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COUNTRY PROFILE – UAE

Keeping up with the tech shift

Digital innovations will continue to change the face of the insurance industry. Insurers need to invest in the right systems as the industry will be fully automated in the next five years, predicts **Mr Shadi Sa'adeh of ESKADENIA Software, UAE.**

Technology has been the main driver for innovation in the insurance business in the last 20 years and will continue to change the face of the industry in the future in a rapid manner. Twenty years ago, insurers hardly believed in the automation of basic operations of production, claims and reinsurance, rather relying on MS Office for calculations and policy issuance.

However, insurers now look far beyond that. It has been proven that distribution channels (brokers, agents, banks, and direct individual customers) can generate revenue for insurers by issuing policies directly with integrated tools. Insurers in this region are currently giving the right attention to distribution channels as the main revenue generators with the least operational cost.

Insurers now realise that the upcoming phase of digital innovations will continue to change the face of the industry through telematics, wearables, big data, analytics, robotics, and artificial intelligence (AI). These innovative tools will change the way risk assessment, pricing, claims handling, and decision-making are currently being done.

Digitalisation: Is the cost justifiable?

The insurance industry is a labour-intensive business. The main investment for any insurer to effectively run its operations is in human resource and IT. However, some insurers in this region have not fully realised the value and potential of technology for their companies.

Insurers who have taken the lead in automation have proven that it reduces operating expenses, enhances the turnaround time for operations, increases customer satisfaction, and minimises human errors. Those companies are now heading the market and continuing to invest in IT. Personally, I have not heard of an insurer going bankrupt because of IT costs. However, factors such as making the wrong decisions and human errors have put companies at major risk.

Therefore, it is important to invest in the right system that achieves the desired outcomes, and partner with a dynamic company that has enough experience in the market and is in a healthy position.

Automation is long overdue

Insurers are slow in keeping abreast with the technological shift. Some companies have not achieved the automation of basic operations, others do not have integrated systems, or offer real-time, online policy issuance to the public.

Individuals now want to receive policies directly on their devices. They do not want to pay for and receive the policies days later. Corporate customers want to see real-time dashboards; they expect a personal relationship with the insurer and immediate service action. These are



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the current market needs that are still widely unmet, in my opinion.

IT companies are constantly trying to contribute to the education of the industry. We are getting involved in insurance conferences so that we can share our experience in automation and our views on technological trends.

Full automation in five years

Five years from now, the basic operations of insurers will be fully automated, insurance transactions will be fully integrated, and distribution channels will be given a bigger role to generate business automatically with less involvement from the insurer's personnel. Moreover, management will have better reporting capabilities and the use of big data.

Insurers will also attempt to utilise telematics for motor insurance pricing and claims, wearables for healthcare and monitoring of risk, and data and predictive analytics for decision-making. We will continue to drive automation in this industry and provide the IT tools for insurance companies to be equipped for the coming challenges. ■

Mr Shadi Sa'adeh is GM at ESKADENIA Software, UAE.



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