


# Transforming Insurance for the New Technological Age

A silhouette of a person in a dark suit is shown from the chest up, holding a smartphone in their hands. The person is positioned on the right side of the frame, with their back to the camera. The background is a bright, warm sunset or sunrise over a body of water, with the sun low on the horizon, creating a strong glow and lens flare. The overall mood is contemplative and forward-looking.

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Joint Regional Seminar 2018

# Executive Summary



## ***What's the problem –***

Our Industry Today has gaps in connecting with our customers



## ***What has happened? –***

Key Technological Advancements



## ***What do we need to change? –***

Consumer Engagement for the new Technological Age



## ***Are we in the Actuarial profession ready? –***

Key to Transforming Insurance

# The problem in our industry today



# Digital Age in Asia Pacific



## DIGITIZATION AND CONSUMERS



Blurring the lines between the physical, digital, and biological spheres.

The speed of current breakthroughs has no historical precedent.

It is disrupting almost every industry in every country.

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INSURANCE

**HASN'T CHANGED MUCH**

FOR DECADES

**THE REST OF THE WORLD**

HAS MOVED ON

**ENORMOUSLY**


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# Global Consumer Survey 2017

## Methodology

Online interviews with

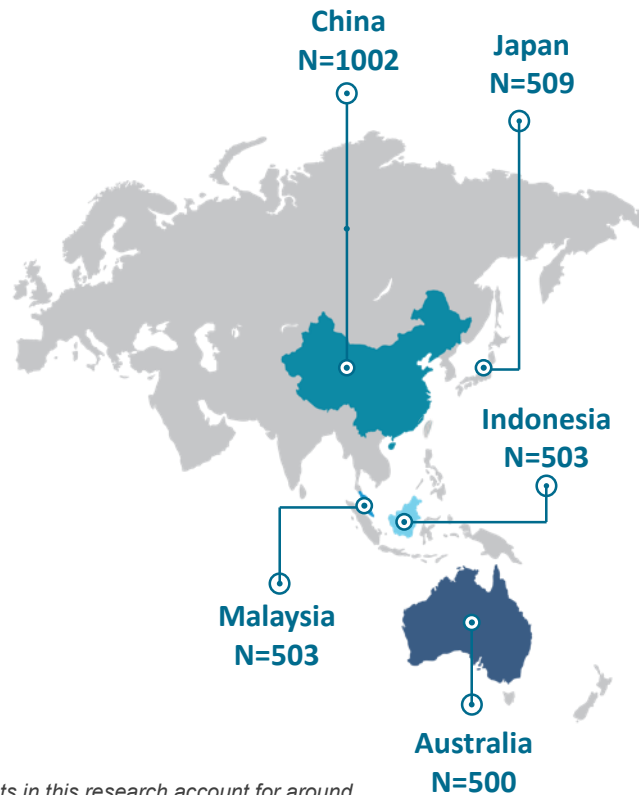
 **8,000**  
Insurance  
customers

 **Nationally  
representative  
sample**

 **14**

key life markets,  
including five in  
Asia Pacific

 Methodology  
complies with  
**best practice**  
for each market



# As the Industry Innovates, What Do Customers Think?

*Existing customer perceptions of the insurance relationship:*

The insurer asks me for a lot of personal data. I'm not sure how it will be used.



Answering questions to get my quote/claim is a real pain.



The overall claims and underwriting process makes no sense to me.



The more personal data I share, the more likely there will be a negative outcome.



# The Asia Pacific Consumer Study

## Problem

Pain points in underwriting and claims processes

Distrust in sharing personal data

No loyalty for “transactional” brands and approaches

## Takeaways

Customers expect better but don't have enough knowledge about the claims and uw process

Customers need to know “why” they should share their data

Proactive engagement for more regular customer contact

What  
has  
happened?



# How digital transformed our world?

**UBER**



Transportation  
(Sharing Economy)



P2P insurance

**amazon go**



Retail  
(Internet of Things)



Friction-free experience

**handy**



Services  
(On-Demand)



Insurance Chatbots



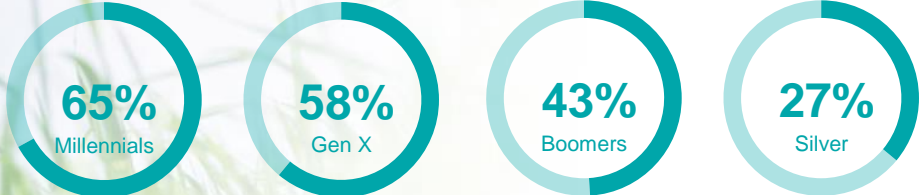
# GCS APAC | Health is the new wealth

The global market for health and wellness offerings is expected to reach **US\$800 billion** by 2020.

## Member of wellness program



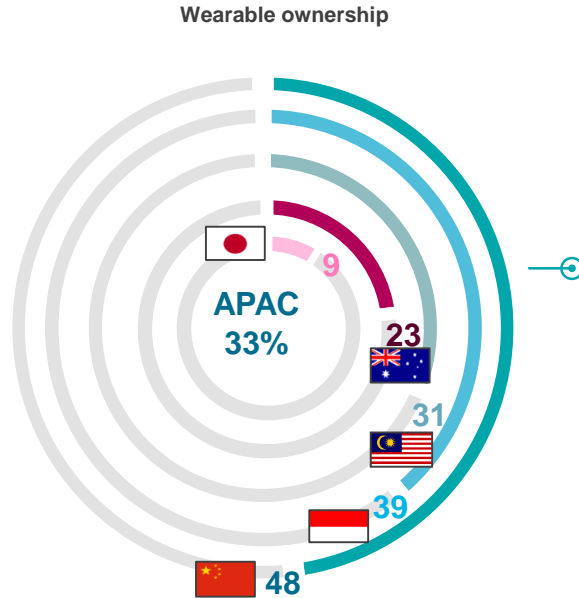
## Willing to pay a monthly fee



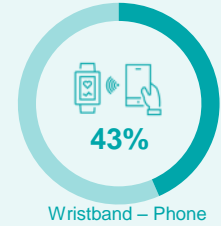
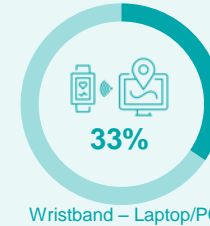
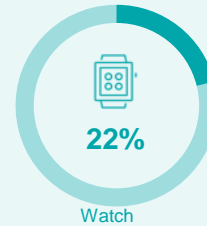
\*Source: Derived from Euromonitor

# APAC | Wearables trends spell opportunity

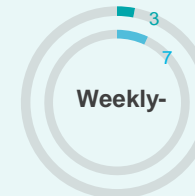
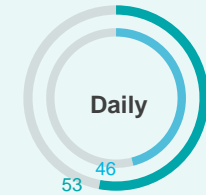
There **an increasing ownership** of wearable device, that also aligns with various industry data available.



### Wearable model



### Device checking/ data input (%)

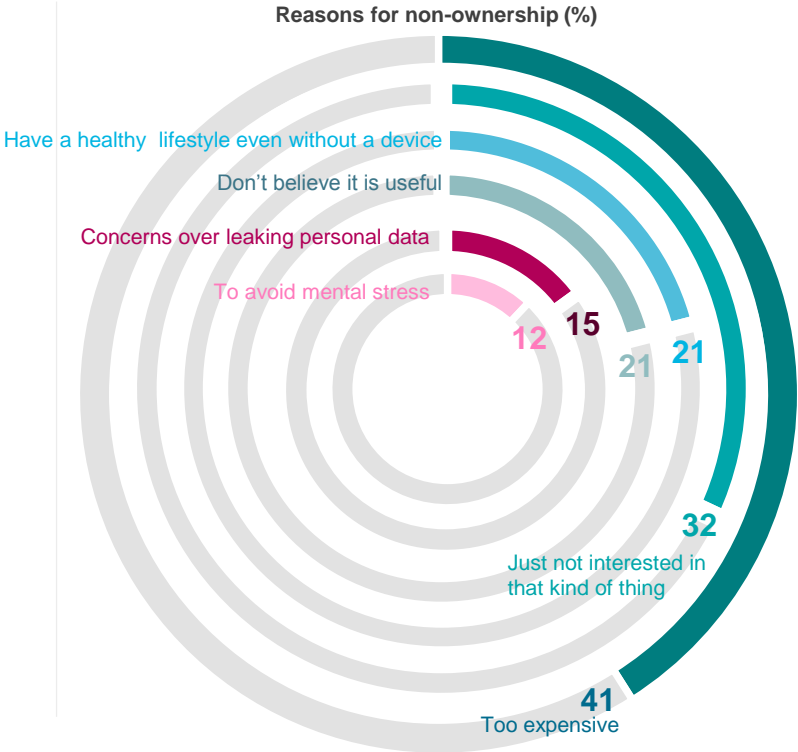
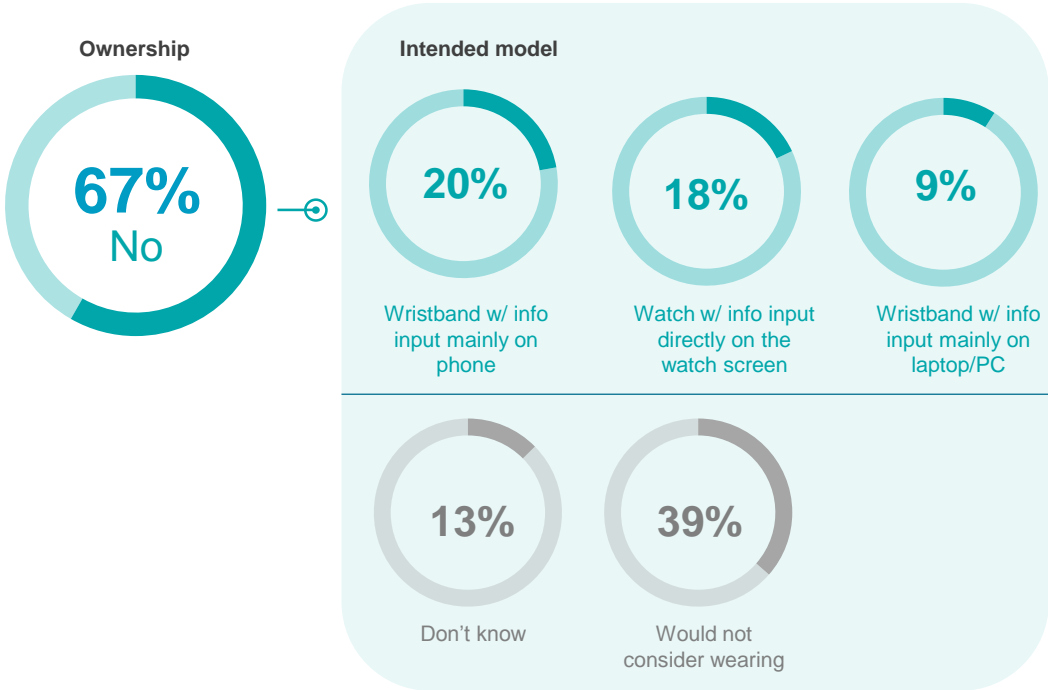


● Device Checking

● Data Input

# APAC | Interest in future wearable ownership

For those that don't own a wearable, concern for cost. However, among non owners **47% expressed interest in future ownership.**



What do we  
need to  
change?



## Implications to Customer-Centric Insurance in Digital Age

- ➔ Builds trust with consumers
- ➔ Better understanding of risk profiles with more data
- ➔ Allows consumers to interact with insurers in more natural and open way

# BIOLOGICAL AGE MODEL... “BAM”

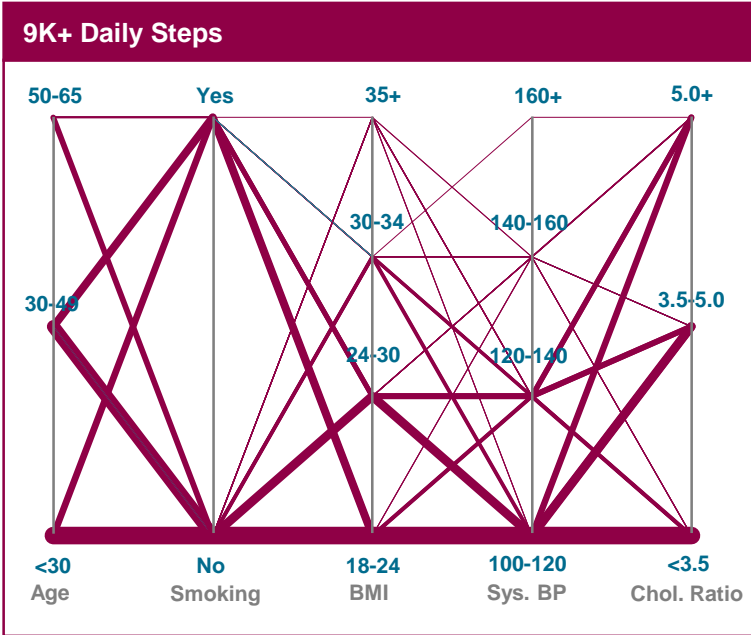
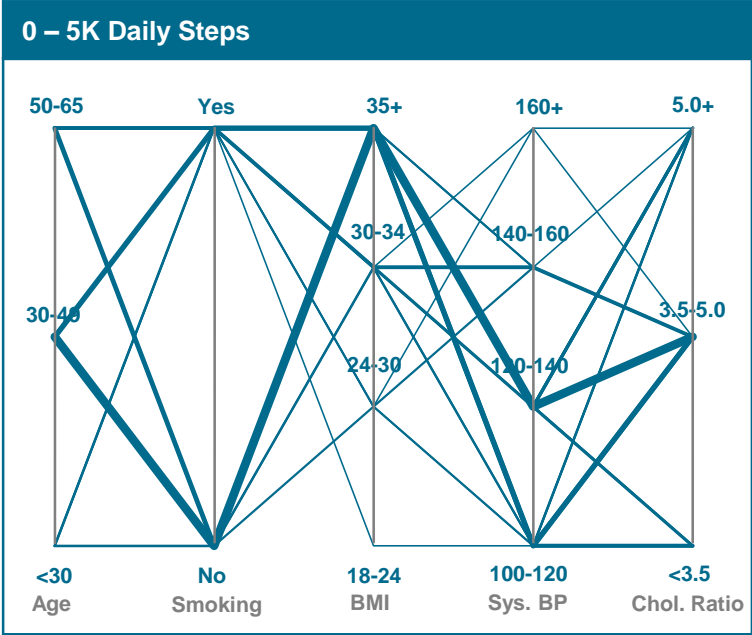


*A new risk assessment tool based on  
wearable data*



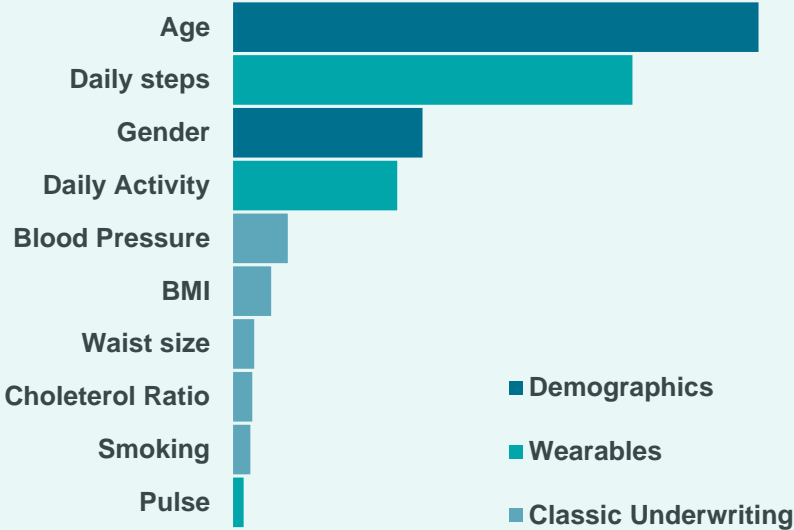
# BAM | Data behind the model

SCOR and Vivametrica partnered to develop the Biological Age Model (BAM), based on a data set curated by Vivametrica comprising personal health data on **18,000 individuals**, with a **20-year follow-up period**

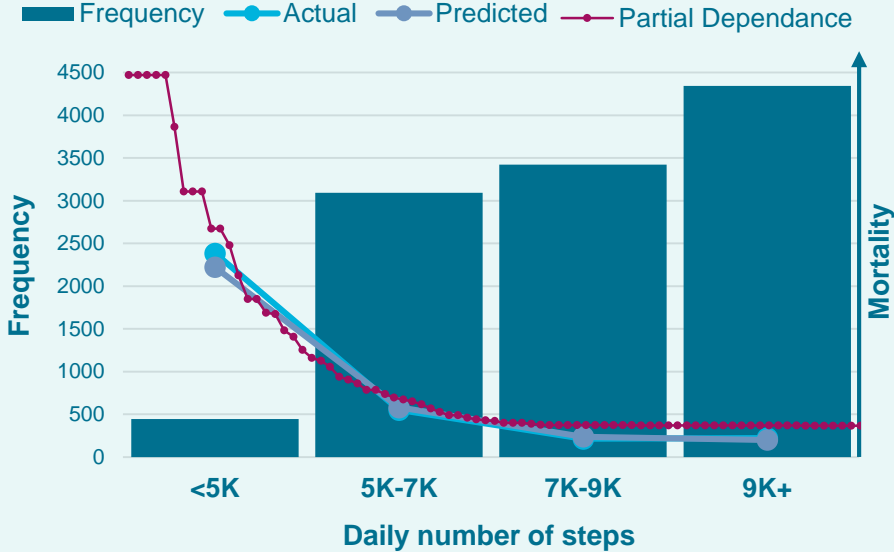


# BAM | Identifying new ways to predict health status

## Key variables in BAM



## Steep improvement of mortality and critical illness risks



Are we in the  
actuarial profession  
ready?



# APAC | 5 New Rules with Consumer Engagement

HEALTH  
IS THE NEW  
WEALTH:



PARTNERS  
IN BETTER  
HEALTH:



TRUST BUILDS  
SHARED VALUE:



LOOK FOR  
SUSTAINABLE  
SOLUTIONS:

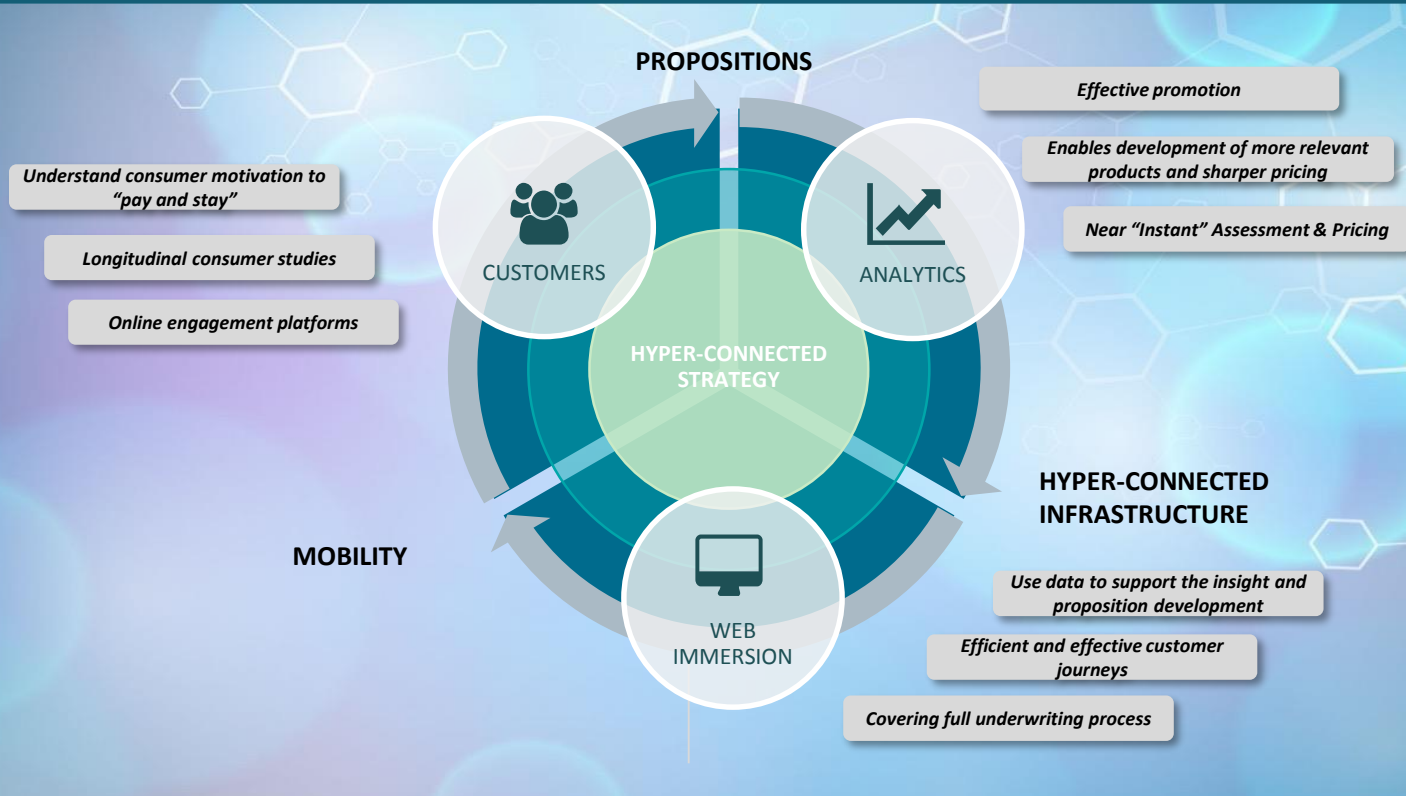


FREEDOM  
TO  
CHOOSE:



Together, forces will continue to shift the  
insurance landscape

# Need to Embrace a Hyper Connected Strategy



# THANK YOU

**SCOR**  
The Art & Science of Risk