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CHANGING THE CULTURE AND MINDSET OF THE INSURANCE INDUSTRY

Relevance of the issue. The history of insurance dates back to the days when merchants along the Mediterranean coast added clauses to their loans so that they would not have to repay their loans if their shipments were lost at sea. Over the centuries since then, the insurance industry has evolved as regulation, globalization, and economic ups and downs have allowed insurers to adapt to market conditions [1]. But for the last several hundred years, insurance has been steady, built around a claims-based, product-centric business model. Nowadays with the emergence of the InsurTech business model which is the combination of insurance and emerging technologies, countless startups have emerged and embraced customer-centric concepts centered on artificial intelligence and behavioral economics. The issue of changing culture and attitudes in the insurance industry is critical in today's business environment. The insurance industry faces a variety of challenges, including increased competition, regulatory changes, evolving customer expectations, and technological disruption. To remain competitive and relevant, insurers must adapt and transform their culture and mindset.

Results of the research. The current culture and mindset of the insurance industry is characterized as traditional, risk-averse, and product-centric. Insurance companies have historically focused on developing and selling standardized products rather than meeting the specific needs of individual customers. As a result, a culture has taken root that emphasizes underwriting and risk management over customer experience and satisfaction [2].

In addition, the insurance industry has been slow to embrace innovation and digitization, with many companies relying on outdated legacy systems and processes. The result is a lack of agility and flexibility, making it difficult for insurers to adapt to changing market conditions and customer expectations.

The insurance industry is traditionally hierarchical and separated, with little collaboration between different departments and teams. As a result, innovation has been stifled and best practices and knowledge have not been shared across the organization.

Overall, the current culture and mindset in the insurance industry focuses more on maintaining the status quo and minimizing risk than on innovation, customer centricity, and agility. However, there are signs that this is beginning to change, as some insurers are beginning to shift their focus to customer-centricity and digitalization in order to remain competitive in a rapidly changing business environment [3].



According to the fact of dynamic changes in society under the influence of internal and external factors, it is appropriate to focus on some of the driving forces that are changing the culture of insurance that are ranked in Table 1.

Table 1

Main drivers for changing the culture and mindsets*

<i>Innovations</i>	Digitalization with new technologies such as artificial intelligence, machine learning, and the Internet of Things (IoT) creating opportunities for innovation and improved customer experiences. Insurance companies need to embrace these technologies to stay competitive.
<i>Customer expectations</i>	Personalized, convenient, and seamless experiences. Insurance companies need to shift their focus from standardized products to customer-centric solutions that meet the specific needs of each individual customer.
<i>Competition</i>	The insurance industry is becoming increasingly competitive, with new entrants disrupting traditional business models. Insurance companies need to innovate in order to remain competitive and retain market share.
<i>Headhunting</i>	Focus on creatively and proactively sourcing the best insurance talent in the market for wide array of Insurance Carrier, Claims, Underwriting and Agency. Attracting and retaining top talent is essential for insurance companies to succeed in today's business environment.
<i>Data analytics</i>	The insurance industry is heavily regulated, and changes in regulations can create opportunities for innovation and new business models. Recent changes in regulations related to data protection and privacy have created opportunities for insurance companies to develop new products and services based on data analytics.

*According to sources [2, 3, 4].

Overall, changing customer expectations, technological advancements, regulatory changes, competition, and talent acquisition are all driving forces behind the need for the insurance industry to change its culture and mindset.

Examples from around the world show a positive movement in this direction. For example, insurance companies that have successfully changed their culture and mindset to become more customer-centered and innovative have taken a comprehensive approach to organizational change. It is worth to mention the digital insurance company *Lemonade* that is known for its innovative approach to insurance. They have a customer-first mindset and use technology to make insurance easy and accessible. *Lemonade* uses AI to process claims quickly, and their policyholders can file claims via their mobile app. Another example can be the company *Allstate* that has made significant changes to become more customer-centric. They have a dedicated customer experience team that uses data and analytics to better understand customer needs and preferences. *Allstate* has also implemented customer-centric design principles to improve the user experience of their website and mobile app. *Aflac* is another insurance company that is known for its innovative approach to product development. The company has a dedicated innovation team that is tasked with exploring new product ideas and bringing them to market quickly. *Aflac* also encourages employees to think creatively and rewards them for their ideas. The company has a culture of continuous improvement, and they use customer feedback



to inform their product development efforts [5].

Conclusion. Insurers that have successfully transitioned to a more customer-centric and innovative culture and mindset have done so by focusing on several key areas, including customer experience, innovation and a culture of continuous improvement. By adopting these principles, these companies have been able to differentiate themselves from their competitors and attract and retain customers who value a customer-centric approach. The insurance industry needs to embrace the new principles as quickly as possible in order to change its culture and mindset and become more customer-centric and innovative. This will help the industry attract and retain customers who are looking for a more personalized and seamless insurance experience.

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