InsureTech White Paper

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justincase / IXT by OneDegree

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1. Overview

In the future, we expect insurance to be transformed significantly over the next decade amid changes in society, demographics and customer demand. In this whitepaper we seek to explore what insurers need to prepare for in response to these changes and offer a roadmap for IT planning and development in large insurance markets such as Japan※.

- Chapter 2. The Future of Insurance and Insurance Products describes what changes are expected to happen with insurance within ten years that most industry leaders and professionals foreseen. In fact, these changes together might accelerate their timeline to happen earlier. There might also be other changes that will happen that are yet to be discovered. This chapter then examines how insurance products evolve to adapt to these changes (or whether adaptation is needed).

- Chapter 3. Understanding the Current State identifies challenges insurers are facing today and explains how the current operating models and IT systems hinder insurers from responding to the future changes described in Chapter 2.

- Chapter 4. IT Infrastructure Development introduces a variety of approaches that insurers may adopt in 5-10 years to address challenges identified in Chapter 3.

- Chapter 5. Regulatory Environment describes the important role that regulation plays in creating an environment for insurers to respond to changes, as well as new regulatory needs arising from future changes.

- Chapter 6. SaaS and Startups discusses the concept of adopting SaaS and illustrates how insurers can partner with Startups to realize value quickly. Example use cases are illustrated in Chapter 7. Case Study.

※Unless otherwise specified, all the content in this whitepaper is related to Japan

2. Future of Insurance and Insurance Products

2.1 Trends shaping the future of insurance and insurance products

2.1.1 Aging population and the continued low interest rate environment

It is expected that the current status quo of the public health insurance and pension systems will be difficult to sustain. In other words, it is likely that the medical expenses will no longer be able to be covered by public health insurance for most or all of the population, and the public pension benefits will shrink. As the public system is losing ground, the role of private health and pension insurers will become more important. The insurers work with doctors, hospitals and pharmacies to provide health-care and medical services at lower costs.

2.1.2 Customer centricity

Insurance is regarded to be a well penetrated and sticky product. According to OECD statistics, the insurance retention ratio of OECD economies was 85% in 2019[1]. However, as smart device use becomes more prevalent, customers are becoming accustomed to having information always at their fingertips, enabling them to compare options to find the best product that is tailored to their ever-changing needs. A study by J.D. Power shows that 77% of auto insurance customers were shopping to look for another provider[2]. The future of insurance needs to be customer-centric and the key to its success is data-driven personalization. Besides, online platforms such as social media and e-commerce are also becoming the gateway to connect and share, creating a network for insurance risk sharing through pooling online connection to achieve price fairness and transparency.

2.1.3 Emerging risks

The transition to "new normal" due to the COVID-19 pandemic has heightened the importance of insurers' digital capabilities to adapt to changes quickly and respond to emerging risks. It also reinforces the idea of developing technology-enabled cities, or smart cities that leverage technologies to improve mobility, environmental sustainability, public safety, wellbeing and lifestyle. During the transformation to smart cities, the risk landscape is expected to change drastically, which means that the risks currently addressed by insurers will no longer be

significant while new insurance solutions will be required to deal with new risks. For example, autonomous driving for better mobility is expected to lower the risks associated with human driving, yet it will generate the risks of robot driving and the failure of autonomous systems[3].

2.2 Digitally enabled disruptors challenge the traditional insurance models

With the emerging and fast-growing technologies and trends, the insurance industry is seeing significant disruptions from new digital players. A number of digital insurance players had been publicly listed in recent years during the U.S. IPO boom. Lemonade and Hippo offer insurance online with flexible pricing and automated policy administration and claims. Oscar Health provides telemedicine services for its members to enjoy unlimited virtual primary care visits for free. Root Insurance and Metromile are specialized in usage-based automobile insurance, in which the premium rates are based on a number of rating factors such as driving behavior, location, time and distance. P2P insurance, which enables customers to pool and share their risks to get insured and help others get insured, is also a proven concept in countries including Germany, Japan and the U.S.

2.3 How to prepare for the future

As mentioned above, amid the socio-economic development and the acceleration of digitalization driven by COVID-19, the insurance industry has continued undergoing major changes, including shifting to more personalized products and services, diversifying distribution channels from agencies to online, as well as allowing risk sharing within a group through the P2P model. The risks covered by insurance are also constantly changing over time. New insurance products and services will be developed by taking advantage of technologies or evolution of existing business models and structures. We firmly believe that in order to prepare for the future, insurance industry players, particularly insurers, should find ways to improve their systems rather than predicting the future changes to respond accordingly. In other words, they should

- **put emphasis on improving user experience and develop the essential infrastructure for the digital world, such as insurance APIs;**
- **build systems that can respond flexibly and promptly when changes in environment and risks occur, regardless of whether those changes are expected or not.**

Additionally, since insurers are in a relatively good position in terms of capital and time compared to players in other industries, over the next decade, insurers should play the role of promoting the implementation of Sustainable Development Goals (SDGs) and transform insurance products and services into effective solutions to social issues.

In Chapter 3, we will discuss the current situation and the challenges and obstacles that insurers have been grappling with.

3. Understanding the Current State

Challenged by growing competition of new entrants, a number of insurers have already begun their digital transformation journey while many others are still struggling with the concepts of agility and innovation. Many of them are stuck with their traditional operating models and outdated legacy systems, which contribute to their inflexibility to support new business initiatives, scalability challenges and lack of readiness to respond to evolving market changes. This section highlights some of the major challenges faced by these insurers.

3.1 The current IT architecture

3.1.1 Maintenance of legacy systems constraining scarce resources

Maintaining legacy systems takes up a large portion of the IT budget. A firm with an annual IT budget of 1 billion USD may roughly spend around 700-800 million USD on legacy system maintenance. Also, it could take up to 18 months to launch new products on an outdated legacy system.

Furthermore, the allocation of IT resources required to maintain the legacy systems leads to a drain on talent and IT capacities[4]. Consequently, with limited remaining resources, insurers are not equipped to drive fundamental digital reforms.

3.1.2 Limited transparency and understanding of the existing systems

Insurers currently lack in-house IT talents who can navigate through obsolete and complex legacy systems. Without the internal knowledge on the system specifications and the overall picture of how the systems operate, many insurers end up relying on external support of one solution provider to keep the old system running.

The nature of the business model run by incumbent IT providers can have misaligned incentives between them and their clients (i.e., insurers). As the IT providers charge their services on a "per-hour or per-day" basis, they would tend to profit from greater workload from a long running legacy system maintenance, which directly conflicts with insurers' interest in minimizing their long-term IT spends and related project costs.

3.2 Technology talents recruiting challenges

In order to develop advanced and flexible systems, it is essential to recruit technology talents who possess knowledge on both the latest technology and dated technology.

3.2.1 Reasons for the severe shortage of IT engineers

The global shortage of IT engineers is becoming increasingly evident. The ratio of the number of IT engineer job openings to the number of the corresponding job applicants was about 9.2 in Japan[5] and about 7 in the U.S[6].

IT engineers tend to have relatively higher salaries. The average annual salary of an IT engineer in Japan is projected to double to 12 million JPY from 2017 to 2025[7]. Companies that seek to digitize on their own and build their internal IT teams need a long-term commitment to technology talent investment.

In general, IT engineers would choose to work on development that uses the latest technology stack rather than the older programming languages that are still being used by insurers and financial institutions. For example, COBOL language, which is still used by many insurers and financial institutions, got its last syntax update in 1985 and it is neither scalable nor compatible with modern applications.

Why do insurers have difficulties in retaining their technology talents?

Waterfall approach in the insurance industry is undesirable

Most IT engineers have the ambition to drive innovation and create customer value by developing something from scratch. Therefore, they need a work environment that is agile and encourages close collaboration between engineering teams and business teams. Yet, when it comes to working for insurers, due to the stringent regulatory requirements and the widely adopted waterfall approach that divides process from planning, development, and maintenance, engineers have a general perception that they will not be able to work flexibly and the product and service launch will also be time-consuming.

Many insurers are considered to be "defensive" and have status quo bias

In order to create and accelerate innovation and changes that have an impact on the society, it is necessary to proceed in a

development environment that welcomes new challenges and provides learning opportunities under a flexible structure. Adoption of new methodology and tools, continuous process of research, test and learn as well as ongoing improvement and iteration (i.e., refactoring) are all crucial for high-quality development and productivity improvement.

However, many insurers and financial institutions rarely provide such an environment. One reason is due to the stringent internal policies and regulatory requirements. Since the waterfall approach, on-premise and internal infrastructure have been implemented based on the outdated policies and requirements, it is difficult to adopt new technologies and methodologies, such as agile, DevOps, Infrastructure as Code, as well as XaaS tools. Besides, while transformation requires a firm-wide commitment, most of the employees working on the ground are reluctant to change and to be accountable for the outcome.

Acceptance of the status quo and lack of initiative for fundamental change lead to another major issue: IT provider dependency. A company reluctant to take risks ends up stuck with the legacy systems in place that meet the existing policies and requirements, which results in a dependency cycle of outsourcing maintenance to IT providers that charge "per-hour or per-day" and seek to profit from ongoing maintenance of the outdated legacy systems, which do not contribute to business impact or innovation. Engineers tend to steer away from finan

cial institutions that fall into this scenario, as they are unlikely to have opportunities to take on new challenges and acquire the latest skills.

Large companies with their standard compensation structure are unable to provide attractive compensation packages to acquire talents

The growing digital transformation affects all sectors, including the insurance industry. Given the increased demand for technology talents, engineers are likely to change jobs to seek better opportunities. In other words, it is critical for companies to assess and update their Human Resources policies in order to provide adequate rewards and benefits for these talents without tying them down to a "seniority system" that rewards employees based on the length of service or lifetime commitment to one company. Furthermore, as services built by these talents may not necessarily contribute to immediate sales or cost savings, it is important to create a culture and reward system that encourages creative solutions and initiatives.

4. IT Infrastructure Development

4.1 Core IT system modernization path

To overcome the challenges described in Chapter 3, insurers need to modernize their core IT systems. There are three main approaches as follows:

- A) Replace
- B) Refactoring
- C) Buy External Packages

A) Replace

means to build a new system internally to replace the existing legacy systems completely. B) Refactoring refers to modifying language and structure based on existing legacy systems. C) Buy External Packages is to adopt a new solution provided by an external vendor to replace or complement the existing systems. While all of the three approaches will lead to improvements in existing legacy systems, each of them has their pros and cons in terms of factors such as the customization level, IT talent requirements for development and maintenance.

For instance, it is mostly likely that top-tier insurers without capital concerns will modernize their systems through A)Replace. In other words, they are able to flexibly customize, ensure alignment with their data infrastructure and adapt to changes. However, this approach requires a large pool of in-house IT skilled resources and technology talents. Take Goldman Sachs as an example. In order to keep up with the growth of digital banking, it has hired thousands of engineers and the proportion of its engineers has reached 25% of its entire workforce[8]. There are also statistics showing that 30% of employees in some U.S. banks are engineers[9]. As explained in Chapter 3, it is currently difficult for most insurers to build such a large scale IT team internally.

B) Refactoring

is to build an "adapter" to enable existing systems to connect to external services. The language and development structure are updated while the functionalities are maintained. Since it is built based on the existing systems, the development risk is reduced. However, in some cases it is treated as a stopgap measure rather than a long-term solution.

Regarding C) Buy External Packages,

there are two main types, Package Software and Cloud-based Software as a Service (SaaS), which are not easily distinguishable. In particular, in the case of SaaS, the pricing is often based on the usage and number of users, the entry cost is generally lower even with customization costs included. It is considered to be a practical option for insurers which aims to improve speed to market yet have capital concerns. Nevertheless, if the package becomes highly customized, the benefits of using external packages will diminish. Therefore, instead of applying the traditional development approach that seeks to change system requirements to meet business requirements, it is necessary to consider the perspective of changing business requirements to meet system requirements.

It should be noted that although the application of these options vary depending on the insurer, even within one insurance company, it should consider to adopt a combination of approaches. In other words, even if an insurer has a strong capital base and a wide range of product offerings, it is not realistic to completely replace all of their legacy systems. The future of insurance and insurance products that address new customer needs and emerging risks as described in Chapter 2 are still yet to develop. For example, considering that top-tier non-life insurers in countries like Japan will usually take five years to fully replace (or fully refactor) their existing core systems, it is almost impossible to take a five-year preparation period for something that is currently difficult to define requirements for.

4.1 Table: Three approaches of core IT system modernization

Categories	Descriptions	Features & Benefits	IT Talent Requirements	Risks
A) Replace	• Replace existing legacy systems with a new system built • Consider new business requirements and needs	• New technologies can be applied to the new system. The use of new languages and framework makes the system maintenance easier • A source of flexibility and competitiveness can be created • There is a tendency of focusing on must-have functions, resulting in limited innovation	• A large pool of In-house IT skilled resources is required • Its IT talent requirement level is the highest	• Operational risk is the highest. The process is also time-consuming
B) Refactoring	• Rebuild based on existing legacy systems • Create an "adapter" to enable external connection on existing legacy systems	• The language and structures are changed while the functionalities are maintained • Converting languages such as COBOL and Fortran to Java is taking place	• The requirement for in-house resources is not as high as A) Replace, while external SIs are highly involved	• Poor documentation and maintainability may remain
C) Buy External Packages	• Adopt existing systems provided by external vendors • Request customization as appropriate	• As the pricing is often based on the usage and number of users, the entry cost is generally lower • Automated upgrades related to innovative functionalities and regulatory requirements are held regularly	• The role of in-house technical project managers is needed to well control the level of customizations	• Lower migration cost than A) Replace

4.2 Types of connection between core IT systems and services

Once an insurer has modernized its core systems through one of the approaches introduced above, how can the insurer leverage the modernized systems to connect with other applications and front-end services? There are three main types of connection as listed below. In some cases, by using the latest technology, the connection can still be established without going through the system modernization process.

- API
- Adapter (Tight coupling)
- Loose coupling

4.2.1 Diagram: Connection between front-end services and core IT systems
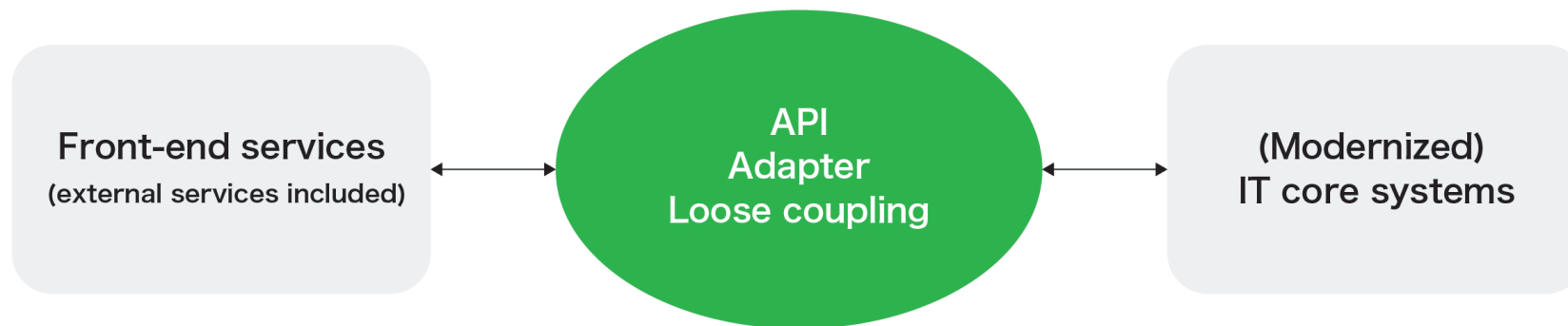
API

is the interface that allows external parties to acquire or update data from the core systems. In this case, for example, by connecting to the platform app that is serving a large customer base, all customer information required for insurance can be directly input to or pulled from the core systems. Connecting through API is often applied to systems modernized by A) Replace or C) Buy External Packages.

Adapter

is a type of connection used as a temporary measure or when the core systems are modernized by B) Refactoring (where the systems are not fully replaced). The policy management function can be either done on the existing core system side or the front-end service that is integrated with the system. This depends on the operational flexibility (e.g., whether the new policy management function can be applied only to specific products or channels) and the timeliness of the connection. Based on our experience, in most cases the existing core system would continue to serve the policy management function.

Loosely coupling

is regarded as the simplest connection type among the three. It may be more accurate to say it is an asynchronous information exchange rather than a connection. In this instance, the policy management function is provided by the front-end service side, hence operational flexibility is required. Loosely coupled connection is used for batch data processing which is usually held on a regular basis, such as daily, weekly, monthly. The disadvantages of batch processing can be mitigated if it is used for monthly settlement only. In addition, it can be performed in the case when the core systems are not modernized. Since it takes time to assess the existing system situation and understand the requirements of new insurance product offerings and distribution channels, it is a viable option to connect with external services by loose coupling in the initial phase.

4.2.2 Table: Three types of connection to core IT systems

Type	Description	Applicable Core Systems	Service Scope	Considerations
API	• An interface that allows external parties to query, access and update backend data stored in the systems	• Modernized systems by A) Replace or C) Buy External Package	• No-code or low-code • Internal or external front-end customization	• No operational change is required since the front parts are connected through microservices
Adapter (Tight coupling)	• An adapter that enables external services to connect with existing legacy systems	• Modernized systems by B) Refactor	• Front-end only or, front and middle-office functional support	• There is an option to have management console borne by the existing systems or the new systems • The costs of complexity may be high
Loose coupling	• The connection to existing legacy systems used for batch data processing only	• Modernized systems by B) Refactor • Unmodernized existing legacy systems	• Full software package with all necessary features • Management console included in the package	• This kind of connection depends on the flexibility of the existing systems and operational flows

4.3 No-code/low-code configuration tools

No-code/low-code is one of the ways to accelerate front-end service application development. In Japan, there are no-code application platforms developed by overseas startups such as Unqork[10] and Protosure[11] . Through the use of no-code/low-code configuration tools, business solutions can be created and updated through graphical user interfaces without relying on coding support from the limited pool of engineers. It is, however, not a universal fix. For example, if the distribution partner is a large B2C platform, it would likely require customized journey and support for various customer touchpoints and high visitor traffic volume. In our view, no-code development for customer touchpoint applications are most suitable to the needs of small and medium-sized enterprises without complex customization requirements.

In any case, the most important factor is whether the services provided through the resulting application create value for customers. Nowadays many new and innovative products and services are provided by startups and their SaaS services. We will discuss the considerations when using SaaS and collaborating with startups in Chapter 6 and introduce relevant case studies in Chapter 7.

5. Regulatory Environment

5.1 Data security

With the growing use of cloud services and SaaS solutions, there are rising concerns about personal information protection and cyber security. While insurers and other financial institutions are deemed to take appropriate and reasonable measures at all times, they are in need of supportive regulations and guidelines from regulators.

As IT development and vulnerabilities are constantly evolving, use cases and policies that are regarded as "best practices" today may become obsolete in a few years. Changing passwords regularly was considered as one of the best practices in the past, yet this is clearly not the case today. [12]

In Japan, the Center for Financial Industry Information Systems (FISC) set out the guidelines for security measures related to cloud use and cyber attack in its "FISC Security Guidelines on Computer Systems for Financial Institutions (8th Edition Supplementary Revision)" in June 2015. Subsequent revisions have been made to set security measures standards according to various risks. Outside of Japan, the European Union (EU) has enforced the General Data Protection Regulation (GDPR), and countries such as China, Indonesia and Vietnam also have mandated similar requirements for SaaS providers to meet domestic data residency requirements.

It is important to keep in mind that a higher level of security generally leads to lower usability. Thus it is vital for business to take appropriate security measures while taking into account the existence of such trade-offs.

5.2 Promotion of new product and service development

In Asia, countries such as Japan, Hong Kong, and Singapore use a Regulatory Sandbox to experiment with new technologies and new business models for insurance products and services. With relaxed regulatory requirements in Taiwan, there also has been a growing number of insurance products and services available online.

In Hong Kong, there is a fast track approval scheme for virtual insurers that purely operate online. Bowtie was the first virtual insurer approved under this fast track scheme in December 2018. During the same period, Tencent established a digital insurer named Blue by ways of merging and rebranding Aviva Hong Kong.

In Japan, in the field of Small-amount and Short-term insurance business, many innovative digital products have been developed and the number of insurers in this field has also been growing significantly. In our view, Japanese regulators intend to experiment with sandbox-like products and services in the Small-amount and Short-term insurance business. Meanwhile, it should be noted that such a sandbox-like experimental approach does not mean that governance can be neglected as a financial institution.

In South Korea, Small-amount and Short-term insurance business was also introduced in June 2021. Similar to Japan, the minimum capital requirement is 1 billion KRW (about 100 million JPY) and the upper limit of insurance premium income is 50 billion KRW (about 5 billion JPY). However, based on our understanding, Small-amount and Short-term insurers in South Korea are not allowed to provide both life and non-life insurance products.

- Insurance business laws in many countries currently prohibit insurers from providing both life and non-life insurance products. Although there are differences in risks, customs and systems between the two types of products, from the customer's perspective, both are based on the insurance concept. As the definition of "insurance" changes over time, we expect that the boundary line between life and non-life insurance will gradually disappear.

6. SaaS and Startups

6.1 SaaS

As mentioned in Chapter 4, SaaS refers to a software distribution model in which a cloud-based solution provider delivers services online to end users, instead of providing packaged products as software. According to Gartner, the SaaS market has been expanding exponentially, with around 101 billion USD (38% of cloud services market share)[13]. In addition, the SaaS market is projected to grow at a CAGR of 17% between 2020 and 2022[13].

Similarly, in the insurance industry, the use of SaaS, including the migration from on-premise solutions, has been growing. The U.S. insurance software provider Duck Creek Technologies achieved 50% subscription revenue growth in FY2020. Its subscription revenue accounted for 40% of its revenue[14]. Another provider Guidewire Software has also increased its revenue share of subscription and support to 34% in FY2021 compared to 21% in FY2019[15].

Duck Creek Technologies – Revenue Breakdown by Business Segment

Legend: ■ Subscription ■ License ■ Maintenance and support ■ Professional services

Values (Subscription, green): FY2018: 42, FY2019: 56, FY2020: 84, FY2021 Q1-Q3: 59
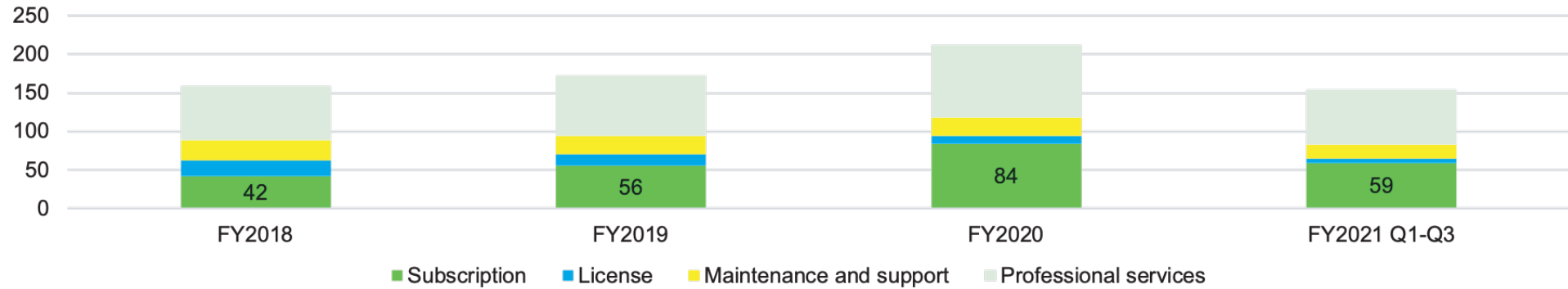
Guidewire Software – Revenue Breakdown by Business Segment

Legend: ■ Subscription and support ■ License ■ Services

Values (Subscription and support, green): FY2019: 150, FY2020: 203, FY2021: 252
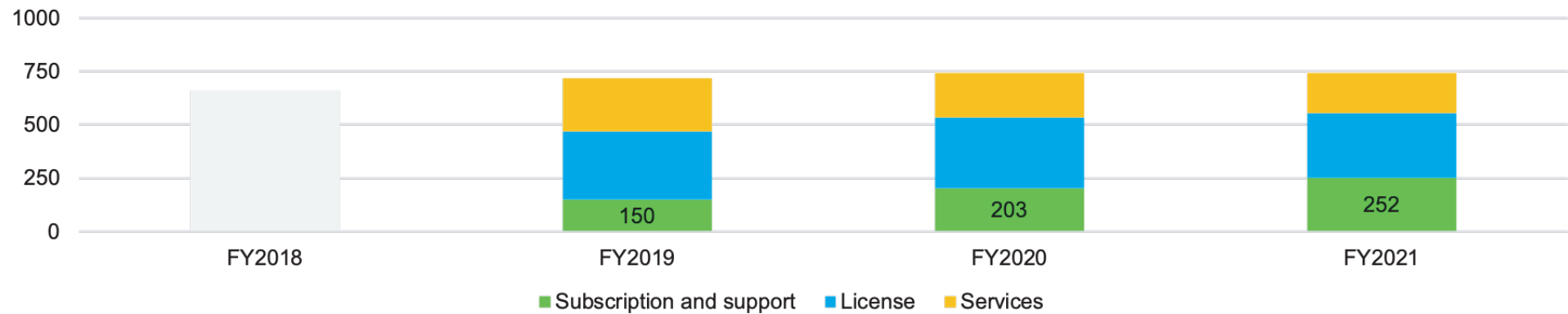
SaaS is gaining popularity as it has advantages over all in-house development, including infrastructure cost savings, faster deployment, flexibility to adapt to market changes and freeing up resources to focus on driving competitive advantages and creating new business value. Even after deployment, SaaS allows continuous update of its core system which prevents a system from becoming obsolete. SaaS solutions are particularly suitable to support smaller insurers that are struggling to cope with the high infrastructure costs and difficulties of system changes and implementation to meet regulatory requirements. Larger insurers are also realizing these benefits by utilizing SaaS to support their new products and distribution channel needs.

The SaaS solutions can be generally applied across the insurance value chain (sales, policy administration, and claims) in the following ways:

Cost reduction through the common core system

There are similarities in required features and functions that exist across the insurance value chain. Insurers are able to reduce their costs by leveraging shared resources and functionality with other users (i.e., insurers). It is also said that the system is unlikely to become legacy due to the existence of this functional commonality.

Customization

Due to the complexity of insurance products and different business requirements, customization is often required. Customization can be implemented either by SaaS providers or other IT vendors. In any case, a high degree of customization for the sake of sticking with the existing business requirement should be avoided otherwise it will defeat the purpose of using SaaS in the first place.

Understanding business requirements

It is a prerequisite for SaaS providers to understand complex business requirements and the characteristics of insurance products. It is important to note that a provision of a "good" insurance product per se is not enough; the digital service offered also needs to satisfy the expectation of the end users. As such, SaaS fees are usually based on a usage-based and pay-as-you-go pricing model, and some of the providers are also offering consulting services to support digital sales and marketing.

6.2 Startups

Startups are often the providers of these SaaS solutions. Unlike others, SaaS is based on a subscription model and does not face the issue of incomplete or "half-way" development as it is subjected to continuous improvement and updates. Furthermore, the SaaS distribution model fits in well with the agile development approach that is usually taken by startups, which enables insurers to deliver quality service at a faster speed when compared to delivering the same services on their own.

However, it is common for the management and project managers at insurers to believe that there are certain risks that would arise when partnering with startups, especially in the areas of financial stability and capacity. Conducting thorough due diligence to assess the risks may hinder a smooth delivery of a project. Therefore, it is important for insurers to assess the possibility of a project failure, evaluate best-case and worst-case scenarios, and define an appropriate scope of partnership when engaging in a project. In any of these cases, the management's commitment at insurers is pivotal for a successful partnership.

On the other hand, Startups that provide SaaS solutions to insurers should be well aware of the highly complex nature of the insurance business and operations. Delivering solutions for the insurance industry requires deep domain knowledge and experience due to its complex operations and types of products and transactions.

In Chapter 7, we will introduce three example use cases on how insurers partner with Startups and adopt their SaaS solutions to realize value quickly.

7. Case Studies

7.1 Insurance sales on multiple platforms by utilizing API connection

- justInCaseTech's joinsure Insurance Application SaaS Solution enables Tokio Marine & Nichido Fire Insurance to sell insurance products online to the customers and members of its distribution partners' platforms such as Loyalty Marketing and Kansai Electric Power, with an excellent UX.
- The API connection between the insurer's core system and front-end service system facilitates continuous UX improvement.

TOKIO MARINE NICHIDO

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joinsure
保険募集システム

Goals

- Build system connection between the insurer and the platform under various constraints
- Setup a team to keep improving the UI/UX
- Accomplish the sales target set by the insurer and the platform

Challenges

- Optimize developer resources
- ID/PASS personal information security

justInCaseTech's Solutions

Customers	Platform	Points of contact with customers	Insurer

Platform:
- Loyalty Marketing, Inc.
- 関西電力
- CHUBU Electric Power Grid

Points of contact with customers:
- JICT's function group
  - Landing Page & Application form
  - Mail magazine & Push notification
  - Solicitation Document
  - Insurance Business Law Advice

Insurer:
- Management screen
- Policy management (Mainframe)

Promotion

Verification of membership (ID/PASS)

Membership base

API linkage

Expected Results

- Delivered seamless integration into the platform
- Equipped with efficient data analytics to better understand customer behaviors
- Enabled connections to multiple platforms and provision of multiple product offerings
- Improved conversion rate which increased by more than three times and will continue to improve with the support of the built-in system

7.2 Connecting with front-end service by loosely coupling

- joinsure solutions that support insurance application, policy management, and claim filing enables digital e-commerce insurance sales on the e-commerce platform
- High conversion rate is expected to achieve by providing the insurance at the time of purchase with excellent UX
- Through loose coupling with the core system, the deployment cost is kept low without sacrificing UX

E-commerce Platform

&

Major Non-life insurer

Goals

- Achieve high conversion rate through UX without affecting the core business of the platform
- Increase customer loyalty to the platform

Challenges

- Limited data connection by loose coupling with policy management system of the major non-life insurer
- Minimal impact on existing operations
- Reliance on SaaS to handle the complex requirements

7.3 Accelerating new product launch time by implementing a middle office, second core system

- With OneDegree's IXT Digital Insurance Platform, Taiwan's First Insurance has been able to significantly shorten its new product launch time from one year to just 21 days
- OneDegree's platform is connected to the insurer's existing systems through adapter creation.
- OneDegree also provides API integration solutions for insurers to capture new business opportunities with affinity partners and ecosystems

第一保 × IXT by OneDegree

Goals
- Capture new business opportunities with ecosystem and affinity partners
- Enable integration of new services and data solutions
- Shorten new product time-to-market

Challenges
- Unable to respond to market opportunities quickly due to legacy system limitations
- Limited technology resources and capabilities
- Complex and inefficient legacy system and processes

OneDegree's Solutions

Customers → Insurance App

Insurer-IXT Digital Insurance Platform
Standard API
- Product Configuration
- Member Management
- Rule Engine
- Campaign Management
- Policy Management
- System Administration
Standard API

Insurer-Other Systems
- Legacy systems
- KYC system
- Finance system

Expected Results
- Shortened new product launch from one year to 21 days with IXT
- Equipped with APIs to integrate new services and data for marketing and distribution
- Enabled new customer experience with instant quotation, underwriting, policy management
- Improved internal operational workflow and efficiency with no-code configurations

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