| Industry | Business Issue | Solution | Benefits |
|---|---|---|---|
| Insurance | IAG wanted to manage its information as a strategic asset to help insulate from disruption and drive new opportunities. | SAS® High Performance Analytics | Initial testing saw a reduction in the time to analyse 20 million records against 186 variables, from 17 hours to just one minute. |

# IAG modernises for big data

The insurance industry has for many years been dependent on data to evaluate and price risk. However using historical data for risk modeling may no longer be enough to maintain leadership as the age of big data is driving a seismic shift in the industry.

Insurance Australia Group (IAG) is Australia's largest insurer, possessing more than 50 years of business data. The company recognised early on that to stay ahead of the competition, it had to manage its information as a strategic asset.

## Opportunities around big data

IAG's Head of Information Joanna Gurry says the corporate advantage big data brings is the ability to combine new data sources and unstructured data with the deep history already available. "The insurance industry is vulnerable to disruption," says Gurry. "However there is huge potential to use our data with new sources to help insulate us from disruption and drive new opportunities with our customers."

Jason Catania, who leads IAG's Advanced Data Driven Services, says the customer experience for an insurer is very different from a bank or retailer in that some customers may only come into contact with IAG once or twice a year. "We need to be able to use all the data available to us to ensure that interaction is a great experience for the customer," said Catania.

## Business transformation required a new platform

Recognising that across financial services there are great examples of transformed customer experience, IAG started a journey to build a strong data and analytics capability and to modernise the enabling platforms.

As a SAS customer for more than 30 years, they turned to SAS' advisory team to help understand how they could scale up the use of their technology and create a leading big data strategy.

IAG deployed SAS' latest and most powerful High Performance Analytics (HPA) platform in conjunction with a Pivotal Data Computing Appliance from EMC.

Processes that used to take hours can be reduced to minutes. For example, in initial testing IAG saw the time it took to analyse 20 million records against 186 variables, reduce from 17 hours to just one minute. This could mean where actuaries and modelers were previously restricted to a cycle of one model a week, they can look toward cycling many models each day.

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"Analysts are really excited as they can now see what's possible," says Catania. "They can run multiple nodes not only faster but in parallel which will help us to increase productivity and deliver more accurate, collaborative outcomes."

## A partner engagement

Gurry says the engagement has been outstanding from the start. "SAS is a strategic technology partner to us," says Gurry. "It's been a long-term view where we looked at what we wanted to achieve, and together, developed a roadmap for the future – And if SAS made a promise, we could absolutely trust them to make it happen."

Catania adds that the flexibility and professionalism in the commercial negotiation was also a stand out. "Not only was it clear that SAS was investing in the partnership, but the plan, strategy and roll out was delivered to a tee," says Catania.

Gurry says the value they gain from thought leadership, best practice and international expertise is an important part of the partnership.  "We like working with SAS' advisory division because it's clear they don't just want us to buy more solutions, they want to make sure that we challenge our thinking and consider new ideas for gaining the most from our investment."

"At the core of it we want to be able to give our customers an unparalleled experience, have flexibility in our business and the ability to quickly pursue new opportunities," says Catania. "Modernising our technology is a key enabler."

Gurry says since the upgrade to the new platform, IAG is well on the way to realising the power of its data. "Advanced analytics is a high priority for IAG," says Gurry. "We have a lot of data, but now we can start unleashing the power of that information."

# We have a lot of data, but now we can start unleashing the power of that information.

Joanna Gurry
Head of Information

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