

Blog: Inefficient methods have hamstrung how we do business for decades – there's no going back now

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Coronavirus has kickstarted a digital drive for businesses in the City and with light now at the end of the tunnel the insurance sector cannot revert to old ways, blogs Xceedance head of Europe, the Middle East and Africa Justin Davies.

The end seems finally in sight for the coronavirus. The vaccination programme is getting into full swing, prompting insurance and reinsurance businesses to start thinking seriously about some sort of return to office work arrangements in the City of London.

Whether this happens in the second or third quarter this year — or even later — going back to the office will certainly not be a return to business as usual. Many months of mass work-from-home conditions has forced a notoriously laggard insurance industry to embrace technology plus broad initiatives in digital enablement to improve efficiency.

In talking with clients, peers, and colleagues in the market, there is no consensus on when a meaningful return to office working will take place – or what it will look like. I know some company leaders were initially sceptical about the viability of working from home, and they are now won over by the concept. Some organisations are giving up their offices altogether, others are negotiating to move into much smaller premises. I suspect many will operate a hybrid model, at least for some time, with their workforce alternating between being in the office and working from home. It's also likely some companies will revert to pre-lockdown conditions of almost everyone coming to the office.

Coronavirus has been a terrible global health tragedy that no one would ever have wished to occur, but it has ushered in and accelerated a range of long overdue digital improvements. For example, adoption of digital placement platforms, such as PPL and Whitespace, has increased exponentially. However, if brokers and carriers are to fully capitalise on those advances, they must consider embracing technology in more ways than just the placement process. In an ideal world, they would review their entire target operating model and consider the processes they can optimise (using techniques such as Lean Six Sigma) and the technologies they can apply to increase efficiencies across the insurance value chain.

With the learnings of the lockdown in mind, now is the time for forward-thinking insurance companies to take a holistic, digitally empowered view of their entire operational environment in order to achieve competitive advantage and grow. All of us will be craving the opportunity to meet up again – whether it is to socialise with family and friends or to interact in the same room with colleagues. Face-to-face meetings will never disappear in the insurance industry, but they will be far less frequent than in pre-pandemic times. There is certainly a need for personal and business interactions when companies are transacting large deals or underwriting especially complex risks.

Nevertheless, the lockdown has shown us that large parts of the day-to-day operations of an insurance business can be conducted remotely with video conferencing — with no drop in productivity or efficiency. Digital platforms may have been considered optional in supporting traditional operations and working practices before the lockdown, but they are now must-have tools as the industry emerges from lockdown conditions.

By all means, let us look forward to the time when we can meet in person with colleagues and clients again. But when insurance organisations return to their London offices, I hope we do not discard the vital technological connections we have relied on during lockdown. After a period of forced and fast-tracked — but ultimately successful — proof of concept for digital enablement, it would be counterproductive if we revert to inefficient ways of doing business, which have hamstrung our industry for decades.