

An Increasingly Complex Risk Environment Pressures P&C Insurers' Resilience and Innovation



P&C insurers are in an extraordinarily tight spot. Name a pressure and it's happening right now to them. It may be temporary. It may not be as bad as it has ever been. But it is challenging enough that insurers must take steps to alleviate their pains and pressures and create opportunities.

These pressures signal why P&C insurers must rethink risk management strategies from products and pricing to claims and prevention. Instead of playing defense, insurers must go on offense. But that requires a different operational and technology strategy and approach.

In the past, we may have looked at a specific policy risk for answers to loss probability and profitability. Today's risk requires a wider lens to see how it impacts the portfolio risk and profitability, how it can be assessed and mitigated cost-effectively, and how personalized and new sources of data with advanced analytics can be used from risk assessment and underwriting to claims.

The good news is that insurers recognize they must adapt operations more quickly and leverage new technologies to meet the accelerating pace of change and risk. It might be fearful in pace, but the potential opportunity and results offer new value and benefits for customers:

- 1 *Greater coverage* — more people and more businesses can find coverages through more relevant or newer options and fewer steps to usage, including embedded coverage, reducing the insurance coverage gap.
- 2 *Greater predictive protection* — underwriting profitability can improve, reduce costs for insurers and customers through increased digital loss control, and data-driven risk assessments can provide insight and recommendations for underwriting, risk avoidance or mitigation.
- 3 *Greater efficiency and effectiveness* — insurers can proactively address operational challenges of talent shortages and tech debt with a redesign of their operating models and use of next-gen technology to improve operational results.
- 4 *Greater resiliency* — a rapidly-growing set of risks will drive new product development and better risk knowledge and response.

Personalized Products Create Risk Resilience and Enriched Experiences

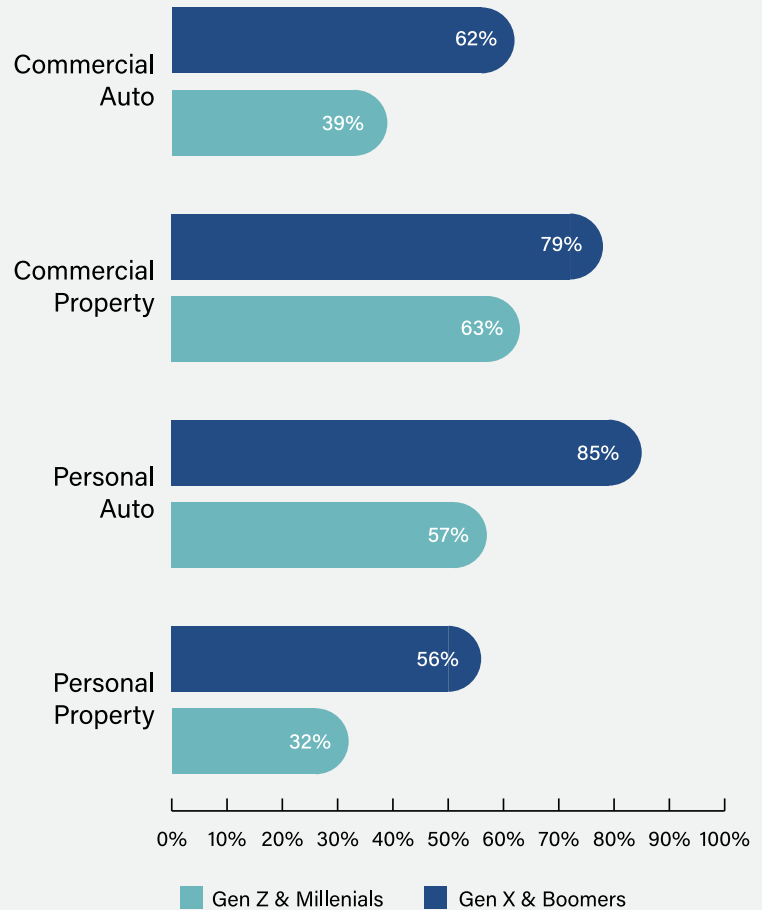
Customer expectations are a crucial pressure point for insurers. Customers are living different lifestyles, operate businesses differently, and exhibit far more robust digital proficiency. They demand different experiences and have different expectations about value. According to a recent AM Best innovation assessment report, “the rise of digital platforms and ecosystems will make relationships with customers even more important.”

But there is a disconnect between what they want and what insurers offer, as seen in Figure 1. Disconnects include customers’ changing priorities and products needed, demand for risk mitigation and avoidance, personalized pricing and rating based on their specific risk profile, and a need for value-added services that extend customer value and loyalty.



Figure 1

Average gaps between customer interest in value-added services and insurers’ level of developing and offering them



To meet the increased expectations, insurers need to identify priorities that will bridge the gap, such as digitalization, data, and risk management to create new products and value-added services that meet their needs and expectations. Personalized underwriting based on customer-specific data or continuous assessment of risk, use of advanced data and analytics to assess and underwrite risk, and use of data to avoid or mitigate a claim are now expected. Leading insurers are shifting to risk resilience strategies that drive better business outcomes and greater customer value and loyalty.

This creates risk resilience.

Reshape the Business Operating Model and Technology

Tomorrow's business must be digital, enabling the ability to rapidly introduce new products that capture new market segments, meet new risks, customer needs and expectations, and new distribution channels. It must embed insurance into other products and services to make it easier to understand and purchase.

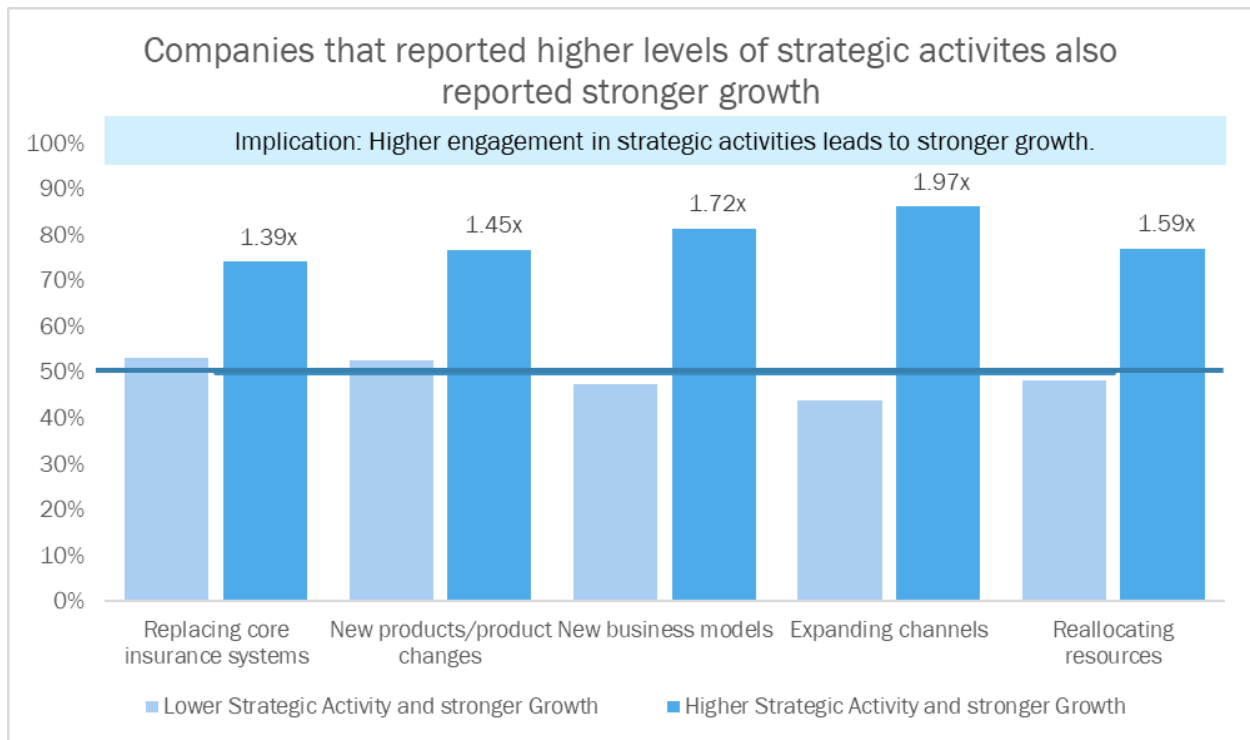
While many insurers replaced legacy technology over the last 10+ years with modern solutions, most were on-premise with significant customization to continue business as usual. The result is upgrade challenges, increased costs, limitations on digital capabilities, difficulty in

launching new products, and lackluster user experiences for employees and customers.

It's time for a redo.

Insurers stuck on legacy or on-premise modern core systems are boxed in and limited in their potential. Business leaders must aggressively seek operational effectiveness to capture and transfer the intellectual knowledge and operational expertise from their retiring employees to their new employees. If insurers reshape the business model and technology foundation, they can achieve real optimization and drive innovation.

Figure 2



Technology is the crucial foundation for dealing with the current and future pressures of a high-pressure P&C environment. Moving the business to next-gen cloud platforms is crucial, not just for single lines of business, but for the entire portfolio of business to achieve real optimization and cost reduction. More importantly, it will enable insurers to adapt, innovate, and deliver at speed to execute on strategy and

market opportunities. The rising importance and adoption of platform technologies, APIs, microservices, digital capabilities, new/non-traditional data sources, and advanced analytics capabilities are now essential to growth, profitability, customer engagement, channel reach, and workforce change.

New Technologies, Paired with Advanced Data & Analytics

Elevating your business operation with a next-gen, intelligent technology foundation built on a robust cloud-native architecture is now a must-have to compete in today's marketplace. With the relentless market shifts and the fast-paced changing world of risk, new technology paired with advanced data and analytics creates that new foundation for operational optimization and innovation as change continues its relentless path forward.

To do so, insurers must embrace next-gen intelligent core that offers best practices out of the box to accelerate speed to implementation, decrease overall total cost of ownership, provide quicker speed to market upgrades and speed to market of new products, and more, to keep the company at the leading edge. Insurers' ability to create an interconnected tech foundation will deliver both growth and customer relationship opportunities.

Shifting this mentality is crucial for success with today's changing marketplace and customer needs.

Time will reveal which companies emerge as leaders in the new marketplace dynamic. They will be sought after as partners and employers due to their ability to achieve scalability and agility, and their pivotal role in leveraging technology. These leaders are nimble, creative -- and bold -- to flex to these signals and trends to remain competitive, relevant, and to grow their business.

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Next Generation Architecture

Embracing the Technical Innovation of Intelligent Solutions

In today's rapidly evolving digital landscape, the demand for agility is more pressing than ever. The ability to swiftly adapt to change is not merely a competitive advantage, it is the very essence of staying relevant and thriving in the face of dynamic challenges. To meet the digital demands of both today and tomorrow, embracing

a Next Generation Architecture is essential – a paradigm that signifies a groundbreaking leap in software design, fueled by the pillars of modern innovation: cloud-native, API-first, microservices and containerization, headless, and embedded analytics.

This innovative approach to software structure enables businesses to transcend traditional limitations and unlock transformative potential. At the forefront of this modern paradigm is our P&C Intelligent Core Suite, which was purpose-built to adhere to this forward-thinking framework while offering the following key features:

- 1 Cloud-Native Architecture**
Leveraging the full potential of cloud computing, our suite enables scalable and containerized application creation and deployment. Experience enhanced scalability, elasticity, and automation, empowering your business to adapt swiftly to changing demands.
- 2 Open API Standards Compliance**
Seamlessly integrate with third-party services using our suite's adherence to Open API standards, ensuring superior interoperability and easy collaboration.
- 3 Fully Headless Architecture**
Embrace a completely headless approach for enhanced flexibility and adaptability. Respond swiftly to evolving market demands and user preferences, staying ahead of the competition.
- 4 Microservices and Containerization**
Benefit from isolated and portable application encapsulation, seamless scalability with microservices, enhanced resource efficiency, rapid deployment and rollbacks, DevOps enablement, infrastructure agnosticism, and improved security through reduced attack surfaces. Drive innovation, efficiency, and competitiveness in today's fast-paced digital landscape.

But Majesco P&C Intelligent Core Suite doesn't stop there. We understand that merely having a state-of-the-art architecture is not enough to meet future demands. That's why we've integrated advanced analytics, including Artificial Intelligence (AI), Machine Learning (ML), and Generative AI, making our suite truly intelligent.

The synergy of these innovative technologies, woven seamlessly into the Next Generation Architecture, unlocks the transformative power needed for organizations to embark on a journey of business transformation. In a world where adaptability and innovation are paramount, this advanced architecture becomes the strategic enabler, catapulting businesses towards a future of unrivaled possibilities.

Pioneering Transformation in P&C Insurance

The Next Generation Intelligent Core

As the P&C insurance market undergoes rapid transformation, the demand for cutting-edge core platforms becomes crucial in providing exceptional capabilities and delivering value with speed. Majesco P&C Intelligent Core Suite revolutionizes the industry by offering embedded insights, advanced features, and a next-gen architecture that propels insurers into the future of insurance innovation and customer-centric experiences.

In today's evolving landscape, P&C insurers face challenges from customer expectations, market dynamics, and technological advancements. As a response, industry leaders are pushing the boundaries to redefine their business operating model and technology foundation. Majesco P&C Intelligent Core Suite empowers these insurers to launch new products, value-added services, personalized experiences, and innovative channels. This intelligent suite is deeply embedded with ready-to-use content, best practices, advanced analytics, and digital capabilities,

enabling insurers to stay ahead of the competition.

The power of microservices and containerization, APIs, native cloud, AI/ML, generative AI, pre-configured content, and access to new data sources are harnessed within Majesco P&C Intelligent Core Suite. These comprehensive capabilities, coupled with a robust ecosystem, empower insurers to execute a two-speed strategy: They can focus on operational effectiveness while fostering innovation to meet the demands of today and tomorrow with agility and ease.

The combination of Next Generation Architecture with AI, ML, and generative AI capabilities within Majesco P&C Intelligent Core Suite creates a transformative solution that puts insurers at the forefront of innovation delivering exceptional experiences to customers while driving business growth and efficiency.



Customer Testimonials



"When we found Majesco and started working with them the last three calendar years...as an independent attribution of how well it is gone, we have had our 3 most profitable years in those three years in the last 20 while also managing to switch over to a new platform. I think the proof is in the pudding there."

Craig S. Arneson

Vice President, Ullico Casualty Group, LLC



"We are thrilled to offer our customers next-gen experiences and products on our new insurance platform across the entire operation from underwriting, policy, billing, claims in multiple lines of business. The MRSGNA and Majesco teams share a forward-thinking mindset with an emphasis on adopting best practices and scalable solutions that allowed us to extend capabilities and introduce new products quickly."

Chris Skowronski

Chief Operating Officer at Munich Re Specialty Group North America (MRSGNA)



"As the premier P&C underwriting service company, we needed a partner that was not only aligned with our customer-centric strategy, but also offered innovative solutions to back it. Majesco Loss Control and Majesco Property Intelligence allows us to quickly expand our service offering and bring Risk Recommendation Management AI powered virtual property scoring to our customers."

Charles Stahler

CEO at National Safety and Risk



"The best thing we learned in our journey is that you want to meet somebody who has traveled that route successfully beforehand, and this ultimately led us to Majesco."

Richard Hutchinson

President & Chief Operating Officer, Forge Insurance



"We are thrilled with the success we've had with our next-gen agent portal built on Majesco Digital1st® Insurance since implementation last year. The power of the digital platform and the dynamic, real-time integration with the Majesco P&C Core Suite has enabled our agents to work seamlessly and provide customers with an accurate quote in real-time. I've never seen such a collaborative system and well-integrated platforms."

Stacy Shaw

Senior Vice President, Chief Information Officer at MMG