

TAKING ADVANTAGE OF DISRUPTION

ACCENTURE DISRUPTABILITY INDEX FOR INSURANCE

The Accenture Disruptability Index enables insurance management teams to determine the extent of their exposure to disruption and to plan an appropriate strategic response.

DISRUPTION IS A REALITY FOR ALL INDUSTRIES, INCLUDING INSURANCE



of Chief Strategy Officers agree disruptive innovation will **upend their industries and threaten** today's incumbents within five years!.



of Chief Strategy Officers feel **highly prepared** for disruptive innovation.

WHAT'S STOPPING INSURANCE EXECUTIVES FROM **PREPARING FOR DISRUPTION?**

✓ OPTIMISM ABOUT EXISTING BUSINESS MODELS

A minority of executives still believe their business won't fall prey to disruption.

☒ PROFIT-AND-LOSS PRESSURES

Many management teams are focusing on near-term performance rather than investing in long-term possibilities.

☒ A LACK OF TOOLS TO SUPPORT STRATEGIC DECISION-MAKING

Many organizations don't have structured methods to analyze their exposure to disruption—thus many management teams perceive disruption to be too unpredictable to manage.

UNDERSTANDING AND PLANNING FOR INDUSTRY DISRUPTION

Accenture has created the Disruptability Index to pinpoint the current level of disruption an industry is experiencing as well as its susceptibility to future disruption.

THE DISRUPTABILITY INDEX: VARIABLES CONTRIBUTING TO CURRENT DISRUPTION AND SUSCEPTIBILITY

PRESENCE AND PENETRATION OF DISRUPTORS	Presence of incumbent disruptors	Presence and penetration of start-ups	Value of venture capital flows
PERFORMANCE OF INCUMBENTS	Incumbent profitability	Scale and consistency of incumbent growth	Incumbent bankruptcy rate
ABILITY TO OPERATE EFFICIENTLY	Transaction intensity	Asset intensity	Labor intensity
INNOVATION ACTIVITIES AND INVESTMENT	Scale of innovation efforts	Investment in new digital technologies	Market perception of ability to innovate
DEFENSES	Brand dominance	Openness of market	Scale of trapped value

20 INDUSTRY SECTORS

98 INDUSTRY SEGMENTS

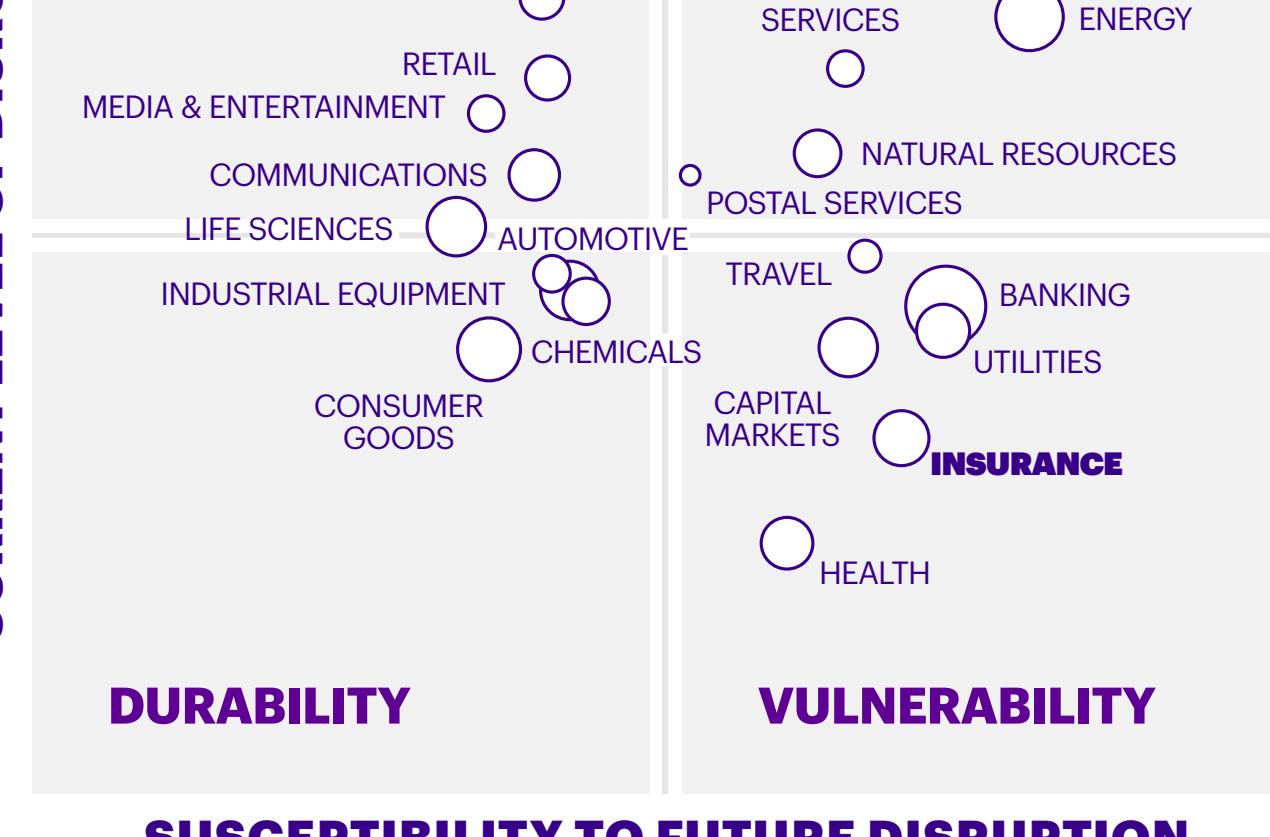
80 COUNTRIES

INSURANCE SCORECARD

19TH MOST DISRUPTED INDUSTRY OUT OF 20 INDUSTRIES
4TH MOST SUSCEPTIBLE TO FUTURE DISRUPTION



FOUR PERIODS DEFINE THE PATTERN OF DISRUPTION **TO BENEFIT FROM DISRUPTION YOU NEED TO UNDERSTAND INSURANCE'S CURRENT POSITION.**



FACE DISRUPTION FEARLESSLY

Disruption is not unpredictable, beyond your control or something only the weak should respond to. Once you know why insurance is positioned where it is, and the likely speed of change in the industry, you can predict where opportunities will come from.

- A new strategy is required to face disruption confidently. 'Rotating to the new' entails transforming and growing the core business while scaling up new businesses – and then pivoting wisely to 'the new'.
- In the Vulnerability period, where high barriers to entry endure, it is time to scale up new opportunities while strengthening operational efficiency and innovation commitment. There are three key steps to consider:

1. Reduce dependence on fixed assets, and monetize those that are underutilized.

2. Respond to decreased demand for core products by spotting and scaling up innovations.

3. Use technology and data to build enhanced services and offerings that alleviate customer pain points.

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