

Where does the pursuit of digitalisation lead?

The insurance industry's pursuit of digitalisation pushes on even as the hype around disruptors fades. But where are insurers' investment dollars being channelled and what exactly are they looking to achieve? Are some parts of the insurance value chain more equal than others? We seek out a few insurers and an InsurTech for their views.

By Dawn Sit

Manulife's MOVE towards simplicity

Digitalisation is critical across the entire insurance value chain, both for great customer on-boarding and outstanding ongoing service experiences. For this reason, Manulife Asia chief information officer Mark Van den Broek said the company's digitalisation spending and efforts are focused on being able to provide innovative services and frictionless digital solutions along the entire customer journey – from acquisition and on-boarding through to servicing claims and withdrawal.

"Around Asia, we have implemented innovative digital solutions to serve our customers better. Our health and wellness programme, Manulife MOVE, is an example of this. Launched in 2015, MOVE was born from a simple premise: Create something that is simple and intuitive for our customers, which motivates them to get more

active, in a way that allows them to be rewarded. It is available in Hong Kong, China, Philippines and, most recently, Singapore," he said.

The insurer has also channelled its funds into other notable initiatives including an electronic point-of-sale solution to simplify the sales process for its intermediaries; a simplified e-claims smartphone application as well as WeChat claims in China; an auto-underwriting engine that processes straight-through eligible applications without manual intervention; and GradMaker, a direct-to-consumer solution for parents to plan and save for their child's education needs in the Philippines.



Mr Mark Van den Broek

Prudential aims for AI to support its workforce

"Digital technology has always been an enabler to support our business processes and customer engagement functions," Prudential Corporation Asia chief executive Nic Nicandrou said. "We are investing GBP300m annually in technology across Asia over the next three years as we further digitise our business across the entire customer life cycle, from acquisition and on-boarding, to servicing and claims payment."

To provide a more seamless experience for its customers, the insurer has tapped AI heavily for solutions, such as an upcoming initiative to allow customers to submit their medical invoices while 'the AI will scan them and look for words that identify the treatments they have had, examine the costs and compare the information against our database, allowing [Prudential] to settle their claims within a day'.

"Across the region, around 60% of all our new business is submitted electronically and 51% auto-underwritten. In China, Hong Kong, Malaysia and Indonesia, we are able to process new business cases straight through and issue e-policies within two hours, if not in minutes. In Singapore, with the launch of our fourth-generation point-of-sale system, we can generate quotations in seconds. Chatbots to handle customer and agent queries are also now being used in four of our markets – Hong Kong, China, Singapore and Vietnam," he added.

Mr Nicandrou also emphasised that the company's investment in technology has not led to neglect of its agency force, who he noted 'have become more productive with the use of digital tools'. "In China, our mobile policy application process has reduced customer on-boarding time from five days to 30 minutes, and we also saw an increase in our agency productivity by 17% last year. Our 'askPRU' chatbot in Singapore, which provides our agents with real-time information specific to their customers' life insurance plans, handles over 80% of agent queries, and this has helped drive their efficiency," he said.

Meanwhile in Indonesia, agents are equipped with an all-in-one marketing and activity tool that streamlines their activities. Called PRUForce, Mr Nicandrou said the tool provides interactive online training for agents on the go, and allows them to access critical information such as commission estimates, product summaries and corporate information quickly and accurately. "PRUForce has the capacity to support the thousands of agents we recruit in Indonesia every month, reduce their onboarding time from around 20 to just two days, as well as strengthen the productivity of our overall agency workforce," he noted.



Mr Nic Nicandrou

MetLife opts for pragmatism for the long haul

MetLife's digital investments focus on four main areas that include distribution, front- and back-end processes, data analytics, and innovation. MetLife Asia senior vice president and chief information officer Stephen Barnham said, "We agreed early on that for every \$3 of expenses the company can save, \$2 will be reinvested in digital efforts. We have been using this process for three or four years, investing up to \$300m a year to modernise our foundation and leapfrog the industry with good returns."

Pragmatism, he said, is central to the company's digitalisation approach and as such, it has prioritised its funds across three 'horizons'. These horizons focus on 1) improving foundational standards and driving savings across the enterprise; 2) initiatives that drive a competitive advantage for the company, many of which are funded from the savings derived from the first horizon; and 3) disruptive innovation opportunities often emanating from outside the company or industry including among others, strategic partnerships with leading tech companies and collaborations with academia, 'MetLife Digital Ventures' which is a \$100m co-investment fund, and Singapore-based innovation centre LumenLab.

While customer acquisition is certainly an important aspect of its digital strategy, Mr Barnham said MetLife's aspirations are broader – it wants to 'redefine the customer experience'. The customer experience is multi-faceted and so the temptation to focus solely on

customer-facing enhancements is short-sighted and must be resisted. He added, "We're also looking at how digital integration can enable us to reach our customers through their preferred channels. For example, in China, we have full integration and straight-through processing with WeChat and can offer 20 service functions through WeChat's mobile app, which provides 24/7 service across branches in 24 cities, as well as enabling us to serve and support customers in remotes provinces."

But MetLife has not taken its eye off its intermediaries. "Distribution, including through agents and advisors – is a key focus of MetLife's digital strategy. Over the last two years we have taken significant steps to transform our distribution channels driving productivity and efficiency. Like consumers, our distributors have come to expect us to be accessible anytime, anywhere and want their interactions with us to be effortless and seamless."

"With more of our salesforce wanting to interact with us digitally, we also launched the MetLife Career Agency Portal, a multi-lingual mobile platform that gives agents access to a wide array of resources and capabilities to educate, enable and inspire them through their career cycle. The device-agnostic platform is among many steps we are taking to empower career agents," Mr Barnham said.



Mr Stephen Barnham

InsurTech my-insurer makes the case for digitalisation efforts to be centred on intermediaries

Contrary to the oft-heard call for insurers to make insurance a product that is bought and not sold, my-insurer managing director Regine Lai emphasised that insurance 'needs to be sold' to the consumer. The rationale that people are generally reluctant to buy insurance is due to the fact that consumers are unable to see where the value lies in such an intangible product. As such, Ms Lai highlighted that the value proposition in insurance lies not in the product, but in the service – advisory and claims – to be rendered by an insurance company's sales force.

"When it comes to insurance distribution, agents remain the primary channel with the highest penetration. They bring about tremendous value creation to consumers who are still unmotivated to buy insurance, and prefer to be hand-held through a complicated and long-term purchase commitment," she said.

Insurance buying does not just come down to simpler products. "There's only so much you can simplify a life product. What is essential is a trusted advisory channel,"

she added. However, when it comes to industry players' digitalisation goals, she noted that most insurers choose mainly to develop direct customer acquisition platforms, with little resources dedicated to enhance in-house customer relationship management (CRM) solutions.

A robust CRM platform is able to provide multiple touch points between agents and their customers and prospects, she said, allowing insurance intermediaries to nurture and build stickiness in relationships *post* acquisition.

"In fact, an ideal tool would be one that can eventually be scaled up to an ecosystem that can enable agents to promote, build their business, and acquire customers – and is insurer-agnostic. To do this, insurers can leverage InsurTech solutions to optimise, rather than replace their existing infrastructure," Ms Lai added. ▣



M Regine Lai



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