



Property and casualty insurance industry remade by COVID-19

Scenarios for resilient leaders | 1-3 years

June 2020



In the wake of COVID-19, Deloitte and Salesforce hosted a dialogue among some of the world's best-known scenario thinkers to consider the societal and business impact of the pandemic. The results of this collaboration can be found in [*The world remade: Scenarios for resilient leaders*](#).

Deloitte.



Humanity is facing a crisis unlike any known to our generation

This document intends to provide property and casualty (P&C) leaders with the potential long-term implications of COVID-19 for the insurance industry.



Insurers must prepare for the future

Deloitte's Resilient Leadership framework defines three time frames of the crisis



This document shares scenarios of how the insurance industry landscape may develop over the next one to three years and is intended to help leaders explore some of the potential medium-term implications of COVID-19.

These scenarios outline potential futures, created to spark insight and spot future opportunity.

Because, as Peter Drucker famously observed, “the greatest danger in times of turbulence is not turbulence itself, but to act with yesterday’s logic.”¹

Objectives of this document

Share scenarios about how the insurance sector (globally) might evolve in one to three years to help leaders:

1. Explore how trends we see during the pandemic could shape what insurance may look like in the medium term
2. Have productive conversations around the lasting implications and impacts of the crisis
3. Identify decisions and actions that will improve resilience to the rapidly changing landscape
4. Move beyond “responding” to the crisis and toward “recovering” in the medium term

1 / Making sense of the future

2 / A closer look at the scenarios

3 / P&C industry response

4 / Team and acknowledgements

Making sense of the future

Uncertainties make it difficult to predict the future

Fundamental uncertainties

- 1 The overall **severity of the pandemic** and pattern of disease progression
- 2 The **level of collaboration** within and between countries
- 3 The **health care system** response to the crisis
- 4 The **economic consequences** of the crisis
- 5 The level of **social cohesion** in response to the crisis

Additional uncertainties

Society

- Levels of societal trust
- Psychological impacts after quarantine
- Impacts on different generations
- Long-term impacts on education

Technology

- Attitudes toward data-sharing
- Speed of technological innovation
- Long-term effects on the workplace
- Types of new technology adopted

Economy

- Speed of economic recovery
- Distribution of economic growth
- Impacts on inequality
- Shifts to new business models

Environment

- Current reduction in emissions
- Focus on fighting climate change
- Investments in renewable energy

Politics

- Long-term impacts on governments
- Impacts on public policy and regulation
- Changing levels of trust in political systems
- Changes in election methodologies

Making sense of the future

Scenario thinking can help us better inform our decisions in an uncertain future

This document explores various scenarios about how the COVID-19 pandemic could accelerate or redirect the insurance industry over the next one to three years. Building on several trends already in motion, the scenarios are built on important macro and insurance sector uncertainties, both already evident and others potentially plausible based on the severity of the pandemic and government actions.

We chose to focus on the next one to three years on the assumption that this time frame is long enough that change is possible, but close enough that it matters to executives today.

As you read this document, challenge yourself to imagine how things you were sure to happen could now be on a different course. Avoid the temptation to conclude that the crisis will accelerate the changes you already expected or believed were inevitable or that the scenarios are truths or future forecasts.

This document and its depiction of a possible future should ultimately spark several questions around implications and next steps for your organization.

What are scenarios?

Scenarios are stories about what the future may be like, created through a structured process to stretch thinking, challenge conventional wisdom, and drive better decisions today. They are not predictions about what will happen. They are hypotheses about what could happen, designed to open our eyes to new opportunities or hidden risks.

Note that these scenarios stand as of mid-April 2020. They are based on our best understanding of the health trajectory, economic impacts, and government actions in response to the COVID-19 pandemic.

Making sense of the future

The current crisis could unfold in four ways over the next three to five years

The passing storm

Overview

- The pandemic is managed due to effective responses from governments and health providers
- Lasting economic repercussions, which disproportionately affect small and mid-sized businesses and lower- and middle-income individuals and communities

Good company

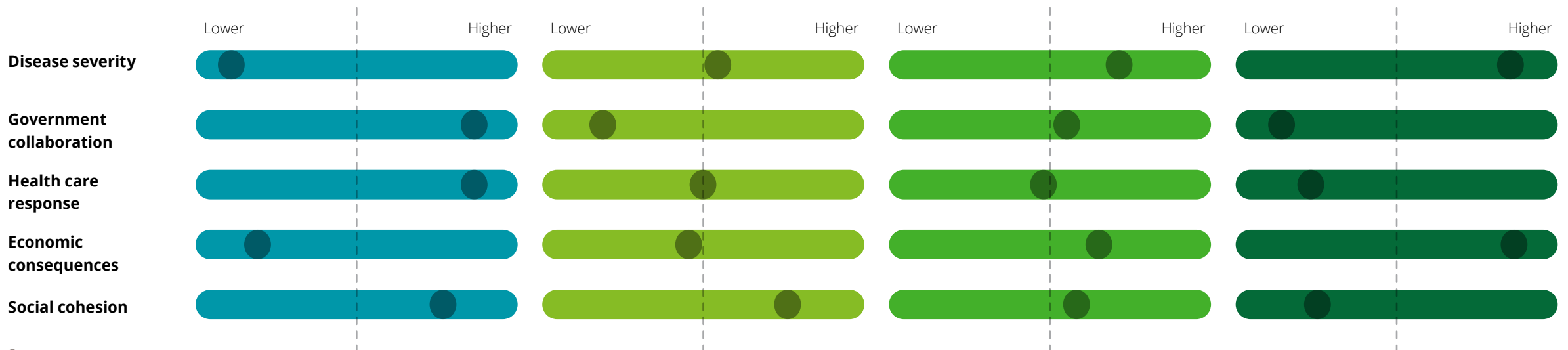
- Governments globally struggle to handle the crisis alone, with large companies filling the gap
- Acceleration of trends toward “stakeholder capitalism”
- Companies become more purpose-driven; rise in partnerships and pop-up ecosystems

Sunrise in the east

- China and other East Asian nations are more effective in managing the virus . . .
- . . . and take the reins as primary powers on the world stage
- Centralized government response becomes the “gold standard”

Lone wolves

- Prolonged pandemic period spurring governments to adopt isolationist policies, shorten supply chains, and increase surveillance
- Economic freefall and social unrest due to prolonged periods of isolation



Making sense of the future

The landscape could shift meaningfully across multiple dimensions

	The passing storm	Good company	Sunrise in the east	Lone wolves
Worldwide economies . . .	. . . enter an extended recession , with increased income inequality	. . . are disrupted , with a growing concentration of power among large companies	. . . recover unevenly globally , with Eastern economies recovering faster than Western economies	. . . are left in turmoil , as global supply chains are disrupted
Consumer behavior . . .	. . . evolves , as customers increasingly adopt digital channels, experiences, and products	. . . shifts , with rising affinity toward and trust in large corporations	. . . changes , as customers engage with new competitors and are driven by price vs. loyalty	. . . turns inward , as consumers increasingly value nationalism
Governments . . .	. . . gain trust , and international organizations such as WHO grow in relevance	. . . partner with large corporations , which step up as part of the solution	. . . look to the East , as Asian countries more effectively manage the virus	. . . adopt isolationism , as they attempt to contain the virus within
Technology advances . . .	. . . stay on course , as previous holdouts move online	. . . take the center stage , with large companies driving solutions in areas such as health-tech and biotech	. . . are accelerated , as more data-sharing allows for advances in Artificial Intelligence (AI) and other advanced tech capabilities	. . . are divergent across markets, with a focus on advances in surveillance measures
Competitive landscape . . .	. . . is affected , with some fallout among smaller businesses	. . . consolidates , as bigger companies and incumbents gain social capital	. . . shrinks , as many small to medium businesses struggle to remain viable, particularly among growing competition from the East	. . . craters , as firms become nationalized and rely on government intervention
Work, workforce, and workplace . . .	. . . returns largely to status quo , given relatively quicker recovery and “muscle memory”	. . . evolves , as remote work becomes the norm	. . . structurally changes , with policies to incentivize working from home	. . . fundamentally changes , as firms accommodate contactless preferences

Making sense of the future

Certain scenario-agnostic trends may accelerate or decelerate because of the crisis . . .

Accelerated



Accelerated digitization

Social distancing has already driven further **adoption of contactless technologies and digital experiences**. More new businesses launched will likely be digital or cloud-native, further accelerating emerging technologies (for example, analytics, sensing, and 5G)



Increased virtualization of workforce

Many **organizations have already adjusted to working remotely** through virtual communication and collaboration channels and are unlikely to revert entirely; COVID-19 has also driven **increased adoption of different business models** (such as telemedicine)



Increased focus on safety and surveillance

More **consumers will likely expect safety and precautionary measures from both brands and governments**, driving the need for enhanced surveillance policies and technologies (such as mobile alerts for contact tracing) among employers and governments, but also posing potential privacy concerns



Greater corporate responsibility

Taking steps to “do the right thing” in the COVID-19 context is not only further appreciated, but is also becoming **table stakes for consumers**; rising activism among consumers and employees could drive an **increased focus on corporate purpose**



Emergence of pop-up ecosystems

Value chain disruption is likely to lead to **more and creative partnerships**, which may in turn cause organizations to further invest in developing the mindset and agility to collaborate across sectors in the ecosystem



Enhanced focus on cost reduction

Cost management will be a critical priority to ensure business continuity based on cash flow requirements to manage lower margins and revenues during a downturn (such as through restructuring)

Decelerated



Slowdown in the sharing economy

Rising health and hygiene concerns and increased virtual work may **reduce demand for shared services** (such as people planning to limit rideshares) **as well as physical coworking spaces** (such as commercial office space)



Slowdown in urbanization

While urbanization has been growing steadily, **social distancing** amid rising fears of contagion **may reduce likelihood of people living and working in more crowded major cities**



Less global movement of people and goods

Based on likely government restrictions, the **movement of people and goods across national borders could decrease**, affecting global travel and supply chains and further driving more localized business activity and isolationism

Making sense of the future

... many of which are informed by changing consumer behaviors

Trends that will likely have a structural impact

Staying home

Shelter-in-place orders and remote work have increased at-home consumption

Leading indicators

- Shelter-in-place orders
- Businesses closed
- Delivery and takeout sales

Reversed



*trend of increased
away from home (AFH)
pre-COVID-19*

Trading down

Uncertainty and fear of impending recession have driven consumers to seek lower-cost options

Leading indicators

- Unemployment
- Disposable income
- Private label sales

Reversed



*trend of increased
AFH pre-COVID-19*

Shopping online

Hyper-growth of digital channels as stores close and shoppers limit their time away from home

Leading indicators

- Online sales
- Delivery platform growth
- Stores closed

Accelerated



inc. digital commerce

Focusing on well-being

Seeking clean, herbal, and immunity-boosting products that promote wellness

Leading indicators

- Cases rates
- Health and dietary supplements sales

Accelerated



*health and
wellness focus*

Expecting cleanliness

Heightened awareness of sanitation, with increased expectations around product safety and transparency

Leading indicators

- Government regulations
- Cleaning and antiseptic product sales

Accelerated



focus on cleanliness

Buying local

Closing of borders and ongoing safety concerns have driven more consumers to shop local

Leading indicators

- Trade restrictions
- Percentage of US-made products

Accelerated



trend of buying local

Temporal trends

- **Safety in size:** Consumers rely on large, trusted, and available brands during time of uncertainty
- **Comfort buys:** Higher comfort food consumption as consumers cope with anxiety and uncertainty
- **Stockpiling:** Purchase of nonperishable items in large quantities to “weather the storm”
- **Sanitary > sustainable:** Preference for products perceived to be more sanitary, at a cost to the environment (single-use)
- **Cautious gatherings:** Hesitancy to attend large social events after social distancing is lifted
- **Less travel:** Reluctance to resume domestic and international travel due to ongoing safety concerns

Making sense of the future

Each scenario may have differing economic implications across geographies

The passing storm

Economic recovery

Slowly rebounds in late 2020; speeds up in the second half of 2021

Good company

Recovery begins late 2021, slow in early 2022, and speeds up by late 2022

Sunrise in the east

Recovery begins late 2021, with notably quicker and more robust recovery in the East

Lone wolves

Recovery begins in 2022, but growth remains slow, with diverging rates of recovery across countries

N. America

Effective implementation of government stimulus (such as the CARES Act) results in a faster economic recovery

Government struggles to solve the crisis alone; big corporations (especially big tech) take the lead and help communities to rebuild

Slower response to the pandemic results in a longer economic crisis; foreign capital investments help to recover

Slow crisis recovery, with the economy not returning to previous growth rates. High isolation and nationalism severely limit growth in the long term

APAC

Effective and prompt measures implemented by Asian nations lead to a rapid peak of the virus limiting the economic impact

Governments are limited in ability to handle the crisis; big corporations take lead in helping drive to a vaccine or treatment and managing the impacts

Eastern countries benefit from a quicker virus eradication, resulting in a faster economic recovery; China takes lead in foreign direct investments

Sharp increase in nationalism; international trade is highly reduced; economies push harder for internal production

Europe

Impacts on certain countries, such as Spain and Italy, affect EU recovery, seeing a greater economic impact than other regions

Companies fill the gaps in governments' response, reducing the crisis's speed; however, not all countries recover at the same pace

Measures to control the virus, such as reducing cross-border flows of goods and people, lead to harder impacts on the economy

European countries address the pandemic individually; European unity and economic growth are hampered

LATAM

More limited government support and lack of stimulus delay the recovery pace for emerging economies

Big companies, including those from other regions, provide effective solutions to individuals, limiting the impact in the mid-term

Prolonged pandemic affects emerging economies, as institutions have limited resources to effectively respond

Emerging economies are hardest-hit by the crisis, increasing inequality gap between developed countries and within countries

Positive Neutral Negative Significantly negative

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The future holds uncertainty for the P&C industry



The overall **length and severity of the pandemic** – Pressure to return premiums? Reduced exposure or premiums due to lower movement of people and things? Role of regulators (such as business interruption claims)?



Changes in **working environment** – Implications for new work scenarios on worker's compensation? Implications for frequency or severity of losses?



Retention becomes the core driver of growth as customers start changing their buying behavior; become increasingly aware of their insurance needs and coverage; and are more willing to switch to insurers who meet their needs, provide better prices or product flexibility, offer leading customer experience, and gain customers' trust



Changes to **distribution** when the “storefront” opens again – Insurers must consider how they will “weaponize” their sales force to gain a competitive advantage

A closer look at the scenarios

Insurers should assess potential implications across three main dimensions

1 / Customer implications

Customers and channels

- **Customer experience, expectations, and demand:** How do customer expectations and needs change?
- **Loyalty and trust:** How is trust and loyalty toward insurers affected, and what are the implications?
- **Customer servicing:** How do servicing expectations and needs change?
- **Digital adoption:** How does the level and impact of digital adoption change?
- **Distribution channel impact (agency vs. direct to consumer DTC):** Will channel consolidation accelerate? How does the relative importance of agency vs. DTC shift?

2 / Business model implications

Products and underwriting

- **Product pricing:** How does the intensity of price competition change? How is willingness to pay affected?
- **Underwriting:** How will underwriting operations and considerations evolve?
- **Product innovation:** What new types of products or coverages emerge? How are current products affected?
- **Regulatory action:** How might new regulations affect insurers (such as business interruption)?

Claims

- **Loss costs:** How do the frequency and severity of claims change?
- **Digital claims management:** What level of focus or investment is placed on digital claims management? What types of technology are needed? Will there be an increase in self-service utilization by insureds and claimants?
- **Legal actions:** What types of litigation or legal actions are most prevalent?
- **Fraud:** What is the trend in terms of fraud occurrence and detection?

3 / Competitive implications

Incumbents

- **Market consolidation:** What level of consolidation will we see amongst insurers?
- **Products:** What new features will be required?
- **Workforce or displacement of work:** How will the nature of work shift? How will the workforce need to adapt?
- **Customer retention:** What actions or offers drive retention?
- **Investment income:** How is investment income affected?
- **Tech investments:** Where will tech investments be focused?

New entrants

- **Types of new competitors:** What new competitors emerge? (technology companies, governments, international companies, and product manufacturers)
- **Seed round or series A-C fintech:** What is the impact on early-stage startups? Which will survive?
- **Funding availability and sources:** Where does funding come from (for example, VC or incumbents)?

Scenario 1

The passing storm



P&C industry impact:

- Strong regulatory and policy response helps prevent structural industry damage
- Most insurers weather the storm due to both strong capital reserves, quick revert of customer expectations, and a hard rate environment
- Market consolidation slightly above the precrisis rate as a few small or mid-tier insurers realize they lack resources to invest as required
- Private equity–fueled channel consolidation continues

Insurers record lower premiums as exposure growth stalls; limited personal and business bankruptcies increase moral hazard and soft fraud

Customer implications

- Most subsectors return to precrisis level, with some **premium** displacement (for example, uptake in cybersecurity and decrease in commercial real estate) and a hard rate environment
- Insurers focus on improving **customer experience** to manage “retention is the new growth” by investing in capabilities such as digital self-service and offering flexible payment schedules

Business model implications

- **Increased focus on expenses as digital adoption** weighs on in-person labor costs
- Insurers focus resources to **improve time to market**, seeking to increase market share by developing innovative products and features (for example, pandemic liability coverage, usage-based insurance, or increased limits) faster than competitors
- Insurers **focus on calibrating back-end processes and technologies** to enable capabilities such as flexible claims disbursement, virtual claim adjudication, or virtual inspections and revisit existing sourcing models

Competitive implications

- **Nontraditional players** continue entering the market (such as Tesla offering insurance)
- Insurers with **usage-based or parametric offerings** fare better than traditional offerings
- New **remote work** tech and policies introduced

Scenario 2

Good company



P&C industry impact:

- Demand for insurance products recovers slowly and trust in insurers increases; leads to higher demand, at higher prices, postcrisis, engaging less price-sensitive customers
- Increased trust in “good companies,” results in customers willing to share data more broadly, which gives players who are able to drive insights and value an advantage over competitors
- Prolonged pandemic leads to a fundamental shift in the balance of power toward larger incumbents as M&A activity starts to become more attractive

Exposure growth stalls for two-plus years; personal and business bankruptcies steadily rise as the crisis persists

Customer implications

- **Premium volumes decrease** but recover in the medium-to-long term (three-plus years), with “good companies” taking advantage of improved customer loyalty and taking necessary rate actions in the hard market environment
- Well-regarded insurers see accelerated growth as customers’ **trust and loyalty increase**, offset by capacity oversupply
- **Focus turns to digital**, offering real-time response, personalized advice, and omnichannel capabilities

Business model implications

- Investments in risk **selection and pricing models increase** to squeeze underwriting margin despite lower premiums
- **Regulations support consumers**, leading to mandated alignment of exposure basis and premiums; UBI becomes a regulatory consideration
- **Transition to digital claims accelerates**, leading to increased interest in use of AI and other cognitive technology for claims handling and forecasting, with a focus on high-frequency and low-complexity claims transactions

Competitive implications

- **Underwriters with mature, cloud-based data and analytics capabilities** are better able to take advantage of abundance of third-party data and cloud computing
- Power shifts to larger players as they **absorb smaller and mid-tier insurers**
- **Remote work becomes norm**, allowing reallocation of nonstrategic OpEx

Scenario 3

Sunrise in the east



P&C industry impact:

- Slow recovery and long-term near-zero interest rates result in muted balance sheets and a smaller profit pool, driving increased market consolidation, particularly among small and mid-sized insurers
- The largest Asian insurance and technology ecosystem players make plans to penetrate US markets, resulting in exit opportunities for small-mid-size
- Incumbents are forced to adopt digital tech to drive automation and efficiency (roll up and purchase small to mid-sized insurers) to stay competitive in a more global market

Similar to “Good company,” but the emergence of Asian players catalyzes rollups of weak small and mid-sized insurers

Customer implications

- Extended crisis sees a **decline in premium volumes** across sectors; policy lapses increase as crisis lags; potentially offset by a hardening rate environment
- **Increased investments in digital** as insurers need to create leading customer experience (CX) to compete
- Pace of **agency and brokerage consolidation reshapes distribution** as smaller independent agencies find it difficult to outlast the recession

Business model implications

- **Rapid investments in cost-reduction technology enablement** to assist claims adjusters in assessing damage remotely and identifying fraud more easily
- **Global partnerships continue to become more widely adopted** due to widespread adoption of virtual working and continued cost pressure

Competitive implications

- Many **small and medium insurers become targets of acquisition** as insurers and tech players make attractive consolidation offers
- **Reinsurance becomes more attractive** as commercial insurers take advantage of pricing softness
- **Nontraditional players enter the industry** to offer insurance solutions

Scenario 4

Lone wolves



P&C industry impact:

- Customer loyalty to insurers significantly decreases as customers switch insurers often in search of the best prices and coverage
- As global trade suffers, commercial exposures flatten and eventually shrink—exacerbating prolonged top-line challenges for carriers; some offset from hardening rates
- Migration of work to lower-cost locations stalls as trade barriers rise, putting additional pressure on carrier cost profiles

Prolonged uncertainty places significant financial pressures on individuals and businesses and drives decision-making; personal and employee safety prioritized across markets

Customer implications

- **Market adjusts and shrinks** as recession is the new norm and industries are hit in unexpected ways, albeit with some offset from a hardening rate environment
- **Meaningful digital adoption** to balance customer expectations with lowering cost-to-serve
- **DTC becomes the primary sales channel** for personal lines

Business model implications

- Historical data becomes less reliable, and **lack of customer data-sharing** inhibits the ability to digitize or automate UW or actuarial capabilities
- **Isolationist policies have a greater impact** on global insurers vs. local and regional players
- **Companies invest in core modernization** to enable advanced digital capabilities and CX, many of which will be delivered through ecosystem partnerships

Competitive implications

- **Global operations become challenging** due to isolationist trade policies causing recruiting, location strategies, and training to be reimagined
- **Market volatility and low or negative yields** weaken investment income

A closer look at the scenarios

A common set of actions emerge as we consider the four scenarios

Each scenario identifies actions that are different for each company based on risk tolerances and business mix . . .

. . . though certain similarities emerge across scenarios that represent logical next steps for most P&C participants



Scenario-specific impact

Strategic decisions should be developed while sensing mechanisms are established in order to quickly mobilize once the scenario becomes reality



"No-regret" actions

A certain set of actions should be taken immediately, since they can help **prepare for all of the scenarios**

Insurers can use scenario plans, as well as internal assessments, to **prioritize recovery initiatives**, creating a **detailed action plan** across no-regret and scenario-specific actions

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The current crisis highlights potential opportunities and risks

Opportunities



Digital differentiation: Leverage AI and cognitive technologies to enhance capabilities as more customer transition to digital channels, such as multichannel support, personalized advice, and dynamic pricing



Customer-centric approach: Leverage increasing volumes of shared customer data to generate insights into buying preferences and behavior and personalize digital and off-line experience to increase loyalty and trust



Innovate product offerings: Design and deliver nontraditional product offerings, such as usage-based plans (pay-per-mile), on-demand policies (travel cancellation), and expand portfolio to offer additional protection



Enhance market position: Acquire niche digital capabilities by absorbing technology startups at bargain value and scale up book of business by acquiring low-to-mid-tier insurers as they struggle to outlast crisis



Work, workplace, and workforce shift: Assess the feasibility and viability of adopting remote or hybrid working models by analyzing technological readiness and future workforce roles

Risks



Channel and business portfolio disruption: Independent agents are likely to face an increased rate of consolidation, while business lines face new and unplanned levels of risk and performance impact



Regulatory developments: Rapid developments in legislation at national and jurisdictional level need to be closely monitored to maintain compliance and assess impact on business



Cyber threats: Transition of critical activities such as onboarding, claims, and underwriting to digital channels can lead to increased exposure of client confidential and sensitive data, making it susceptible to attacks



Claims handling and management: Disproportionate rise in claims filed due to recessionary conditions (soft fraud) demands robust claims management tools and technologies to accurately identify and process genuine claims



Changing customer sentiment: Customer sentiment and mindsets could shift, causing changes in values and buying behavior. Winners will be those who can track and respond to these changes quickly.

P&C industry response

P&C leaders should prioritize retention, growth, and profitability levers . . .



Enhance digital capabilities

- Advance **remote claims capabilities** by accelerating toward remote adjusting and increased drone usage
- Tailor to **virtual work** and update terms and conditions of product portfolio to accommodate needs of new workforce
- Advance **no-touch experience to cater to shifting channel preferences** by investing in contactless, electronic payments, and artificial assistants



Innovate for new normal

- Proactively **reach out** to legislators to shape regulatory guidelines and closely **monitor** proposed legislative changes and pending lawsuits
- Invest in capabilities to **build flexible products** (telemetric, pay-as-you-go) and develop products specifically needed during pandemics
- Prioritize **client retention**, as they are more sensitive to poor experiences during this period
- Track **customer demand** closely to tailor products



Drive operational efficiency

- Identify opportunities for **process automation**
- Evolve **performance management, location strategy, hiring, and training** capabilities to account for work from home
- **“Variabilize” fixed costs** and drive down SG&A and discretionary spending
- Be alert to **M&A and partnership opportunities** (particularly as it aligns with existing strategies)
- Look for opportunities to **leverage partnerships**



Leverage data analytics and AI

- **Invest in Internet of Things (IoT) capabilities** (such as telematics and smart home) to offer usage-based policies and limit home claims
- Invest in **advanced analytics to improve underwriting models**, such as new data partnerships and updated risk and pricing models
- Use ecosystem partners to improve **fraud detection capabilities to account for greater frequency and new types of fraud**

P&C industry response

. . . which will have impact across functional areas

Distribution

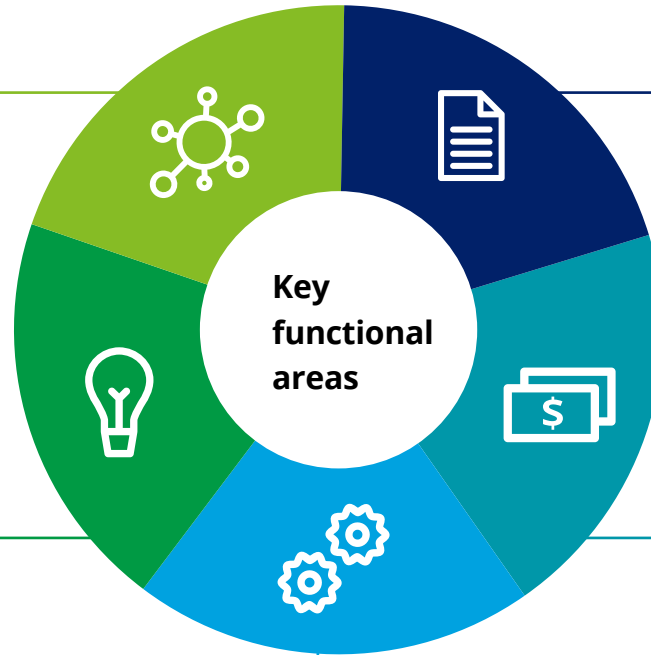
- Offer **financial and operational** support to agents and brokers to preserve relationships and help them avoid bankruptcy
- Pivot sales and distribution capabilities toward **servicing** to address spikes in requests
- Review **long-term distribution strategy** as independent agencies start to consolidate
- Invest in **digital ecosystem capabilities** to support transition to remote work

Product

- Leverage customer data to design **usage-based** and **parametric** offerings
- Explore opportunities to develop **pandemic-specific** products likely to be in high demand
- Develop **modular and customized offerings**
- Offer **additional coverage** as per client needs (such as travel cancellations and personal cyber)

Servicing

- Reevaluate **call center** capabilities, modernization, and virtualization
- Reconsider policies around **flexible payment terms and methods**
- Upskill employees to handle a broader range of **policy servicing** requirements
- Enhance **digital and self-service capabilities** around servicing



Underwriting

- Effectively **communicate** policy coverage details to clients
- Stay ahead of **premium returns** and **share savings** with policyholders
- Follow **proposed legislation** and **existing lawsuits** that can affect underwriting strategies
- Leverage third-party data, analytics, and AI to **fully leverage underwriting models**
- Accelerate modernization and transition to **digital underwriting capabilities** that support changing product features

Claims

- Invest in **remote claims** technology
- Upskill **FNOL agents** and cross-skill **FTEs** across lines to handle spikes in volume
- Leverage **non-EFT and paper check** payments
- Consider automating **no-touch claims**
- Implement **desktop adjusting** and train FTEs for **virtual adjusting**

P&C industry response

Moving forward, a shift of mindset toward the road ahead is imperative

Current situation



Executing crisis management plans based on the evolving situation



Running the business in "lean mode" based on factors like social distancing and lockdown



Contributing to the greater good through community-focused initiatives to address crisis impacts



Minimizing the impact on people, including customers, employees, and communities



Road ahead - "No-regret" actions



Preserve liquidity. Lower expenses, optimize loss costs, and reevaluate assets and investments to maintain positive cash flows



Go digital. Explore opportunities to use AI, data, and digital capabilities to improve underwriting and shift toward remote claims management



Prioritize demand. Assess demand from customer segments to inform policies, products, and channels while also evaluating profitability and risk of current customer profiles for each LOB



Drive the future of work. Reassess recruitment, workforce, workplace (physical office space), and training policies and cater to work-from-home technology needs



Reconfigure operations. Assess risk exposure and prioritize mitigation actions across underwriting and claims



Stand up command center to coordinate and govern internal recovery activities



Operationalize market sensing function to track external indicators and signposts to guide recovery plan

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Team and acknowledgements

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