Rapid Product Launch

The Asia Perspective

Sharing with you today...

Louis Lee
Actuary &
Insurance Evangelist

On-Demand Insurance – the *New* Segments
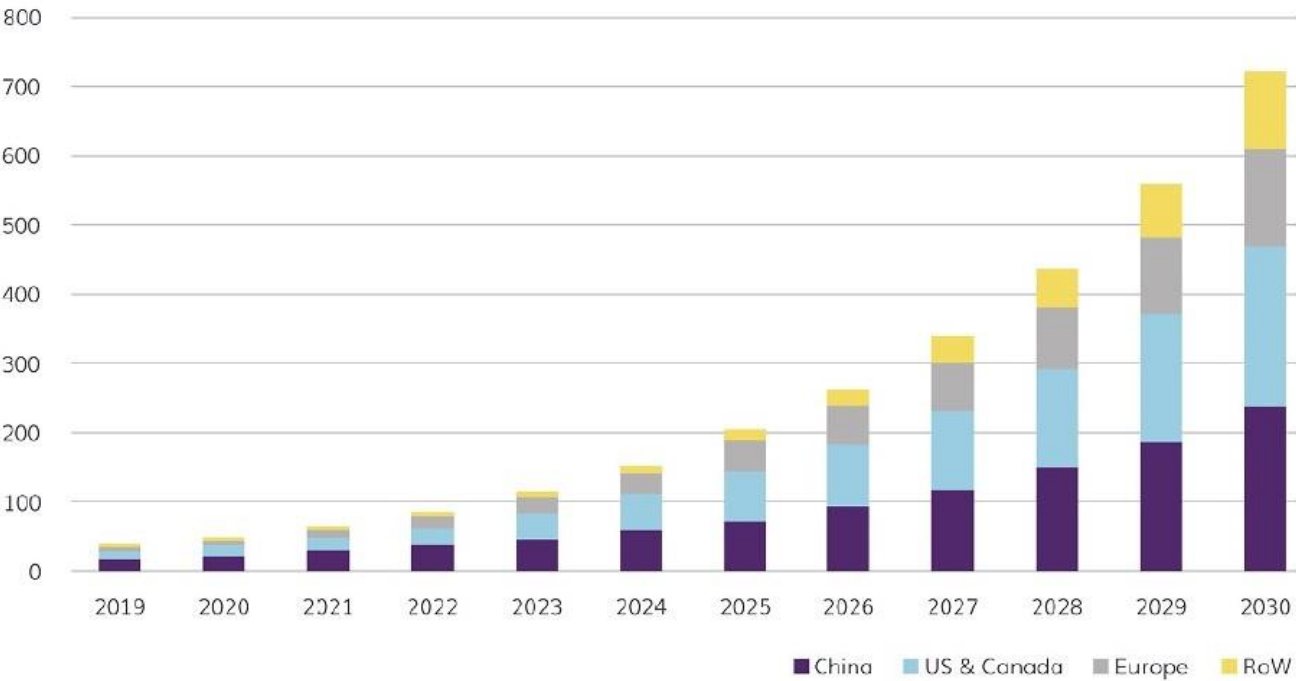Capturing the Protection needs for the lifestyle trends of the *next* decade

1 Travel – Living with Covid

2 Snack Everyday

3 WFH

4 Gig Worker

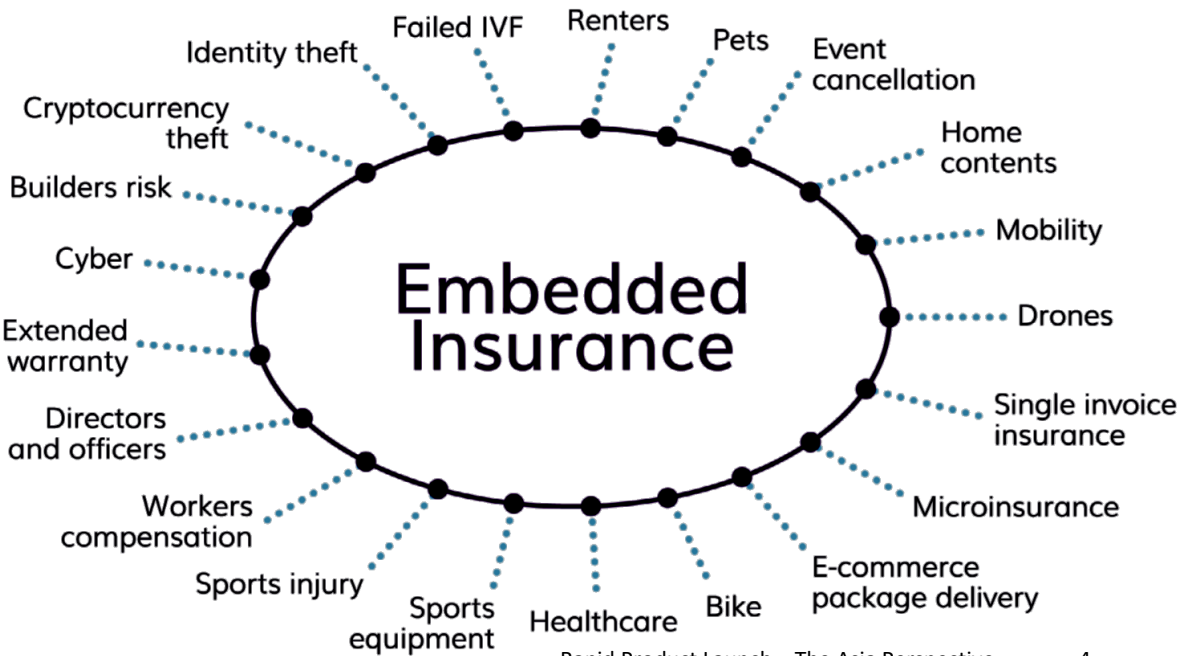**5** Entrepreneur

6 Web 3.0

Embedded Insurance – Growing to >USD 700 bn+ by 2030

Embedded Insurance is the right thing at the right time, is here to stay and is going to be huge

Embedded Insurance Forecast, W'wide P&C, GWP $USD bn

Source: Simon Torrace Dec 2020

Purpose of On-Demand and Embedded Insurance

<<Insurance is sold, not bought.>>

or is it?........

- **Constant Interaction and Engagement with the Digital Consumer**

- **Closing the Protection Gap for Customers and their Things**

- **End-to-end, Frictionless, and Contextually-relevant Customer Experience**

- **Newer, Better Products, providing Differentiation and Growth**

Embedded Insurance – Who are the Players?

Embedded Insurance is eco-system involving the Digital Consumer, Marketplace, Insurer, and Tech provider

Digital Consumer Persona

Buying Behavior
Transparency is no longer an option; consumers are demanding more information about the products

Preferred Channel
Digital channel is a must; many consumers will research online even while purchasing in-store

Changing Protection Needs
Many are unaware of the protection gap or uninterested in insurance; protection gap on medical and critical illness grows due to higher medical cost inflation

Partner Marketplace
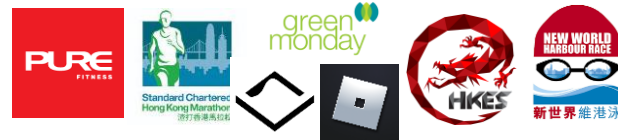

Service Provider & Manufacturer

Retail Platforms

Loyalty Programs

Lifestyle & Active

Insurer

Partnership Incentive	Proposition
Cost per Acquisition	Product Design
Strategic Fit	Customer Journey
Marketing Co-investment	Servicing

Technology Stack

Campaign Management	Product Factory	UW & Rating Engines	Core System & Admin	Payment Gateway	Auto-Claims Engine	Conversational UI	Data Lakes

Common Pain Points *pre* Rapid Product Launch

- **Cost of Investment**

  Legacy Systems | New Digital Platform needed | Partner APIs | Rapid Product Launch modules

- **Volume & Profitability**

  Small ticket size | Low volumes | High expense ratio

- **Risk Appetite & Governance**

  Uncertainty of Product Benefits and Claims | Unknown Risk Capacity

- **Internal Capabilities & Motivation**

  No expertise in Digital Products | Commercial Lines focused

- **Prioritization, Time & Commitment**

  Extremely tight resources | Busy on current projects

- **No Value Alignment**

  Clear CLV for Digital Products | Lack of CRM or Customer360 strategy

5 Pillars of Successful Rapid Product Launch

Launching Products is more than Product Development – it requires a common Purpose and vision, and to enable with an agile approaching, combining Technology, Process, Governance, and People.
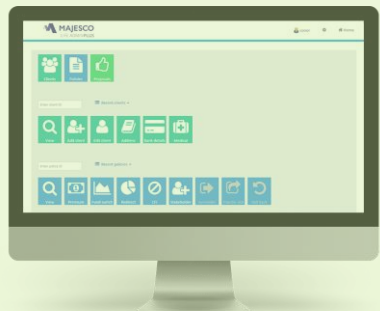
Product Fit

- **Go-to-market** for Digital products with a Product Market Fit approach for the Digital customer

Digital Platform

- **Flexible** platform for on-demand and byte-sized features to enable **Scalability**
- **Customized Campaign Builder** functionality
- **Low Code** configuration with robust engine – reduce reliance on IT resource

Key Enablers

- **R&D** style **alternative** pricing approach for new innovative products
- Global Repository of **pricing** & **experience data**
- **Fast** Underwriting STP & Policy **design templates**

Governance

- **Simplified** and **Streamlined** product and pricing approvals
- Dedicated **"Risk appetite budget"** concept with regular automated Risk Monitoring
- **Delegation of Authority** for micro and on-demand Digital products

People Culture

- Elevate the **Purpose** of Digital Products to the grand company vision
- Cultivate **Growth mindset** and **Fail Fast Learn Fast** culture
- **Special Squad** for Digital Product launch, comprising for product developer, marketer, pricing, underwriting, platform, front-end developer

Product Fit

The Purpose is to generate **frequent** and **on-going** interaction with customers

Digital Products such as **On-Demand** and **Embedded** are best fit for Rapid Product Launch

Product Fit Case #1 – Insurance that can Spend

A Savings Insurance product linked to a Visa card to Spend

SINGLIFE   now

Spent CNY 240.80 at Tabao-online on
11 May, 15:30.

Common Vase

CNY 240.80

Singlife Account – an Endowment Product which you can **Earn**, **Protect**, and **Spend**

- **Earn**: 1% pa return with additional Bonus interest
- **Protect**: Life insurance coverage; Retrenchment coverage
- **Spend**: Singlife Visa Debit Card to spend anytime

No lock-in | No FX fees | Zero annual charges
Partner with Railsbank to enable e-payments

Singlife Account at a glance

INSURANCE SAVINGS PLAN
Capital guaranteed with no hidden fees or charges.

EARN UP TO 1.0% P.A.
Start earning with a minimum of S$500. No gimmicks, just pure savings.
LEARN MORE →

INSURANCE BENEFITS
You get life insurance coverage of up to 105% of your account value and retrenchment benefits.
LEARN MORE →

SINGLIFE CARD
Indulge in your retail therapy with our complimentary Singlife Visa Debit Card.
LEARN MORE →

NO LOCK-IN
You can withdraw your money anytime via FAST with no costs and no minimum term required.
LEARN MORE →

EASY APPLICATION PROCESS
Just download the app and sign up – a few minutes is all it takes.
LEARN MORE →

Within its first 3 months of launch, over **50,000 downloads** and had SGD100 million assets under management.

Since then, >**220,000 people** have downloaded and opened the Singlife App, with over **SGD 1 billion** in assets with Singlife.

Product Fit Case #2 – Useable Insurance benefits
Earn with purchase embedded in daily life expenditure, at minuscule cost

Products include Term life | Critical Illness | Personal Accident

Pay premium of **$0.3-$0.7** each time by **selected lifestyle triggers**:

Meal (Burpple) | Public transportation (EZ-link) | Exercise (Fitbit)

Accumulate sum assured over time, annual coverage.

SNACKUP BY INCOME

Imagine building up coverage without paying for it! SNACKUP brings together your favourite brands to gift you a minimum of $100 complimentary insurance coverage every time you spend on them with your Visa cards, regardless of your transaction amount. No strings attached!

7,359,300

Total SNACKUP insurance coverage given as of today

BRANDS THAT CARE

Start building up insurance coverage with our SNACKUP brands below!

UOB EVOL
$100
free insurance coverage for every spend on UOB EVOL
Learn more

REVOLUT
$100
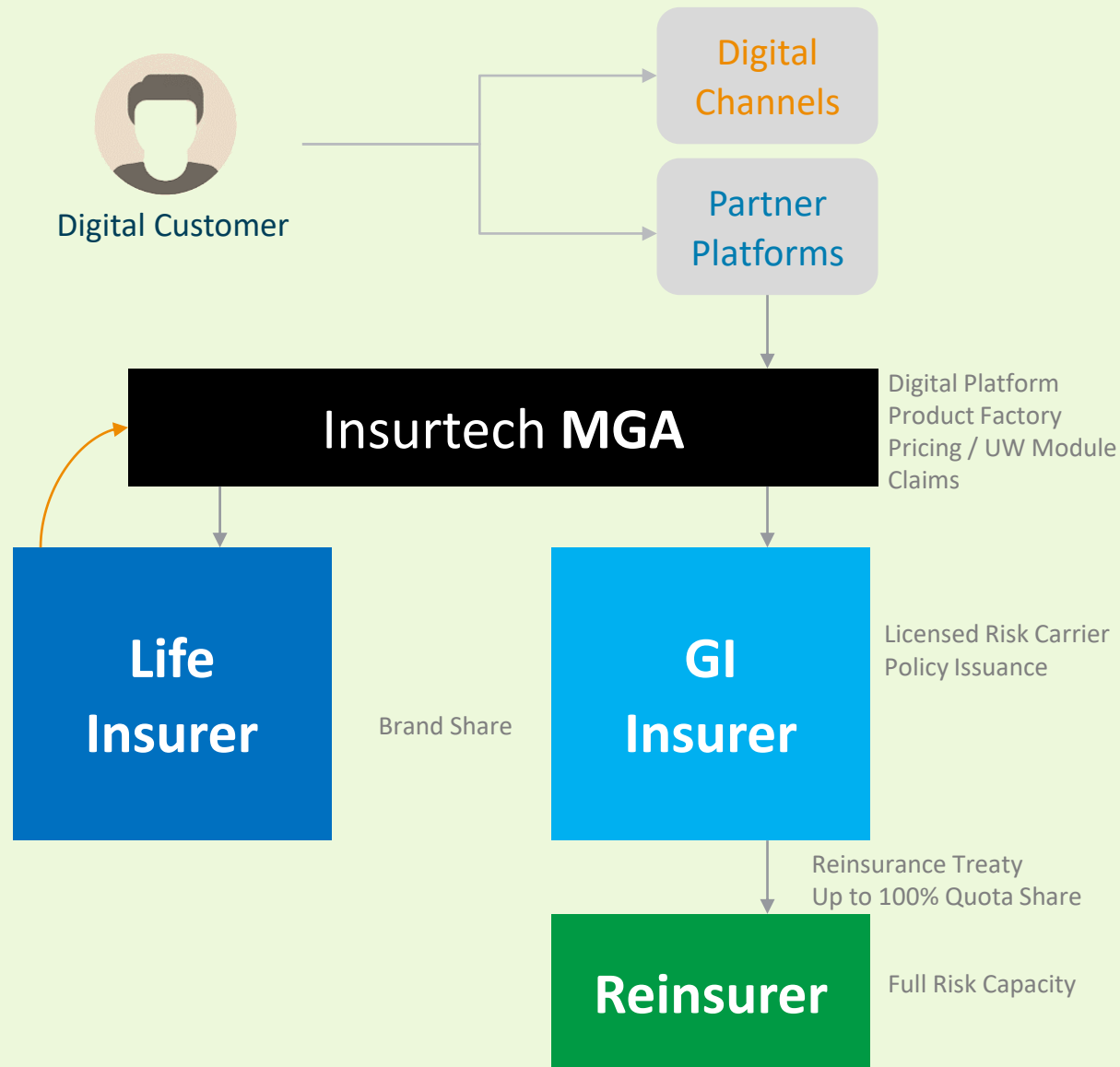free insurance coverage for every in-store spend on Revolut
Learn more

FOODPANDA
$200
free insurance coverage for every spend on foodpanda
Learn more

60,000 *downloads* within 6 months of launch, **21,000** *user accounts*, and **90,000** *policies sold*, with **SGD42M** of *sum insured*

Next Generation Operating Structures for Rapid Launching Digital Products – MGAs

Digital Customer

Digital Channels

Partner Platforms

Insurtech MGA

Digital Platform
Product Factory
Pricing / UW Module
Claims

Life Insurer

Brand Share

GI Insurer

Licensed Risk Carrier
Policy Issuance

Reinsurance Treaty
Up to 100% Quota Share

Reinsurer

Full Risk Capacity

MGA (Managing General Agent) **manages the underwriting function** for an insurer acting always as agent of the insurer and not that of the insured.

MGAs typically develop insurance programs **tailored to specific business types** or coverages. By focusing on a niche business type, MGAs can develop deep expertise on the risks faced by these entities and how to best address their needs

MGAs may **undertake all the functions** and services for customers in the **same way an insurer** would, except they do not bear risk nor manage regulated capital.

In effect, the insurer is **delegating its pricing and underwriting authority** to the MGA. There are specific **regulations** (differ by jurisdictions) on the functions of MGAs.

YAS is a Next Generation Insurtech which is a blockchain enabled platform, which is solving the current insurance painpoint of being slow, complicated and expensive.

Solution: **Simple**. **Affordable**. **Flexible**. 4 ways to make this happen:

FAST
Our decentralized blockchain makes the whole process so much faster, from the application to the claims process.

FLEXIBLE
Real-time coverage lets customers decide when and where they need insurance all from the convenience of their phone.

AFFORDABLE
Efficient insurance means cheaper prices all around. Our smart technology offers better coverage at a much lower price.

LOVING
We treat all our customers with the same attitude our products are built on, with love and positivity.

YAS links insurance with the activities of everyday Hong Kongers – Bus riding; Hiking; Biking; NFTs just to name a few

Tech Features

1. **YAS INSURANCE APP STORE** – An open API marketplace for insurance to plug and play
2. **LOYALTY** PROGRAM – points system for users to earn and redeem prizes
3. **CUSTOMISED CONTENTS** – massive content tailored for users
4. **AUTO CLAIM BOT** – Chatbot claiming process for better user experience
5. **DIGITAL WALLET** – pay and receive payments
6. **COMMUNITY ECOSYSTEM** – merchant promotions and rewards programs
7. **GPS** – On-demand protection – location tracker for specific activities and events (Insurance Protection)
8. **BLOCKCHAIN** – YASS (Smart Contract including insurance policies, claims, and payment details)
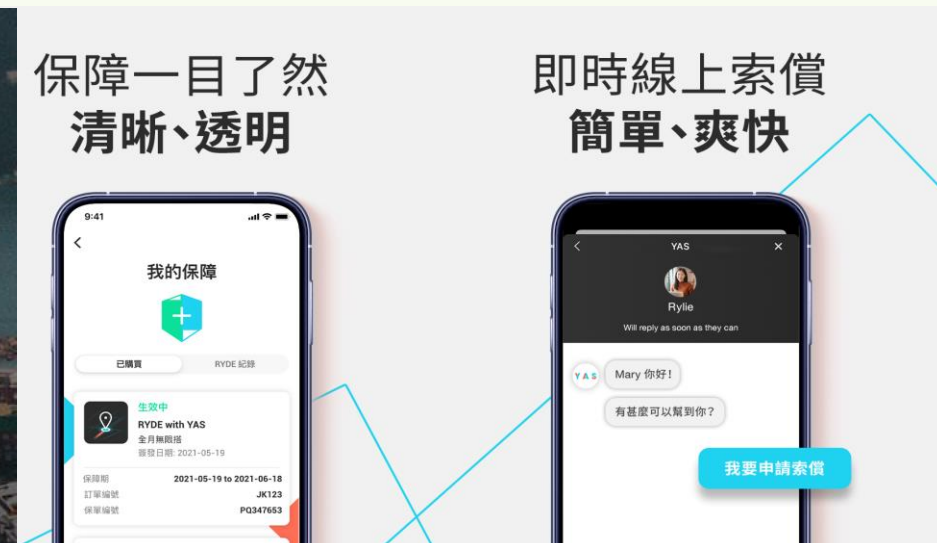
Example #2: CareVoice | Bluum

CareVoice (Bluum) is a leading health tech company driven by the mission to help health insurance more human, helps insurance company tackle four major pain points:
1. Low quality of customer engagement
2. Lack of product differentiation
3. Reliance on traditional sales channels
4. Limited ability to extend tech value-chain

PRODUCT INNOVATION
Affinity product opportunities with digital experience & go-to-market execution, helping insurers to reach untapped markets with speed

| 1	2	3	4
Market Research	**Product Design & Technology Implementation**	**Go-to-Market**	**Operations & Sales**
Extensive and rigorous targeted market research and product prototype validation	Benefits & pricing, Tailored digital journey, Efficient insurer integration	Branding & messaging, SmartChannel partnership & activation, Digitized sales tools and processes	Digital customer service, Preferred medical network, Direct billing & online claim processing

TECHNOLOGY ENABLEMENT
CareVoiceOS is the first healthcare operating system for insurers, creating an ecosystem that transforms member experience and positively impacts member behavior
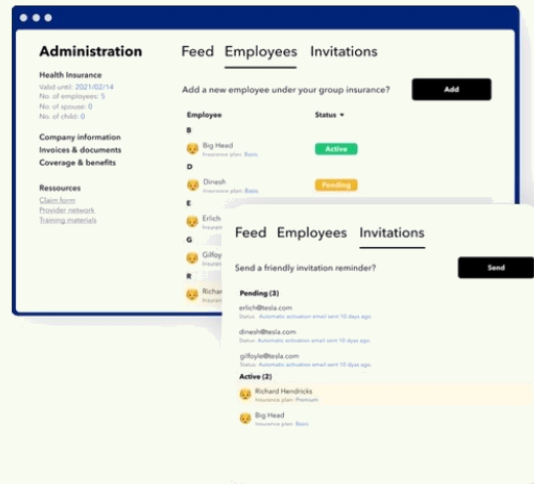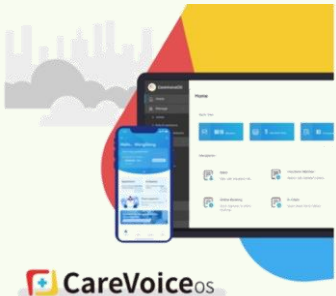
Use Case Example

Generali partnered with **Bluum** to create a SME Group Medical Insurance product "Bluum Team", covering team size of 3-100+, no health declarations, connected eco-systems of Healthtech services, and providing a dashboard for SMEs to administer to program.

Core Hospital & Surgical Benefits

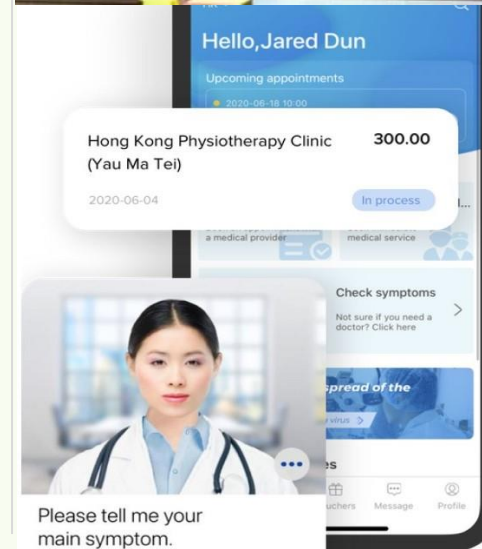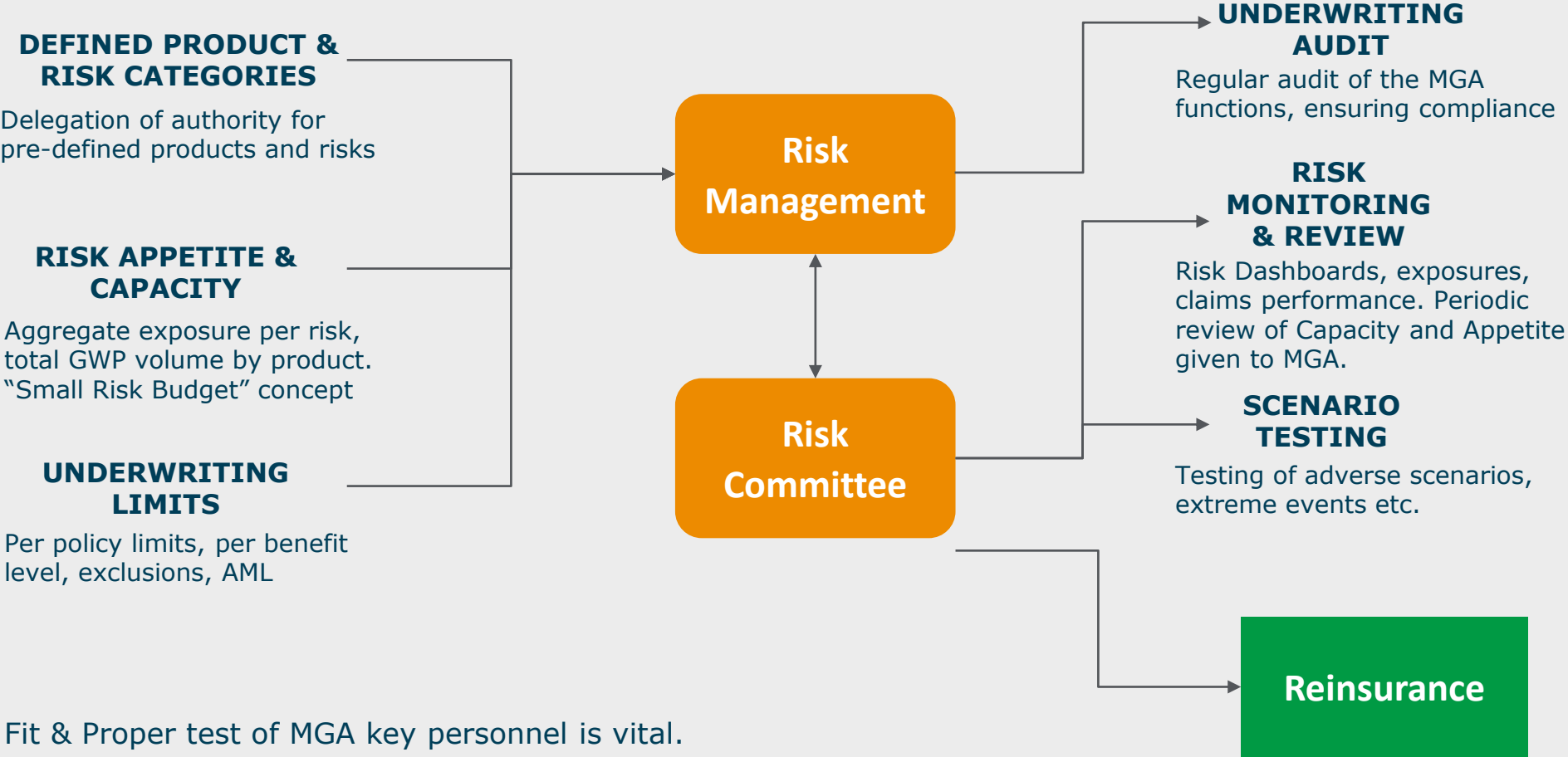|		
Comprehensive Protection	Annual inpatient coverage of up to HK$ 750,000 with no confusing sub-limits	
Financial Support	Up to HK$ 2,000/day hospital income and cash Benefit	
Global Coverage	Worldwide Emergency Assistance Program to assist you anywhere you go	
Extended Benefits	Organ transplant, cancer treatment, renal dialysis, psychiatric treatment and more	

Risk Governance and Risk Mitigation

The Risk Framework of a MGA is typically governed by the following:

DEFINED PRODUCT & RISK CATEGORIES

Delegation of authority for pre-defined products and risks

RISK APPETITE & CAPACITY

Aggregate exposure per risk, total GWP volume by product. "Small Risk Budget" concept

UNDERWRITING LIMITS

Per policy limits, per benefit level, exclusions, AML

Risk Management

Risk Committee

UNDERWRITING AUDIT

Regular audit of the MGA functions, ensuring compliance

RISK MONITORING & REVIEW

Risk Dashboards, exposures, claims performance. Periodic review of Capacity and Appetite given to MGA.

SCENARIO TESTING

Testing of adverse scenarios, extreme events etc.

Reinsurance

Reinsurance capacity for specific products, and/or overall XOL or aggregate stop-loss

Fit & Proper test of MGA key personnel is vital.

Product Development & Technology Enablement
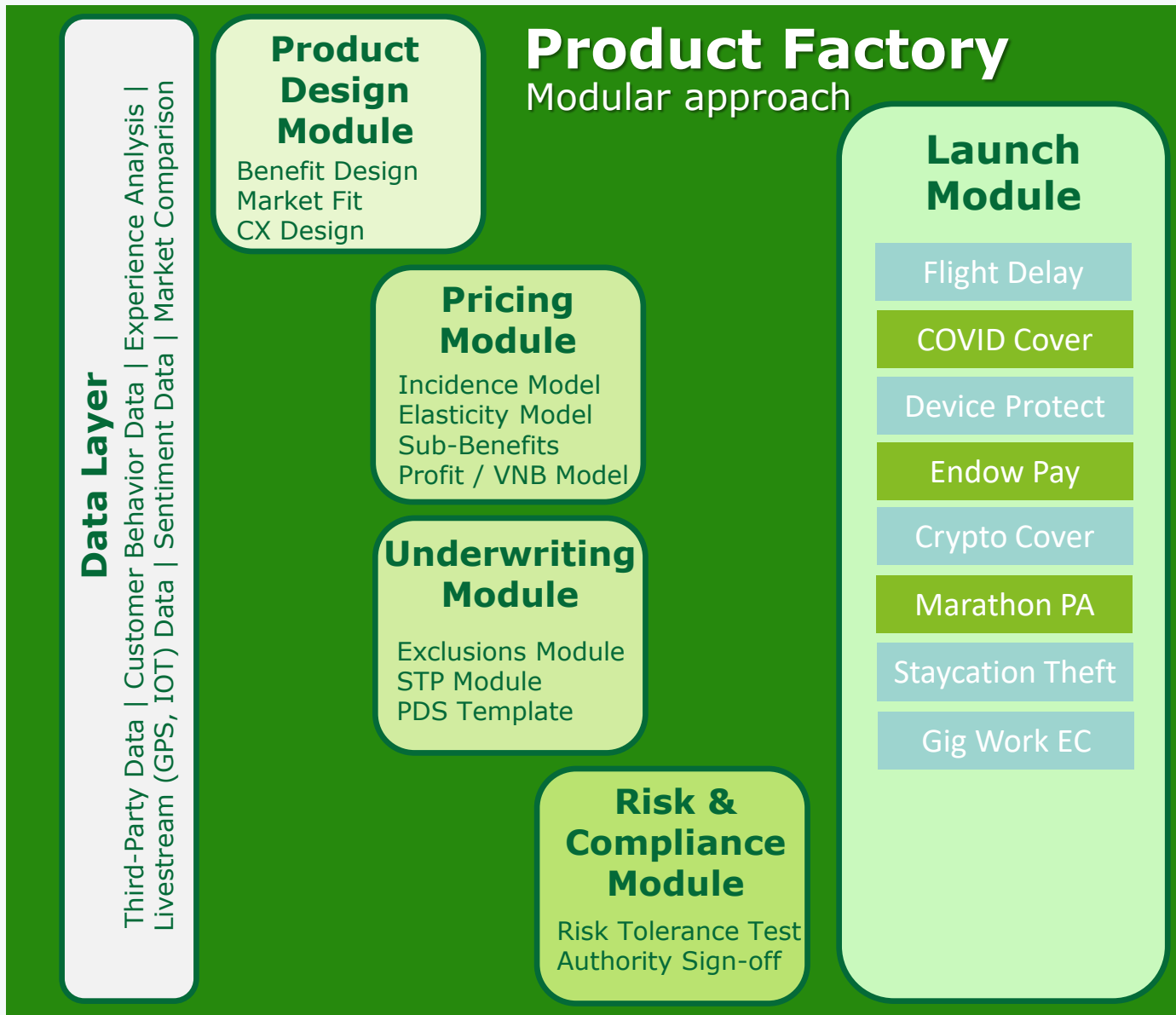
Re-imagine the way insurance Products are developed

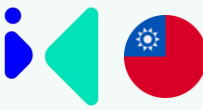***Modularized*** approach to Development

Separate the Dev Cycle and the Launch Cycle

Product Factory Architecture illustration

An all-in-one integrated system allowing End-to-End product, from creation to launch – Decoupling the Development process with Launch Process
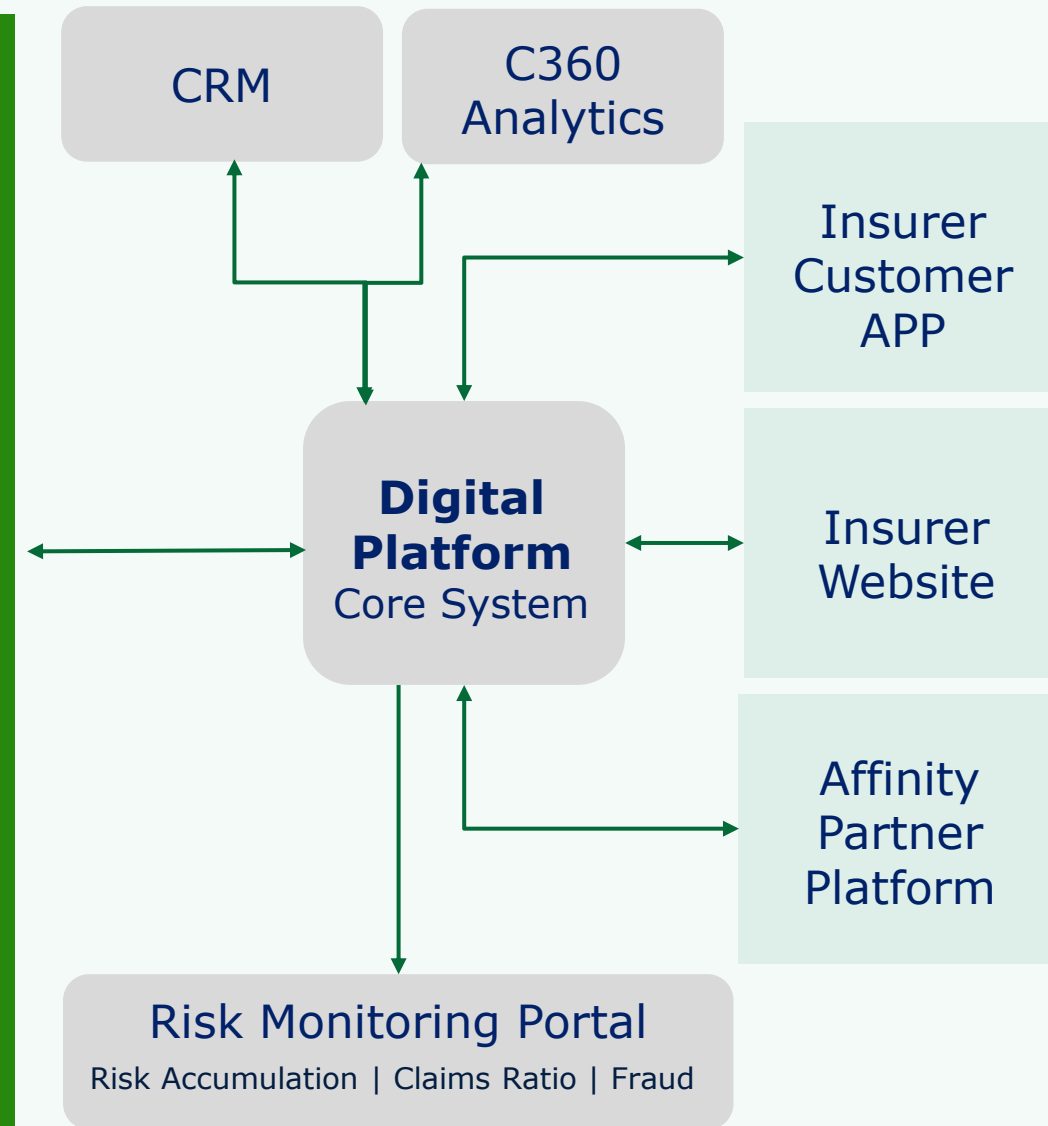
# Technology Enablement Use Case #1: IXT

IXT is an End-to-End insurance enterprise platform which…

Solution: Agile and flexible Core System – customizable to be python based or No-code

Fast and Easy to use without the need of a large IT team:- Launch products, update pricing, configurable underwriting, auto-payment of claims

New features such as Campaign management, Operational workflow, Analytics and Reporting. All API enabled.
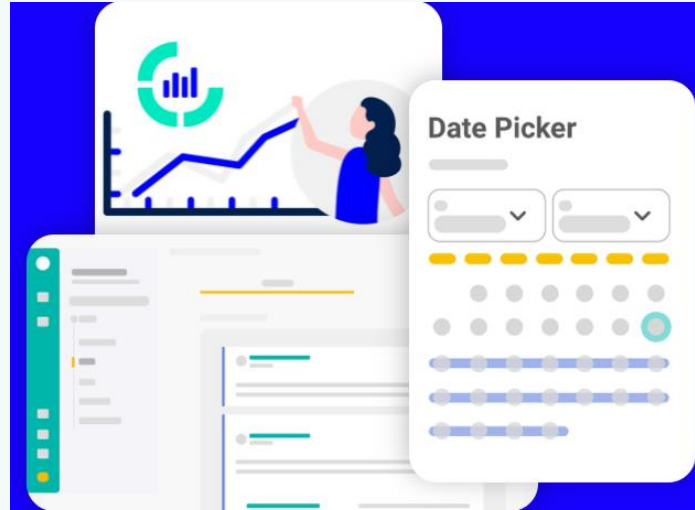
Streamlined Approval Workflow

Easily make changes on even the most complex cancellation, lapsation and recission cases with streamlined workflows and configurable refund calculation rules.

Underwriting Automation

Streamline underwriting and policy issuance by configuring automated underwriting rules.

Analytics Dashboard and Report

Drill down on policy-specific business intelligence to make informed decisions on what products to offer.

Insured Risk Profile

Increase case management effectiveness with a complete view of an insured subject's underwriting risk factors.

Auto Renewals

Manage renewals with ease using IXT's built-in automation logic.

Complete Activity History

Ability to view all policy activity history and stay on top of all policy changes.

Use Case #1   Cigna

Cigna Taiwan partnered with IXT as its digital insurance core system provider. The IXT solutions will enable the leading insurer to better meet a growing demand for digital user journeys as well as to bring new products to market faster.

The IXT platform will help Cigna Taiwan provide **on-demand** customer experiences, including **instant quotation** and **digital policy management**.

The IXT modern core system works in parallel with Cigna Taiwan's existing systems and **enables configuration of new products quickly** and reduction of operating costs through automation. Cigna Taiwan launched an accident insurance product on its new digital platform, the first under the partnership.

IXT core insurance system adopts a persona-based design and **integrates seamlessly with existing systems**. The solution helps Cigna Taiwan further its digital transformation by overcoming legacy constraints, **shortening product launch cycles**, and significantly reducing operating costs.

Use Case #2 第一保

First Insurance has chosen IXT's modern core insurance platform to drive digital transformation at the leading 60yo insurance company in order to help boost its technical capabilities and to meet its **evolving customer expectations** with new technologies.

Under the multi-phase collaboration, First Insurance will adopt a full range of IXT's core insurance technology solutions — from **product configuration** to **claims management** — with the objective of replacing its legacy processes.

Powered by IXT's APIs and modern technologies, the platform will enable the insurer to **integrate** new services and **data from its ecosystem partners** to create more value for its customers. First Insurance will be able to expand its customer base through improved user experiences, break into new markets, and achieve cost savings through greater operational efficiency.

Technology Enablement Use Case #2: MIC Global

MIC Global is a Simple and Smart End-to-End insurance platform for embedded insurance for the Sharing, Gig, and Platform companies.

They can create custom insurance products designed specifically for your customers' needs in order to attract new customers while increasing loyalty, and increase retention from your existing ones. They feature quick, easy, and seamless integration with your product or platform.
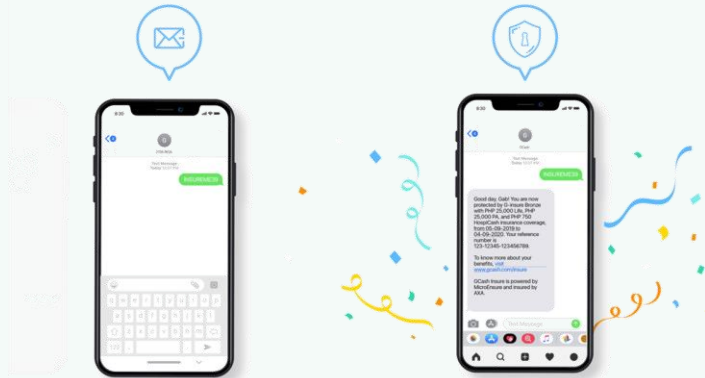
Product Collaboration   **Launch and Embed**   **Seamless Customer Experience and Fast Claims**

Use Case #1   GCASH INSURE
Digital Wallet Philippines

Provide Life microinsurance products eg. Term Life; Personal Accident; Hospital Cash to GCASH subscribers

How to get Insured with GCash!

Text **INSUREME39**
to 2158-9628 (for Globe users)
& 22565-9628 (for non-Globe users)

Get a *text from GCash confirming that **you're INSURED!**
*after 1-2 days

MIC Global provided the technology to:
1. Designed to Digital Product for GCASH
2. Created SMS based digital channel for direct enrolment and payment gateway
3. Established a outbound call centre to assist customers

✓ Increased Customer Sign-up, Voluntary Renewals, and CLV via insurance cross sells

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Use Case #2   Airtel
Telco x Insurance India

Provide Life insurance embedded as part of the mobile credit top-up, use of airtime, and mobile wallet

₹249
Unlimited Packs
Pack Details

Data	2 GB per day
Calls	Unlimited
Validity	28 Days
SMS	100 per day

Additional Benefit(s)

Rs 4 Lakh Life Cover
Rs 4 Lakh Term Life Insurance Cover from HDFC Life / Bharti AXA

Airtel TV Premium
Zee5, HOOQ, 350+ Live TV Channels, 10k+ Movies & more

New 4G Device cashback
Buy a new phone & get upto Rs 2000 cashback

Norton Mobile Security
Validity: 1 YEAR
Enjoy mobile security & cloud backup

Wynk Music
Free unlimited music download

RECHARGE NOW

MIC Global collaborated with Airtel on:
1. Designed loyalty based products whereby clients got free insurance in return for specific behaviour like topping up or reaching a certain number of transactions
2. Leveraged the fact that people "wake up worried about the risks they face" to get clients to change their consumer behaviour

Results

✓ 13 million people opened a mobile wallet
✓ Active customer number 45% higher than industry average
✓ 50% became active customers

Use Case #3   IOT Home Security

Microinsurance products offering warranty around their product, doorstep parcel insurance and property cover to their customers based on the their solution and process

MIC Global provided the support and technology in the following ways:

1. Even with security systems, unfortunate events happen and users are out of pocket

MIC Global designed products to provide reimbursement to cover for minor issues and

2. Lots of claims fall within the deductible range, so users pay for these small issues

MIC Global created a **NoQuiblz app** to provide a process that allows claims to be resolved easily as part of the customer journey

# Technology Enablement Use Case #3: REIN

REIN is a tech platform which allows insurers and distributors to create and launch digital and embedded insurance products **swiftly**, making it **simple** and **scalable**.

It features Accelerated time-to-market; Embedded Distribution; and Data-powered underwriting. It enables easy integration with current customer management system, and flexible APIs enable quick development and access. It also handles both technical and regulatory complexity.
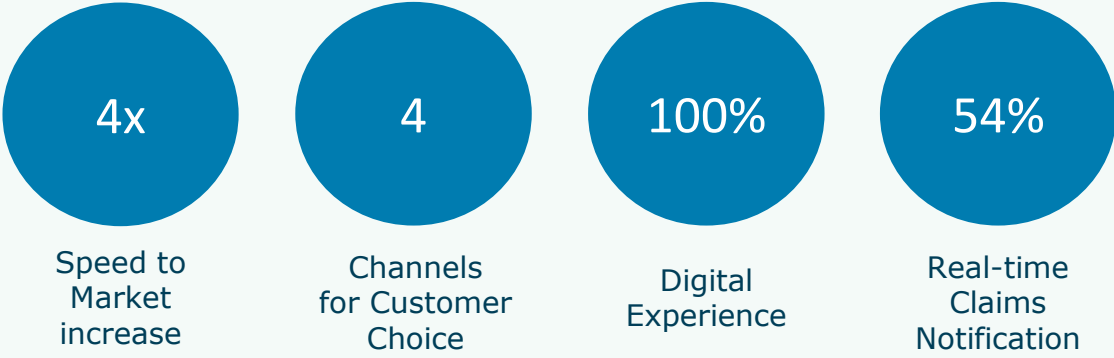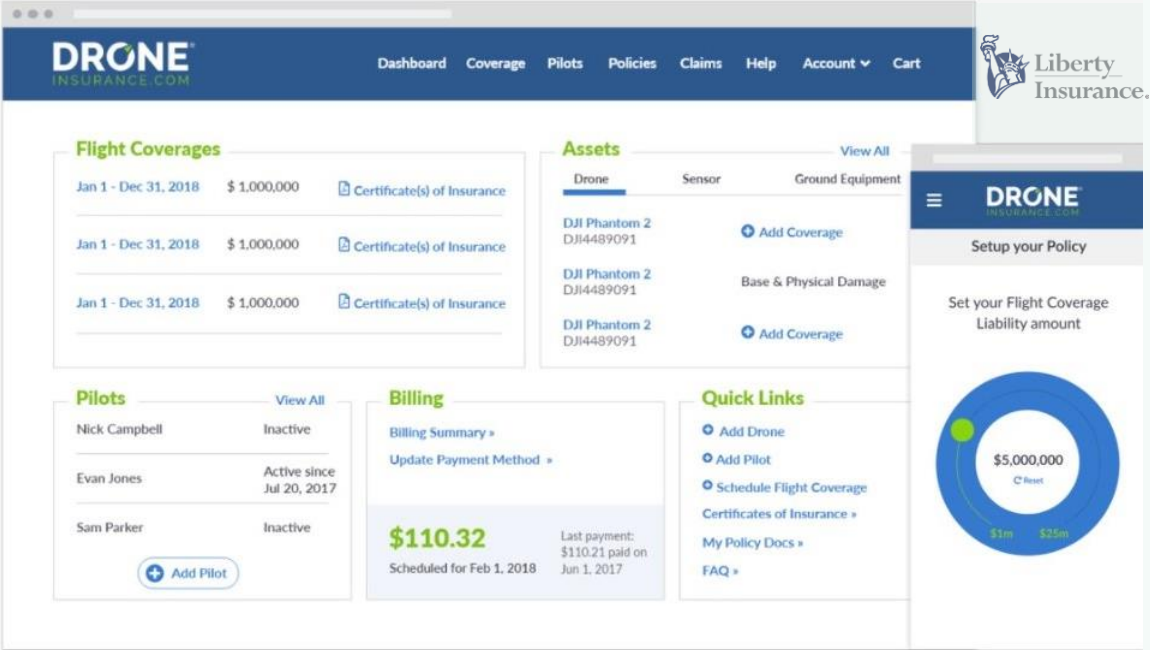
CONFIGURE　　　**LAUNCH**　　　**EMBED**　　　**EXPAND**
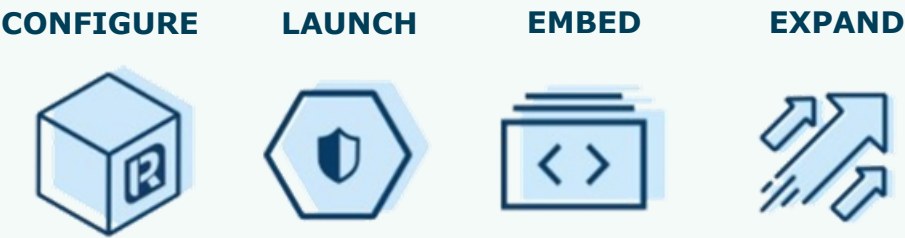
REIN modularized platform
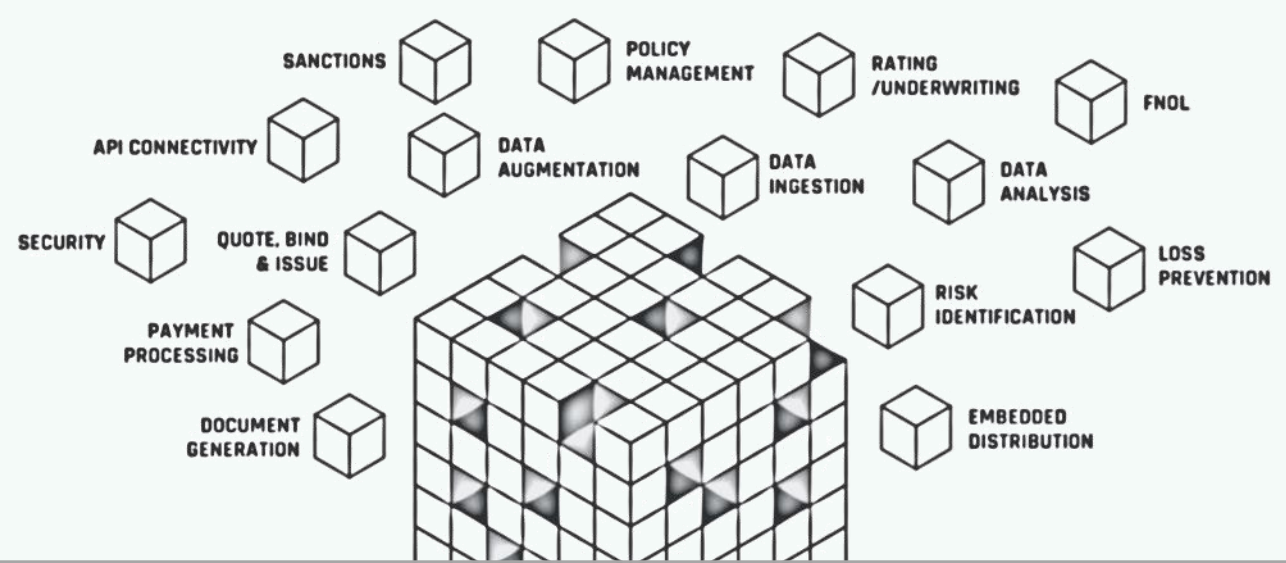
Use Case Example

Liberty Mutual leveraged the REIN platform to fill a gap in the commercial drone insurance market by launching an **on-demand drone** insurance program designed for drone operators

4x	4	100%	54%
Speed to Market increase	Channels for Customer Choice	Digital Experience	Real-time Claims Notification

Where do *Actuaries* play?

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