

Published by:

**ASIA
INSURANCE REVIEW**

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Life brims with health even as disruption rages

Life business is fun. It is already turning on its head in many markets with the mantra of not just protecting your family when you die, but letting you live longer healthily. Life is beyond just savings for death or life, critical illness, risk protection or investment income. It is about making new waves to enter the health arena too.

The foot soldiers who make the army shine

Life insurers have been early embracers of disruptive technology. Today, they are leading the pack, empowering their beloved agency force with smart tools to make them better and more productive in upselling.

Having hosted the Trusted Life Agents and Advisers Awards for two years now, AIR is just enamoured by the role that agents play in the lives of the ordinary people in the spirit of selling; they are the real face, touch and feel factor of the protection that life insurance offers. They are the truly unsung heroes of the life insurance business, and we have taken the cudgels on their behalf and are also launching a separate agents and advisers website to give them more visibility in insurance. We share this enthusiasm with the industry, as when we look around, the markets with the deepest

life penetration have good, strong, bright and smart agency forces!

They dare to lead

Life is ahead in the online space, with several digital insurers fast expanding. Likewise, on the bancassurance front, life products go beyond just credit insurance sales. Life insurers are taking steps to own their customers, and hence grow their businesses by responding to their wants and needs through social media tracking. The dialogue is spinning positively.

The life business is booming also because it has many passionate leaders. Many life leaders have moved into the space of keeping their policyholders healthy, giving them credits and points and gifts for taking more steps each day, or just living healthily. Business aside, this is a wider social role that life companies play and it appeals directly to millennials who like to see socially-conscious business entities. They go out of their way to support these companies. Imagine how the world of business is changing in life, where your clients talk you up more than your ad campaigns or marketing strategies ever can. And what a blessing that will be, not just in drawing business, but also in attracting talent into the industry.

An outsider's take

The healthcare business is a natural link for life companies serious about increasing their slice of the protection pie. There are already several players, including reinsurers, looking at linking retirement and healthcare to help the elderly fund their own old-age healthcare expenses, one of the biggest nightmares of most families with ageing parents and relatives. And in the smart era, there is also telehealth, which insurers can jump into, bearing in mind that the market in the Asia Pacific is growing at 12% annually to reach US\$1.8 billion in 2020 in the Asia Pacific region.

While retirement planning would appear to be a natural fit for life insurers, companies have been very slow to get into this business, citing regulatory and RBC burdens as a turn-off. Annuities have lost their appeal to insurers, though the public, especially the cash-rich elderly with predatory off-springs eyeing that pile for their own immediate comfort, really want it to shield that wealth. There is a natural pool of clients awaiting the dawn.

Lastly, there is the view that life insurers can do more by offering portability of protection from one carrier to another, or even to allow modular purchases.

Being good for goodness' sake

The life business is booming because it does "good" well. A Pollyanna notion you think? In Asia, life is at least two-thirds of the insurance pie, and in some markets it even makes up more than 70% of the insurance market. The life business is worth some \$2,500 billion and is estimated to increase by a billion dollars a year. So take heart, it is a shining industry, where there are many winners, not just one!



Welcome to Hong Kong



Mr Gary M Comerford
28th PIC
Conference Chairman



Mr Lennard Yong
28th PIC Organising
Committee Chairman

On behalf of the organising committee, we are excited to have you here in Hong Kong and welcome you to the 28th Pacific Insurance Conference. With guests from over 19 countries, this year's prestigious conference offers networking opportunities and workshops for you to discuss current industry trends and innovations with colleagues from across Asia.

We are honoured to host over 35 industry leaders, sharing their expert opinions and experiences with you. During their presentations, they will be exploring the

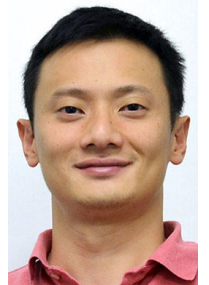
conference theme of "Our world from the outside in". We guarantee this central industry event will expand your knowledge, whilst allowing you to share your expertise with like-minded professionals, in a way that will revolutionise the industry's future in this ever-changing climate.

In addition to the conference programme, we hope you enjoy the special evening events on offer and discover the excitement of being in Hong Kong, Asia's World City. We would like to thank you for participating in this year's event and we look forward to seeing you all throughout the conference.



Startup seeks to re-write insurance

Diabetic patients have traditionally been shunned by underwriters, but things are about to change – if they have not already started. Health2Sync's proprietary platform empowers patients to manage their condition, while giving insurers a new way to assess risk and offer protection to a demographic previously considered uninsurable, says CEO **Ed Deng**.



Not only is the lack of patient knowledge and data to manage diabetes an exploding problem in Asia, the shortage of diabetes care professionals and the non-existence of a scalable method to effectively manage the chronic disease are compounding issues. Thus, it was based on this premise that Health2Sync was founded, said CEO Ed Deng, who explained that it was due to Taiwan's reputation for having one of the best diabetes care practices in the world that the company chose to set up shop there.

"When it comes to diabetes care, Taiwan is one of the leaders in Asia and provides face-to-face diabetes education through multidisciplinary teams. But in countries like Indonesia, Malaysia, or China, how do you afford face-to-face follow-ups all the

time?"

Thus, at a time when governments in Asia are seeking proven patient-centric diabetes care across various service lines, such as insurers and care providers, Health2Sync steps in to provide a scalable model of care through automation, as well as analytics for its partners to make informed decisions and to create new products and services.

No more open-and-shut rejections

On the consumer side, the platform, which helps track the individual's blood sugar level and HBA1C, makes diabetes management personalised for each patient. Meanwhile, insurers will have at their disposal a tool that can provide a value-add service in allowing clients to self-manage and reduce claims. But more importantly, the data and analytics that the startup can provide will

give the insurance industry the chance to effectively develop products for diabetic customers.

"In the past, it was either 'yes' or 'no'; and if you're diabetic, you couldn't be insured. But even among patients, different HBA1Cs mean completely different risk levels. So as a result of the data now, there can be new underwriting criteria to make developing covers for diabetes patients viable," Mr Deng said.

Dynamic pricing

He added that Health2Sync has proven clinical efficacy in helping patients reduce, control and lower their variance of blood sugar with active participation. With 150,000 registered users spanning across Taiwan, Japan, Hong Kong, Southeast Asia, and the US, the platform has been able to

help high-risk patients reduce blood sugar by an average of 20% after three months of usage. What this implies in insurance is that with the ongoing tracking and analyses of data, a diabetes patient “may or may not actually be more at risk than the average person”. As such, insurers could effectively price premiums more dynamically.

Turning back to Taiwan, the technopreneur noted that “only 30% of current long-term chronic disease patients are on some form of long-term care”. This ratio, he mooted, will diminish over time given the increasing prevalence of chronic disease and an ageing population, as government resources decline.

Therein lies the market’s pain point – an inevitably depleting government budget. On the flipside, this offers insurers the chance to step up and supplement healthcare needs, and close the protection gap.

Bridging stakeholders

And the InsurTech’s role is in between patient and insurer: enabling constant engagement with care providers and self-management of condition for the patient, while giving insurance companies the means for proper risk assessment and management in order for them to cover diabetics.

Since its debut in 2013, the company has



launched a pilot with the local Ministry of Health & Welfare to bring diabetes care online nationwide. Separately, it is working not only with Taiwanese players, such as Fubon Life, but also insurers in Hong Kong, Japan and Malaysia, with a focus on employee benefits programmes and individual health cover for diabetics.

While Taiwan’s health ministry took quickly to Health2Sync’s value proposition

because “the government is serious about solving this issue”, Mr Deng noted aligning the relevant stakeholders, including care providers and pharmaceutical companies among others in the wider ecosystem, is probably his biggest challenge as each party has its own motivations and pain points. “But whoever can achieve this first... will ensure their long-term competitiveness and be a barrier to entry.”

Agents of change

We speak to an insurer and a reinsurer on how they are pushing the transformation agenda for the industry.

Data is king

Data is key, and will drive the next big thing for life insurance.

There is an age-old saying that “insurance is sold, not bought”. There is a fundamental flaw in that belief. Having to push-sell means we haven’t understood our customer’s needs or delivered in the way required of us.

Although data holds the potential to create a vastly different model for life insurance, the challenge is to make use of new, non-traditional data sources. There is a theoretically infinite trove of data today – lifestyle, behavioural, social – which will grow with new technology and access to such information continues to increase, assuming the consumer grants permission. Yet much of this currently remains as a “unstructured data”, its value limited by legacy companies lacking the right capabilities, skillsets and teams.

When properly harnessed, data can shed incredible insight into customers’ individual needs, passions and interests – providing valuable information that proxies behaviour and risks. We will be able to create needs-based propositions that address real pain points. Claims will be frictionless; no filling of forms, with minimal or no questions asked. We will go beyond thinking of customers in terms of policy numbers and systems, and instead have a single view of the customer.

The industry must evolve to harness insights from data and drive a fundamental change in the way insurance is valued by our customers, or risk obsolescence. Insurance must be “bought, not sold”.

Mr Chris Wei, Executive Chairman, Aviva Asia & Friends Provident International; and Global Chairman, Aviva Digital



Test & learn

As the integration between technology and insurance continues to deepen, we witness even stronger competition than before, both from within and outside the industry. In this environment, innovation is key to success. But developing innovative solutions is not enough; speed is of the essence too. Insurers and reinsurers need to explore new risk pools and innovate in more fundamental ways and faster than in the past.

At Swiss Re, we tackle this challenge in our Life & Health Accelerator Group that provides a well-controlled test and learn environment to pilot new solutions and services for our clients.

Drawing upon our extensive risk knowledge, deep insight in new technology, and real hands-on execution experience, the accelerator programme is a platform to innovate hand-in-hand with our clients, share the risk, and deliver fast results and tangible solutions to the market.



Ms Sherry Du, Director, Head Accelerator Group, Asia, Swiss Re



Swinging in style

The PIC kicked off last night with a welcome reception hosted by Swiss Re, where guests networked over drinks and sumptuous treats by the pool to lounge tunes, flashing LEDs and a violin virtuoso.



Asia Advisers Network makes debut

Asia Insurance Review (AIR) has launched Asia Advisers Network (“AAN”), a dedicated online platform to meet the information needs of advisers and agency leaders at www.AsiaAdvisersNetwork.com.

This investment is part of AIR’s continuous efforts to serve the insurance industry in the region. Since the successful launch of the annual Asia Trusted Life Agents & Advisers Awards two years ago, the market has called for AIR to play

an even more active role in raising the bar and in catering to the information needs of advisers and agency leaders in the region.

Hence, in addition to the first-of-its-kind Awards, which recognises the very best advisers and leaders in Asia beyond sales production, AIR has now launched AAN to report on the latest industry news, development and expert content through multi-media channels to help advisers stay at the forefront of trends and thrive



in the era of FinTech and InsurTech.

Mr Sivam Subramaniam, Editor-in-Chief, AIR, said: “As the premier insurance publication in Asia, we take our leading role in the market seriously. Over the years, AIR has always risen to the occasion when called upon by the industry. The investment into and the launch of Asia Advisers Network is further proof of our commitment to serve the industry.”

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