



Let's Solve

Whitepaper

**Creating Immersive Experience in
Insurance through Augmented Reality**

Author: Aravind Rajaraman



A Larsen & Toubro
Group Company

Introduction

This white paper discusses various ways Augmented Reality (AR) can be used in insurance and how AR can be leveraged in insurance for the benefit of customers, insurers, agents and brokers. The white paper outlines the potential benefits and challenges of AR, and also lists some real-life scenarios based on the technology.

Every insurance company across the globe is trying to leverage the latest technologies in their

day-to-day business, in order to build customer-centric solutions for sustained growth. AR is one such technology that, we think, will be enthusiastically embraced by insurers.

Though AR is still in its nascent stage, the prospects of this technology are very promising for several industries, including insurance.

What is Augmented Reality?

Augmented Reality (AR) is a way of fusing the real and the virtual world, by overlaying digital data on real-world views. In other words, it's a live, direct or indirect view of a physical, real-world environment whose elements are "augmented" by

computer-generated input such as sound, video, graphics or GPS.

Simple example of AR: Soccer players' projected movement towards the Goalpost



How AR works

AR applications can be divided into two categories: Marker-based applications use a camera to recognize a marker, or an image from the real world, calculating its position and

orientation to augment the reality. Location (or GPS) - based applications use GPS tools to find relevant data related to a location and augment it on screen.

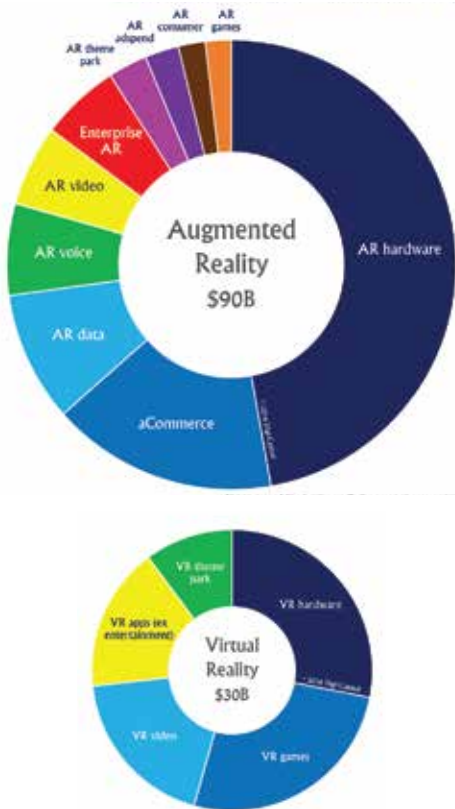
Fields where AR can have a greater influence

While there is great scope for AR applications in almost every field of business, the technology is expected to influence the following areas in particular.

Industries	Applications	Benefits
Retail	Augmented trial-rooms for clothing, furniture and other retail products	Greater customer engagement, Trust in product, Replication of in-store experience
Insurance	Marketing through AR games, Risk mitigation, Damage assessment, AR-enabled training and meetings	Refreshing customer experience, Optimized training and meetings, Faster & accurate claim settlement
Banking	Augmented bank branches, Creation of dedicated AR communication channels	Enhanced banking experience, Reduced physical transactions and higher cost savings
Media & Entertainment	Interactive ads, Creating immersive experience for movie viewers	Delightful viewing for customers
Education	Holograms of trainers, Augmented training materials, Immersive learning experience	Promotes collaborative learning, Increased sensory development, Contextual customized learning experience
Engineering	Superimposing computer-generated images on CAD or building information modelling (BIM) software	Reduction in time spent on-site, Minimal wastage of materials
Defense	War games through AR, HMD during a combing/rescue operation	Lesser casualty, More accuracy, resulting in better usage of arms and ammunitions
Medical	Superimposing affected area through MRI, CT Scan, etc. onto patient's body during operations / treatment	Accuracy in operations, Better results

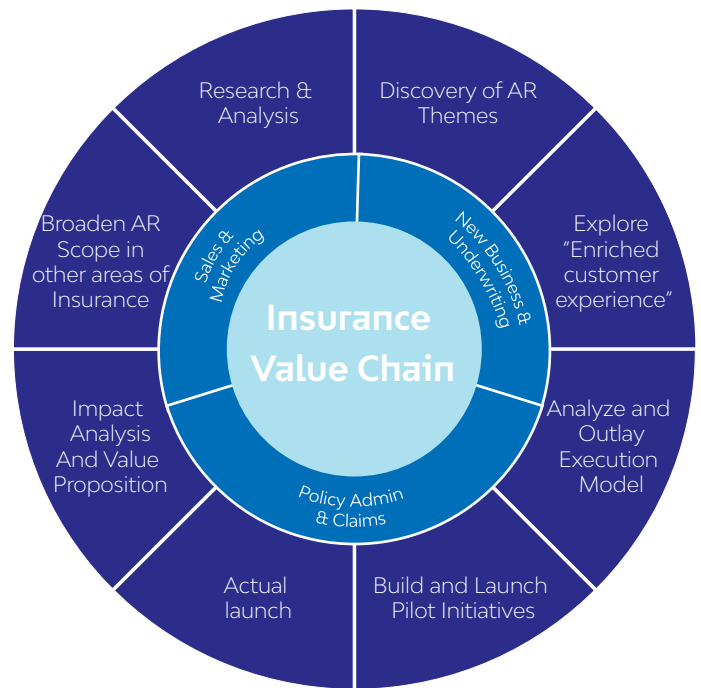
A study reveals that revenues from AR industry will be USD 120 billion by 2020, and the below chart provides segment wise AR revenue.

Augmented/Virtual Reality Revenue Share 2020F

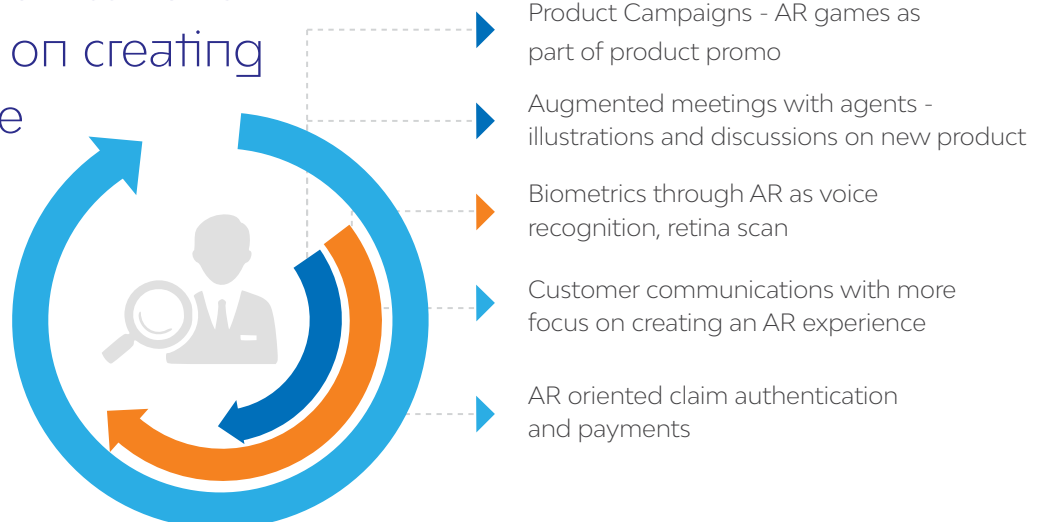


Source: Digi-Capital-ARVR-Sector-Forecast-2020

Broaden AR scope in Other Areas of Insurance



Customer communications with more focus on creating an AR experience



Let's look at some of the potential opportunities in detail.

Better training tools for sales teams

Unlike a real-world training scenario, a new agent in an insurance office can play through a situation using AR, as many times as needed, to fully understand a concept or procedure. For example, a new agent could be trained through an AR app with various scenarios for each operational areas of insurance value chain.

Similarly, the AR glass (Head mounted device) can also be used to train sales force with the trainer monitoring their progress remotely.

For example, let's think of an insurance company

that needs to on board a new agent. Apart from the classroom /video on-boarding, the agent can be given an AR-guided tour of the various business units of the company. While he is on the move, the agent can be shown information related to every business unit through the AR glass.

The agent can be given a scenario related to the business unit he/she is visiting. The answers could be in the form of AR objects, and the agent is asked to proceed to the correct object in order get further details or to proceed further in the guided AR tour

Benefits:

- The real visuals of the business units, combined with relevant information displayed through the AR glass, will provide a holistic view of the organization to sales force.
- Fun-filled training, higher engagement and comprehension.
- There is no need for another person to accompany the new agent to explain the functions of each business unit.

Better customer experience

How does AR matter when it comes to enhancing a customer's experience in insurance value chain?

Here are few possibilities:

Augmented meetings with insurance front office, agents to manage policies and portfolios

How are customers generally contacting insurance office, agents or brokers? They contact by phone or email or message or video call, etc. How is AR meeting different from the existing suite of meeting, or contact methods?

The AR meetings encompass the features of all the above said meeting methods and contents. It combines voice, video, gesture, annotation,

drawing, data, objects, etc., thus facilitating different customer segments, catering to all age groups, engaging customers more fruitfully than the legacy contact methods.

Because of its versatility, it can be customized and personified to great extent in a non-intrusive manner.

Transforming Insurance customers as Insurance experts and empowering them for pointed decisions through AR.

Through AR applications, the information will be accessed so fast that the quantum of precise, pointed and personalized data available to customers brings in better outcomes and decisions by customers.

Connecting thought process and creating tangible insurance needs, specifications, goals, requirement, etc. through AR will be revolutionizing the way customers connect with carriers.

New ways of working

A few examples:

- Remote collaboration: Augmented reality can completely change the way geographically dispersed individuals connect. AR brings the internet from being contained on a screen to becoming part of the fabric of the world around us, which will benefit various stakeholders of insurance industry.
- Easy multitasking: Sometimes insurance staff need to access multiple screens for multiple tasks. This is not often possible because of the limited physical space at a workplace. With AR, employees will be able to tap multiple screens in the same space, making them appear and disappear at their command.
- Remote Guidance: AR can enable the field force to virtually connect with in-house experts for real-time guidance. The expert can see exactly what the field force team sees and provide clear, visual, step-by-step instructions to them, ensuring even the most complicated workflows are completed with ease.

Challenges:

Though AR is going to be one of the top trends in insurance, it has its own set of challenges as well. Just to quote a few:

- Invasion of privacy is a major concern when more and more people embrace AR, and it has its inherent security concerns as well, along with privacy leakages.
- Precise tracking and seamless integration of the physical with the digital require huge amount of 3D data, analytics, image enhancement,
- deployment of AR, software/hardware, third party tools, etc. This involves huge cost and Insurers will have to wait for at least few years to get the RoI (Return on Investment)
- Lack of consumer-oriented AR hardware in the existing market brings in obstacles in the faster / mass customer adoption of AR in insurance.

AR User Experiences

Let's think out of the box. Can an insurer provide their customers with information via AR at the quote stage? Could AR help enhance a customer's

claims process? What processes or functions in the policy life cycle can potentially improve customer experience, when offered using AR?

AR product promo application

Mode: AR games (using HMDs) involving life risks, life goals and paths ahead with characters that can be played by prospects

Where can these games be showcased? The games could be a part of the usual insurance marketing and promotional events like stalls in malls, road shows, etc.

Target audience: People in malls, event participants

A short AR game:

The Characters:

- The insurance company's sales person, who is the anchor of the game
- A man in his early forties visiting the mall. Let's call him Harry

Duration of the game: 3 minutes

How it is different from the regular/existing marketing campaign? Existing marketing campaigns mostly revolve around sales team explaining product features, distributing flyers, showcasing videos/demo of the products, etc. But with the help of an AR game, the prospects can actively participate and drive the promo. The sales force needs to just play a facilitator role. Let's look at an example to understand this well.

The Game: Anchor invites Harry to try the game. Harry is shown images of his future aspirations such as a nice retired life, great education for his children, etc.

He is then shown images depicting risks such as Inflation which is eroding his savings, a job loss which is throwing lot of challenges in managing his family, critical illness and accidents which are jeopardizing all his life plans.

These roadblocks are seen to eclipse his life goals.

At this point, a sword and shield bearing Insurance company's logo fit into the hands of Harry and he fights and gets rid of all these life risks with the help of Insurer's Insurance plans which are in the form of sword and shield as part of the AR game.

The impact: Innovative and engaging marketing through AR to make the prospects really think about life insurance and to make an impression about the insurance company for further engagements.

Risk inspection and Damage assessment through Augmented Reality

Mode: Tablets/smart phones and HMD

Target audience: Owners of vehicles

Usage: Faster settlement of auto insurance claims than the existing claim settlement mechanisms, and enhancing driving experience using Augmented Reality.

Features and benefits

- Using the AR app, the original parts/portions of the vehicle are superimposed on the damaged area, thus providing exact measurement of the damaged part / portion
- Creating instant repair estimate
- Enhanced driving experience through various features as obstacle warning, pedestrian detection, nearest gas station display. All these are displayed on the corner of the windscreen of the vehicle.

Workplace Risk Mitigation through Augmented Reality

Mode: HMD

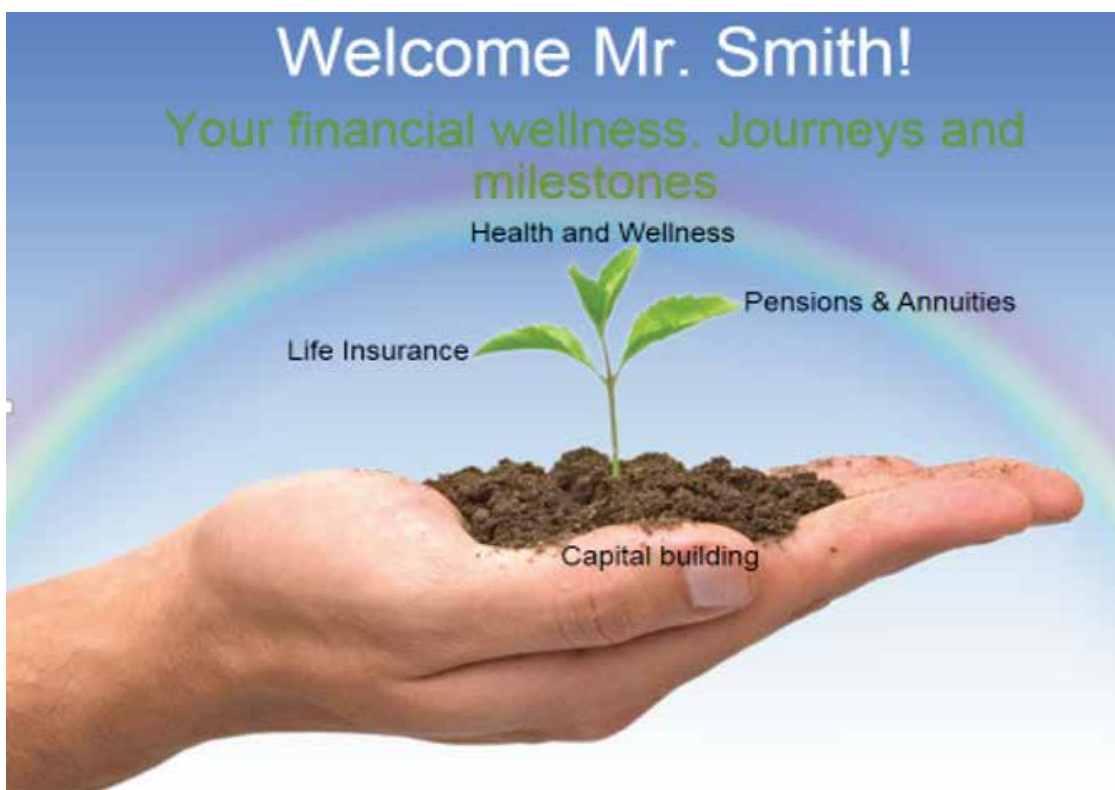
Target audience: Workers of a factory, mine workers and people who are in hazardous occupation.

Usage: Augment workers' vision and identify hazards in their immediate surroundings.

Features and benefits

- Using the AR HMD, the workers are intimated of hazards in their immediate surroundings. This is done by capturing the blue print of the building, or location or mines in AR app, and cautioning the workers on the hazards around them during their work.
- This results in reduction of workplace injuries and accidents.
- Insurers can offer policy discounts for companies which provide these HMDs to workers, and this can be applicable for many lines of business in Property & Casualty Insurance.

Here we experiment a simple example of how a conventional customer dashboard screen looks in an AR app



Conventional Customer Dashboard

Customer Dashboard when viewed through a mobile AR app / Head mounted device



The differentiator: All these icons can very well be displayed in the conventional dashboard as well, but here are two points which bring in the difference.

- The element of surprise and new way of presenting usual things which eliminates boredom.
- Interactive journeys driven by users create better impact of the offerings

Concluding thoughts

Augmented reality is no longer a sequence watched in science-fiction movies or experimented only in labs, but a fascinating technology with far reaching implications on insurance as a whole.

Life, Property & Casualty, Health & Wellness carriers across the globe, have greater opportunities in leveraging AR in the entire spectrum of insurance value chain. Some of the insurers have already started using AR in their

marketing, operations and training areas enhancing their customer-centricity and creating superior user experiences.

The coming years will see greater adoption of AR in insurance and InsureTech companies will leverage this new experience greatly and traditional players need to keep pace and ensure "AR" disruption does not disrupt them.

About the Author



Aravind Rajaraman is a Senior Consultant with LTI's Insurance Consulting Group. He has 23 years of overall experience in Insurance and Information Technology Industries, with expertise in Core Insurance Operations, Requirement Management & Product Configuration.

LTI (NSE: LTI, BSE: 540005) is a global technology consulting and digital solutions Company helping more than 300 clients succeed in a converging world. With operations in 27 countries, we go the extra mile for our clients and accelerate their digital transformation with LTI's Mosaic platform enabling their mobile, social, analytics, IoT and cloud journeys. Founded in 1997 as a subsidiary of Larsen & Toubro Limited, our unique heritage gives us unrivaled real-world expertise to solve the most complex challenges of enterprises across all industries. Each day, our team of more than 24,000 LTIites enable our clients to improve the effectiveness of their business and technology operations, and deliver value to their customers, employees and shareholders. Find more at www.Lntinfotech.com or follow us at @LTI_Global