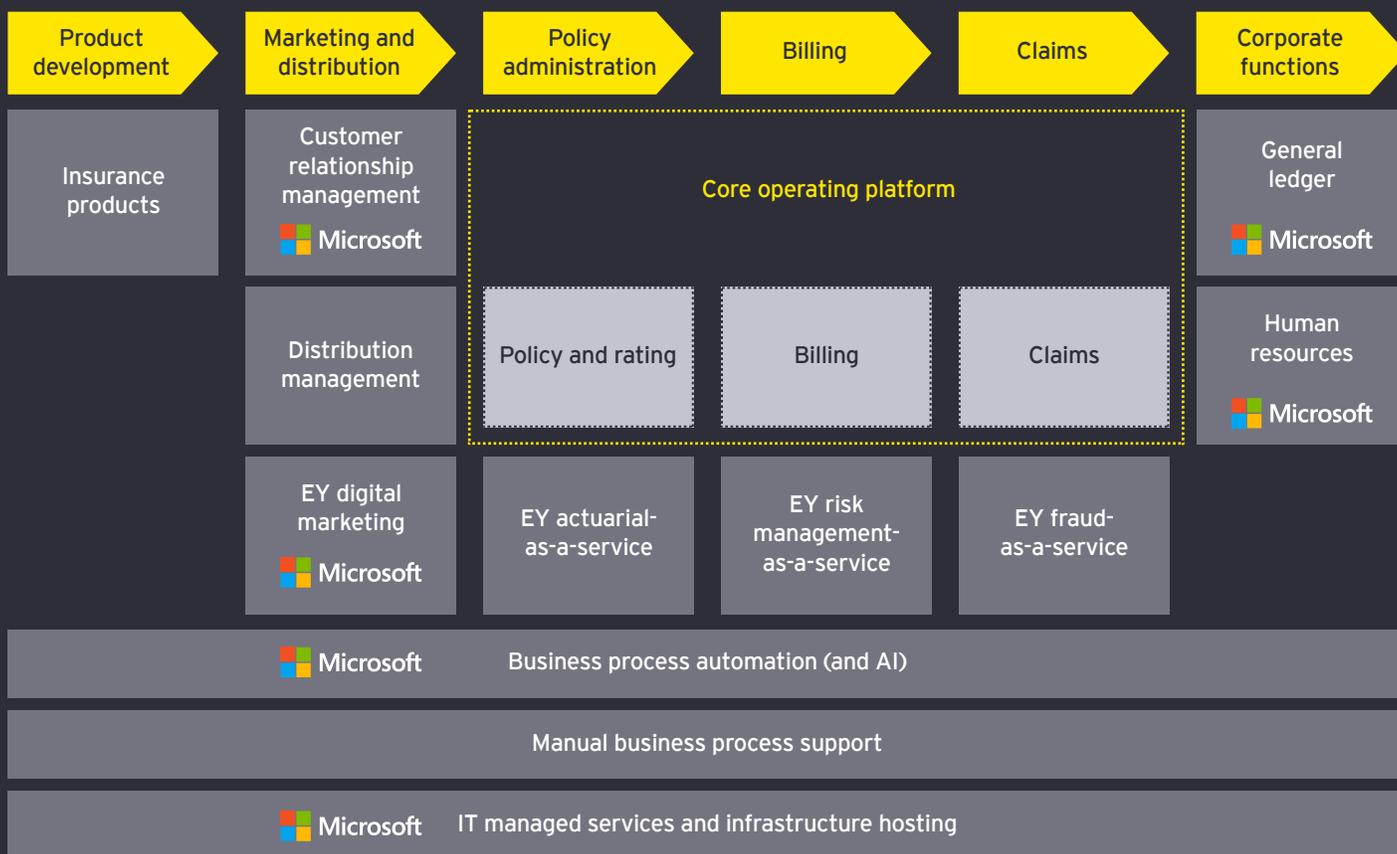
Digital transformation supported by Microsoft

EY Insurance Nexus is a fully-integrated, cloud-based digital enablement architecture that uses Microsoft and other technologies to

transform the process of developing, marketing, and billing new insurance products (Figure 1). The foundation of the solution, IT managed services and infrastructure hosting, is delivered via Microsoft Azure, while a variety of specialized Azure-based Microsoft tools provide business process automation and AI capabilities. Microsoft Dynamics 365 supports new product-related marketing and general ledger activities via its Customer Experience and Finance and Operations modules, respectively.

For core policy administration, billing, and claims, EY Insurance Nexus employs a wide range of software products, including Guidewire, whose property and casualty industry platform unifies software, services, and partner ecosystems to support insurers' business. Guidewire can help insurers optimize their operations,

Figure 1: The EY Insurance Nexus solution framework



increase engagement, drive smart decisions, innovate more quickly, and simplify their IT environment.

The solution also is truly “plug and play,” easily integrating with an insurer’s existing policy, billing, and claims systems; various complementary software products and insurtechs; and other components and tools built for the Microsoft Azure platform. Additional accelerators within the solution enable EY Insurance Nexus to automate up to 85 percent of all business processes and substantially increase the speed of those processes – with little to no human intervention required. Employees are thus freed from rote, time-consuming tasks to focus on higher-value activities and work is done far more quickly and efficiently.

Further accelerating new product

launches are EY Insurance Nexus’s pre-configured products. Sixteen products are currently available (Figure 2), with more under development. Insurers can modify each product as needed, helping them to jumpstart a product launch and reduce the overall cost it takes to bring a product to market.

A flexible solution to meet a wide range of needs

Because EY Insurance Nexus is a cloud-based, plug-and-play solution, it’s highly flexible and can be adopted in many ways.

For example, some insurers have opted to embrace EY Insurance Nexus’s broad capabilities – from product development to corporate functions – to test-market new products. With EY Insurance Nexus’s pre-built, cloud-based

Figure 2: Current pre-configured insurance products available in the EY Insurance Nexus solution

- ▶ Personal auto
- ▶ Personal homeowners
- ▶ Dwelling fire
- ▶ Personal motorcycle
- ▶ Personal watercraft
- ▶ Personal umbrella
- ▶ Flood
- ▶ Renter’s
- ▶ Package
- ▶ Voluntary
- ▶ Condo
- ▶ Excess and surplus
- ▶ Farm
- ▶ Workers compensation
- ▶ Business owner’s policy
- ▶ Cyber

capabilities, the insurers can quickly and cost-effectively gauge the market's reaction to the products – and easily pull them if they aren't viable. If they show promise, insurers can leave them on the EY Insurance Nexus platform where they can continue to flourish.

Other insurers choose to employ just the specific EY Insurance Nexus elements that complement the tools they already have. One, for instance, is using only EY Insurance Nexus's front-end capabilities – policy and billing – which are easily tied into the company's in-house, back-office claims system and general ledger. In doing so, the company has filled an important gap in its technology stack without the time and cost associated with building and integrating its own system.

A wide range of insurers are currently using EY Insurance Nexus

to streamline the development and launch of new products. These include the following:

- ▶ A regional carrier that provides 2.1 million members with travel, insurance, financial and automotive-related services
- ▶ A Canadian mutual property and casualty company providing comprehensive and competitive insurance to residential, agricultural and commercial customers
- ▶ A northern California specialty insurance company
- ▶ An eastern Canadian workers compensation company
- ▶ A national leading provider of personal and commercial lines insurance products

- ▶ A national commercial trucking and specialty transportation insurance company

Overcome the legacy challenges

With insurance carriers increasingly under pressure to launch new insurance products and capabilities quickly and cost effectively, current legacy systems and approaches are rapidly becoming impediments to growth. The EY Insurance Nexus solution, supported by Microsoft technologies, represents a compelling alternative. Its Azure-based architecture, Dynamics 365 foundation, built-in accelerators, and process automation capabilities give insurers what they need to cut product time to market, digitize their key processes, strengthen customer engagement, and grow more profitably.

EY and Microsoft: Your Digital World. Realized.

The EY and Microsoft alliance combines EY deep insights and experience in disruptive industry trends, new business models and evolving processes with Microsoft's scalable, enterprise cloud platform and digital technologies. EY teams and Microsoft can help accelerate digital transformation with advanced solutions that support enterprise strategy, transform customer and workforce experiences, create new, data-driven business models, build intelligent, automated operations and bring confidence that these innovative solutions are secure, compliant and trusted.

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About EY

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