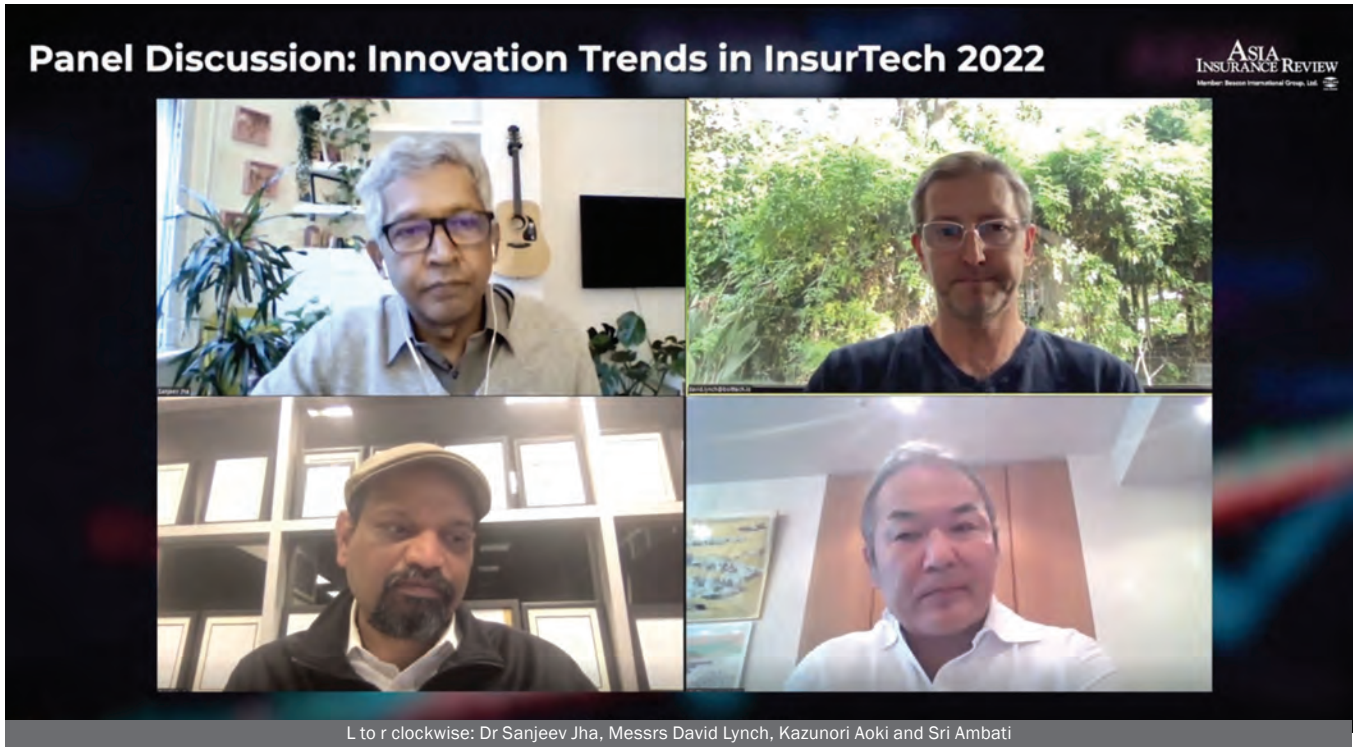


Laying the groundwork for the future



InsurTech has risen to prominence over the last decade and while it has disrupted insurance, it has also brought the industry to the cutting edge of technological advancement and laid the groundwork for the adoption of future technologies.

By Amir Sadiq



The rise of InsurTechs over the last few years has laid the foundation for the insurance industry now to do a lot of very interesting things, said ZA Tech head of commercial and InsurTech Asia Association president George Kesselman during his opening address at this year’s Asia InsurTech Conference.



He said that fundamental changes are starting to happen as product innovation combines with technology innovation to drive big, underlying change in how insurance is being done.

Looking forward, he expects more changes to come, particularly to larger and more complex products, and that it is crucial for all players to embrace the change and disruption that InsurTech is bringing.

Things that InsurTech can address

During his keynote address, EY partner and Asia-Pacific Nexus for Insurance leader Glenn Rogers talked about some of the challenges insurers face that InsurTech can address.



“Typically, around the world, there is a large number of legacy systems which has a real impact on a business’ ability to function in a timely manner in terms of speed to market for both the customer and operational support. There’s also a real challenge around the ongoing maintenance costs with ageing technology,” he said.

He also looked at some things different stakeholders are most concerned with:

- Customers want a digital platform where they can review new

products and see what coverage they have and the terms of the policy that they have bought as well as the progress of the claims they may have.

- Agents and brokers, who typically work with many clients, want to be able to understand for each of their individual customers which company they are insured with and what policies they have and be able to support any claims processes.
- Product owners within an insurance company are typically constrained by lengthy times to market. They want solutions that allow products to be built and reviewed faster so that they can get them out to market as quickly as possible.
- CIOs want to know if their tech is fit for purpose and if it is not, how they can modernise it in a cost-effective manner to get greater ROI.

Simplifying L&H

One of the main criticisms of life and health insurance is that it does not engage customers regularly enough and dacadoo Asia Pacific senior vice president Thomas Dijohn said that to do so, it is important to have multiple ways to engage with them, while making sure the solutions are simple enough for them to understand.

Over the years, many insurance companies have launched digital health solutions to address this issue and brought up some examples of the clients dacadoo has worked with over the years and the solutions they have implemented.

“What these solutions all have in common is that they are very much aware that to engage different people, you need to have different touchpoints. Not everyone wants to do the same thing. Not everyone wants to do challenges. Not everyone wants to get rewards,” he said.

At the same time, all the solutions interpret health data into a health score which helps to simplify health for the majority of people who might not want to think about the finer details of their health tracking.

“It’s important to make understanding health very simple. Take all the data and give a person a holistic view of their total health and make it a real-time number so that when the consumer does something



Mr Thomas Dijohn

favourable or unfavourable, the number changes and they can learn from what they have or haven’t done and understand that they are entirely in control of their health,” he said.

Not ready yet?

One technology that has been touted to be a major disruptor, and is heavily fuelled by data, is AI. With the availability of data constantly increasing, and data being collected by sensors seemingly everywhere, Swiss Re global analytics business partner Yannick Even said it is estimated that in a few years, one-third of data will be available in real-time through sensors.

He said the sensors are not only collecting data but can now also act on it based on the AI embedded into them, and he expressed uncertainty as to whether insurers are ready for all that data and insights to be available in real-time.

“There is still a long way to go to transform the way we serve our customers and process data in this new world, but it’s very clear that the frontrunners in adopting AI and having a clear data and analytics strategy, harvesting the full power of the data they have access to, are already outperforming the followers,” he said.

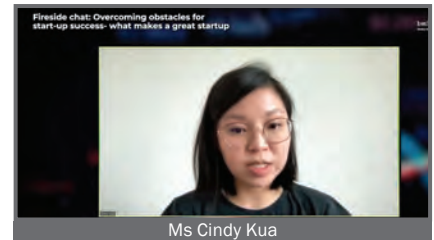
While being able to harness all that data and turn it into actionable insight does have a lot of potential value, there are also a number of challenges that need to be overcome.

He said the quality of the data remains an issue in addition to the lack of taxonomy among insurers to harmonise different types of data. “A lot of time is spent to search for and curate the data and not enough to clean and prepare the data so it can be leveraged by the talents in the organisation,” he said.

“But we see a lot of focus from the industry so this is starting to happen and hopefully insurers will start to get more and more value as they are more focused on getting it right.”



Mr Yannick Even



Ms Cindy Kua

How does a start-up find the right investor?

During a fireside chat, InsurTech Sunday Ins co-founder and CEO Cindy Kua spoke about the importance of finding the right investor the right investor for the start-up. Noting that Sunday is a full-stack InsurTech, she said the type of investor she looks for and attracts are quite different from start-ups that do not carry an insurance license.

She said the start-up does not only attract venture capital, which could be there just for a return on equity, but also strategic investors who might have an insurance roadmap integrated within their longer-term business strategy and are looking for the right partner to work with.

Touching on the two most important things to consider in an investor, she said, “Firstly, based on my business model, we are capital intensive so I need to choose an investor who shares the long-term view with us and will be following us through every single round so long as we deliver.”

She said the second type of investors are potential strategic partners – industry players that are looking to transform into an ecosystem platform and want to integrate insurance into their business as either a source of revenue or way to add value to their customers.

The Asia InsurTech Conference took place virtually on 27 and 28 April 2022 with the theme of ‘Winning with disruptions: Getting the edge through InsurTech’ and was organised by *Asia Insurance Review* and sponsored by dacadoo and EY. 