

# Reinventing bancassurance through digital acceleration



The COVID-19 pandemic and resulting disruptions have accelerated the digital needs of customers and banks and insurers must provide seamless online integration and remote service offerings to build high-performing bancassurance channels, said speakers at the virtual Asia Conference on Bancassurance and Alternative Distribution Channels held in early May.

By Jimmy John



In her opening address, RGA director global surveys and distribution research Leigh Allen said that bancassurance continues to evolve as a dominant distribution channel for both life and non-life products, with the global market growing at a compounded annual rate of 6%.

Tied bancassurance was increasing across Asia, Europe and Latin America where multinational insurers are forming partnerships with local and regional banks. “As digital channels mature, banks and insurers must refine their partnerships to pool expertise and technology to succeed,” she said. She also called for an omnichannel approach to address varying levels of customer product maturity and product complexity.

## Digital bancassurance to drive growth

In his presentation on building the next-gen bancassurance RAKBANK director, bancassurance and RAKselect Amol Shah said that for



Ms Leigh Allen

this to happen the industry needs to create an ecosystem around customers.

“The reliance on branches and telesales will reduce and digital will play a significant role for bancassurance across the life and non-life segments,” he said.

Oliver Wyman principal insurance – Asia Pacific Ajit Rochlani said that since 2013 over 50 bancassurance deals have happened in the Asia Pacific region but digital bancassurance offers an opportunity for faster growth.



Mr Ajit Rochlani

“Opportunities for digital bancassurance are much higher today because of the change in digital behaviour of customers,” he said. He highlighted a number of critical elements in the sales value chain that need to be developed to drive value from digital bancassurance and these include digital sales integration, provisioning of digital content and tools for insurance presence and data-based lead generation.

“Banks and insurers must rework this model in the present

environment and tap the full potential in the market,” he said.

### Achieving a win-win bancassurance partnership

A panel discussion, chaired by AMFORCE Advisors and Consultants CEO Vikas Arora discussed the critical components and strategies needed for successful bancassurance alliances.

“Bancassurance is a significant contributor to the insurance value chain and insurers who have utilised this channel have done exceedingly well to stay ahead of their competitors,” said Mr Arora.

Highlighting their two bancassurance partnerships with Manulife on the life side and Chubb in the general side, DBS Bank managing director bancassurance Richard Vargo said that these tie-ups are driving business for the bank and with digital transformation it can now serve its customers better.

dacadoo senior vice president Asia Pacific Thomas Dijohn said that the COVID-19 pandemic has accelerated the digital thought process and consumers are super comfortable doing things online. “Banks have an opportunity to help their customers by offering health conversations into their propositions and for insurers there is an opportunity to upskill their product offerings,” he said.

### Creating synergy between banks and insurers

Max Life EVP and head for Axis bancassurance relationship Varun Gupta in his presentation said that true excellence in bancassurance can be created through deep synergies between banks and insurers.



Mr Varun Gupta

He mentioned two types of distribution synergies that can potentially multiply the number of customer conversations and conversions and these are: Tapping into insurer’s distribution to cross sell bank products and increasing insurance penetration through bank franchises.

“Banks have at-scale relationships with their customers through diverse touch points and channels and there are opportunities to



Top left clockwise: Messrs Thomas Dijohn, Vikas Arora, Amol Shah and Richard Vargo

bundle Insurance and provide a solution at the point of new customer acquisition,” he said.

He highlighted that the consumer habit of using online and mobile banking has accelerated post COVID-19, and a recent survey across markets show a 30% increase in online and mobile banking.

### Mobile bancassurance solutions

smile.direct versicherungen manager, digital eco-systems Mr Dominik Locher said that with the advent of mobile phones the customers need and behaviour has changed radically in recent times. He highlighted that digital bancassurance has a bright future for those who recognise its potential and act accordingly.



Mr Dominik Locher

Open insurance, he said, offered big opportunity for ecosystems and smile is today an integrated digital insurance partner in selected ecosystems.

Highlighting the company’s partnership with NEON for mobile bancassurance which combines mobile banking and insurance services he said, “This partnership offers users an optimised customer experience as we are offering financial and insurance products from a single source along with attractive incentives.”

360F senior advisor Martin Frick spoke about the increasing



Mr Martin Frick

importance of bancassurance as a distribution channel and called for companies to create an integrated, omnichannel customer experience.

The future, he said, will witness a paradigm shift as companies move from the physical bundling model to the virtual bundling model.

“Virtual bundling creates a unique selling proposition and flexibility by combining various existing insurance and wealth products into virtual bundles that takes minimal time to market and has a multi-policy application process built into it,” he said.

### Inclusive and digital bancassurance

Micro Insurance Company vice president Rehan Butt spoke about how emerging customers represent a strong demand for insurance products and solutions and are not served by most traditional bancassurance offerings.



Mr Rehan Butt

He said that companies need to have an holistic approach towards different segments of society and develop products that are less complicated and with minimum exclusions and in the local language.

“We need to get the concept right and target a range of customer segments with basic products and gradually grow them in terms of complexity and also deploy a multi-channel approach,” he said.

The two-day event, with the theme, ‘Bancassurance reinvented’, was sponsored by dacadoo. 