RECAP

CIO

WORKING GROUP | FEBRUARY 5 – 6, 2018

LEGISLATIVE &
WORKING GROUPS
SUMMIT

EXECUTIVE SUMMARY

The CIO Working Group met February 5–6, 2018, at the Mandarin Oriental in Washington DC, during The Council's annual Legislative & Working Groups Summit. The agenda included a presentation by Chuck Gomez, VP of Novarica, who talked about emerging tech and insurtech in regards to the insurance brokerage industry. A breakout session followed with participants working in groups to identify a potential business process or technology that could disrupt the industry. The meeting concluded on the second day with a session on emotional intelligence led by Connie Merchant.

PARTICIPANTS

Click **here** for the roster.

GENERAL DISCUSSION

Identifying Problems Currently Facing the Industry

Working Group participants discussed various issues with business processes in general (standardizing them). Challenges include:

- Systems—dealing with various levels of system knowledge, training on new systems, too many systems and consolidating multiple systems.
- Data—how to obtain and interpret it, and how to effectively use it across multiple systems.
- Change management—getting people invested in changing systems.
- Security—protecting client data and compliance.

The session ended with discussion surrounding business innovation and what organizations are doing to innovate and validate those new ideas.

Change Management Solutions:

- Create a university with people internally and externally to assist in schooling and training around technology and processes.
- Hiring training staff whose job is to train new and existing employees.
- Use of software like Absorb LMS (Learning Management System) to provide training experience.
- Adding training documents to the organization's intranet.
- Identify key functions and features on software platforms that everyone needs to know instead of training employees on every function and feature.
- Create metrics on how effective training practices are in order to develop better training practices.

- Enlist ambassadors for new systems, volunteers who get the new technology first and can help phase in other employees.

Security Discussion and Solutions:

- People are expecting New York to be the strictest state in terms of cyber security. Some firms are just conforming to New York State standards to be in compliance and expect other states to follow with similar stipulations.
- Routinely do penetration tests and vulnerability scans to see how secure your systems are and identify weak points. This can help avoid having to do security audits, which are very time consuming.
- Use of GRC software (governance, risk management and compliance) like lockPath.
- Use email security systems like Barracuda and block employees from using personal email at work as those are also at risk of phishing scams.
- Some are doing away with email all together and just creating portals to communicate with their clients.

NOVARICA PRESENTATION – BROKERAGES, EMERGING TECH, AND INSURTECH

Presenter: Chuck Gomez – VP, Research & Consulting

- Novarica has been around for 10 years, has many types of services for CIOs – research, consulting, advisory services, etc.
- Novarica's focus has been on carriers however, it is expanding into the brokerage side.
- Insurtech companies probably won't replace or put major insurers out of business but rather raise the bar on customer experience, process efficiency and use of analytics. Major insurers/service providers will probably acquire them.
- Brokers are investing in insurtech in a few key areas: Sales & Marketing, Client Service, Carrier/ Brokers data sharing.
- For property/casualty insurers, pilot activity is primarily focused around data and analytics. More than a quarter of insurers are planning pilots in predictive analytics, machine learning, and leveraging big data sets.
- AI Machine Learning: autonomous machine to learn and identify new patterns – underwriting and claims predictive models.
- Novarica identified several companies in the insurtech space and outlined which companies were doing what and the products they are offering.

Group Breakout Sessions – Potential Industry Disrupters

- Group 1 Disrupter – Gather data from client's personal life via social media and gauge risk based on their behavior and crowd source the insurance policies.
- Group 2 Disrupter – Use data around the sales cycle/process – how to create great sales people through automation to drive down cost.
- Group 3 Disrupter – Get out of a traditional way of selling and use a type of Amazon model to push out products on a marketplace and have the customer shop and find those insurance products.

- Group 4 Disrupter – The renewal process is clunky and there are long waiting times for clients to respond. Clients also return renewals with missing data. Streamline the entire renewal process through scrubbing data sources to gather information that can be presented back to the client for renewal so they can quickly check and sign an agreement.
- Group 5 Disrupter – Clients want insurers to walk them through the claims process. Insurers could have a type of alert that notifies the broker when something happens to their client, so you can start the claims process before the client picks up the phone. Clients could potentially go out and tell people of their experience so there is a promotional aspect for the company as well.

EMOTIONAL INTELLIGENCE

Presenter: Connie Merchant

Connie Merchant led a session on emotional intelligence (EQ). Participants split into five groups and were asked what they know about EQ and what they think about the concept of EQ. Participants shared their experience with EQ, how their firms use it to bolster employees and engaged in discussion around each identified issue. Merchant then covered the DiSC personality test. The working group wrapped up with a few exercises including a listening exercise.

- EQ is the ability to monitor your own and other people's feelings and emotions and use that information to guide your actions.
- People's level of engagement with one another are changing in the digital world as people are more engaged in technology and computers.
- Managers' biggest problems are "people issues" not technical or financial.
- There are costs with low EQ as it effects morale, costs associated with turnover (250 percent of the individual's salary), and time lost.
- The main reason people leave a company is their managers.
- In order to do a self-assessment you have to ASK. Some companies use 360 feedback to assess EQ.
- An easy way to get a reading of your staff is to ask: What can we stop doing? What can we start doing? What should we keep doing?

NEXT MEETING

The next CIO Working Group meeting will take place **October 24-25**, in Washington, DC.

QUESTIONS?

Contact The Council's Nick Lozano at **nick.lozano@ciab.com**.