



## Appian for Insurance

### Environmental and Social Sustainable Governance (ESG).

Insurance companies—like companies in many other industries—are under increasing pressure to adopt ESG-friendly practices. The pandemic, growing emphasis on climate change, and new social movements have all given rise to more socially and environmentally responsible consumers. In fact, 45% of adults consider themselves environmentally conscious, according to a recent [Forrester study](#).

While offering ESG-friendly products is nothing new, momentum has dramatically shifted in recent years toward the need for insurance companies to better understand the sustainability aspects of their business and the companies with which they do business. In addition, emerging research suggests ESG has predictive power to identify early warning indicators and anticipate risk events before they occur.

ESG impacts nearly all areas of an organization. Because of that, it can be incredibly difficult to obtain all of the data and information needed to evaluate a company's ESG maturity level and levels of risk and to answer critical questions like "How green am I actually?" and "How socially responsible are my business partner relationships and their supply chains?"

#### **Growing regulatory pressure.**

To date, there is no one global ESG standard for companies to aspire to, resulting in a patchwork approach. In the United States, there are currently no mandatory ESG disclosures, although the SEC requires all public companies to disclose information that may be material to investors, including information on ESG-related risks.

In Canada, while there are no specific requirements mandating ESG-related disclosures, momentum toward corporate disclosures appears to be growing. In fact, 87% of companies view ESG factors as important to their company's long-term success, according to a survey from Canadian Investor Relations.

The European Union, on the other hand, is further ahead and offers an ESG taxonomy that provides regulatory guidance, screening criteria, and associated questions that help evaluate ESG adherence. The European Commission's proposal for a Corporate Sustainability Reporting Directive (CSRD) is already there. And, if accepted, all large financial services institutions have to comply by 2024 for 2023 reporting.

Meanwhile, in Asia-Pacific, 57% of investors expect to have "completely" or "to a large extent" incorporated ESG issues into their investment analysis and decision-making processes by the end of 2021, according to MSCI.

#### **ESG management simplified.**

The key challenge for insurers is to quickly adapt to changing ESG requirements, which ultimately boils down to gaining visibility into all ESG data elements across the entire enterprise and validating that data against a list of constantly changing ESG criteria and attributes. This, of course, can be a challenge for large insurers, where data may live in 10, 20, or 30+ different systems, with a lack of open integrations and APIs.

That's where low-code can help. To gain the high degree of flexibility, integration, and automation needed to succeed with ESG initiatives, insurance firms need to look for a way to move faster while connecting and extending their existing legacy systems.

With the Appian Low-Code Platform, insurers can do the following:

- **Gain unparalleled flexibility and speed.** Quickly address evolving ESG criteria, including managing changes to taxonomy content, questions, or industry designations.
- **Seamlessly access information.** Easily manage internal and external ESG-related data by providing a single, 360-degree view to determine ESG conformity of products, services, and business relationships. Connect spreadsheets, legacy core systems, hybrid or on-prem data sources, and more to future-ready your operations.
- **Leverage intelligent automation.** Use Appian intelligent document processing, powered by AI and machine learning, to improve accuracy and increase efficiency when processing a large volume of ESG-related documents.
- **Create visual process flows.** Enable a comprehensive view into all ESG-related processes and their dependencies across the entire organization.
- **Enable fast integrations.** Quickly share data with external information providers and regulatory or governmental agencies to manage updates, ratings, and certifications, while maintaining the highest level of data security.
- **Rapidly scale enterprise-wide.** Orchestrate RPA bots with people, systems, and data in a single workflow for a comprehensive view of all ESG-related processes across the entire organization.

## Improve ESG management throughout the insurance life cycle.

With the Appian Low-Code Platform, insurers can incorporate ESG standards and gain efficiencies in the following key areas of the insurance life cycle:

- **Customer/cedent onboarding.** Gain accurate insight into who is being insured and the sustainability aspects of their business and supply chains.
- **Complex policy quotation.** Enable a more thorough understanding of the ESG elements in the submissions and the risks being quoted, and accurately provide ESG statuses to customers.
- **Complex underwriting.** Easily identify, evaluate, and mitigate major ESG risks during the underwriting processes and create workflows to escalate specific concerns.
- **Agent and broker onboarding.** Understand the profiles of new agents and brokers more clearly to ensure ESG conformity.
- **Customer complaint management.** Improve incident management workflows to better identify and optimize handling of ESG-related concerns.
- **Adjuster assignment/vendor management.** Enable greater transparency and unlock insight into ESG compliance of all relevant vendors, adjusters, and third parties.
- **Product review/life cycle management.** Better understand ESG conformity of each product and establish a regular review cadence to mitigate risk. Identify potential warnings earlier during mergers and acquisitions.

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