

Redefine • Reshape • Rethink



Joint Regional Seminar -- 2012

MOVING MINDS:

Who will grasp the opportunity in the Asian insurance industry of the future?

Mark Saunders

Managing Director, Towers Watson Hong Kong &

Managing Director Asia Pacific Region,

Insurance Sector and Risk Consulting & Software Practice Leader

TOWERS WATSON 

It's hot and there's a lot going on ...



Purpose

- Take some time out of the weeds...
- Share views, thoughts, insights and experiences
- Provoke/confrontational?
- Challenge the conventional
- Stimulate creative thinking
- Consider fresh perspectives
- Inspire ... or, at least, one valuable takeaway!

Food for Thought

Some food for Thought

Moving Minds

EVOLUTION

or

REVOLUTION

Lots of

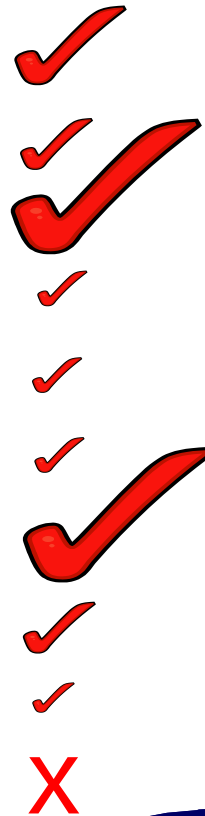
**CHANGE
OPPORTUNITY**



Redefine • Reshape • Rethink

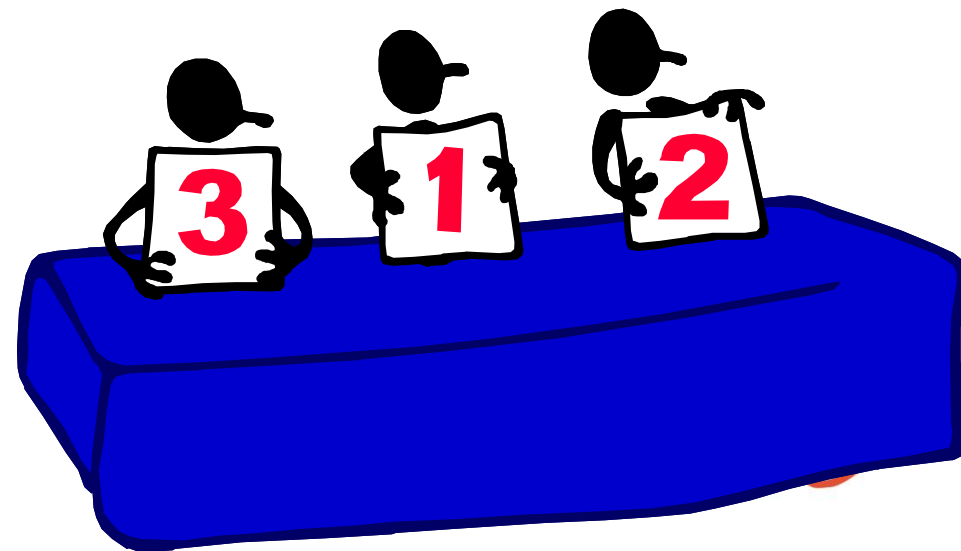
1989: Ten “opportunity for growth” thoughts of a naïve young actuary new to Asia

1. Segmentation/targetting
2. High Net Worth
3. Bancassurance
4. IFAs
5. OTP and Direct
6. Disclosure and Fee-based
7. UL
8. UWP
9. Annuities
10. Preferred lives



Customer
Distribution
Products

Servicing



More evolution than revolution...

But that was 23 years ago ... what about “now”?

Trends.....the “common” influencing factors...

GFC	Divestitures/ Withdrawals
S2	Catastrophes
Euro	Demographics
Risk Management	Distribution
IFRS/IAS & Disclosures	Efficiency
Asian Growth	Product

3 Themes

A

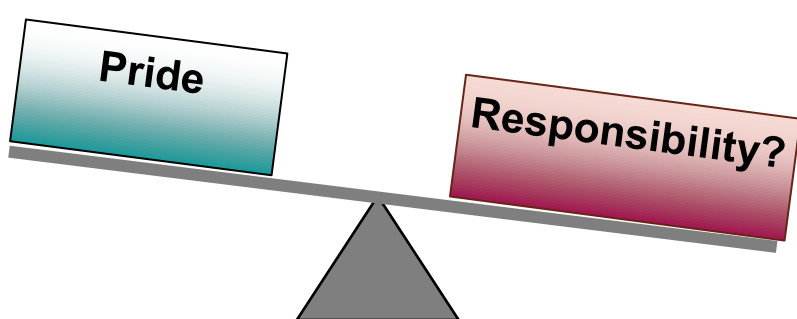
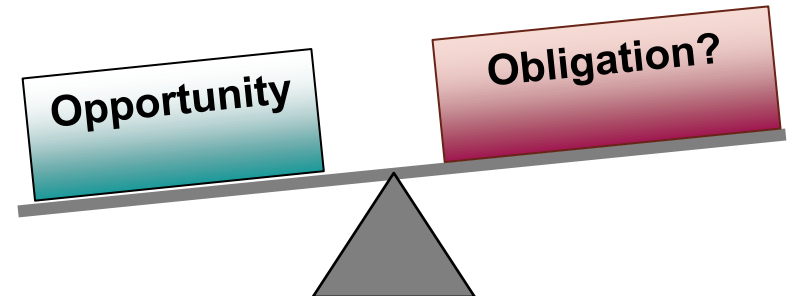
**Awareness +
Appreciation**

C

**Customer-
focused**

A

Ageing



Our Objectives?



1. Do well by doing good



2. Live long and live well



3. We can make a difference; so let's move minds

Provide for people's needs ...

...through PULL rather than PUSH ... ?!?



A New World?

K	E	O	R	N	B	N	C	I
A	G	T	L	J	P	Q	B	I
K	E	R	A	F	V	X	B	D
W	Z	P	E	S	T	E	R	X
K	A	O	L	F	O	N	S	H
M	E	O	D	N	H	N	Y	T
O	Y	O	L	N	J	D	E	O
Q	E	K	A	B	B	N	B	I

Yes! It's a New World!



Six Broad Directions for insurers....

Game Changers

Nichies

Incrementalists

NOW

**Fast
followers**

Survivors

.....OR?

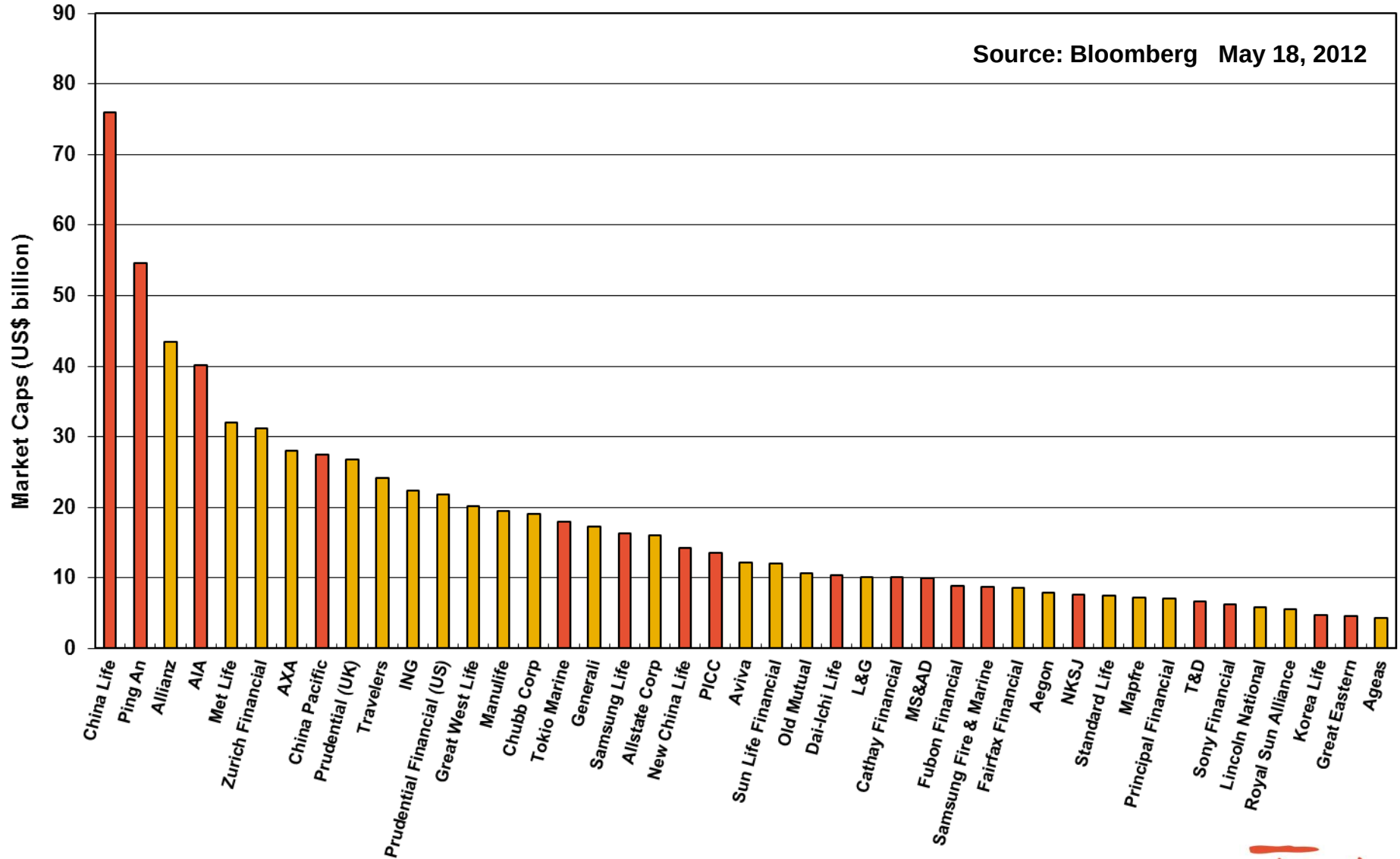
Dinosaurs...

TOWERS WATSON 

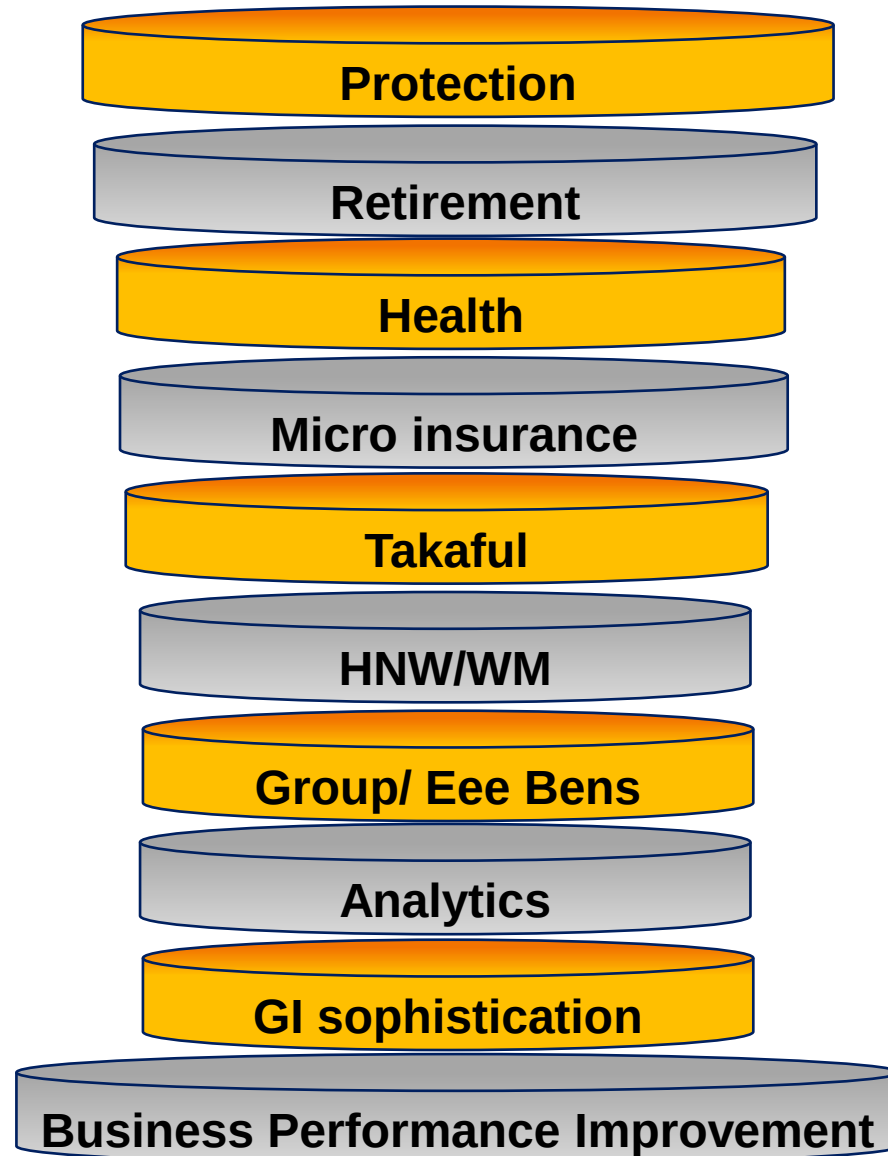
Power Shift

Market Capitalization by Insurer >US\$4bn Red bars indicate AP headquarters

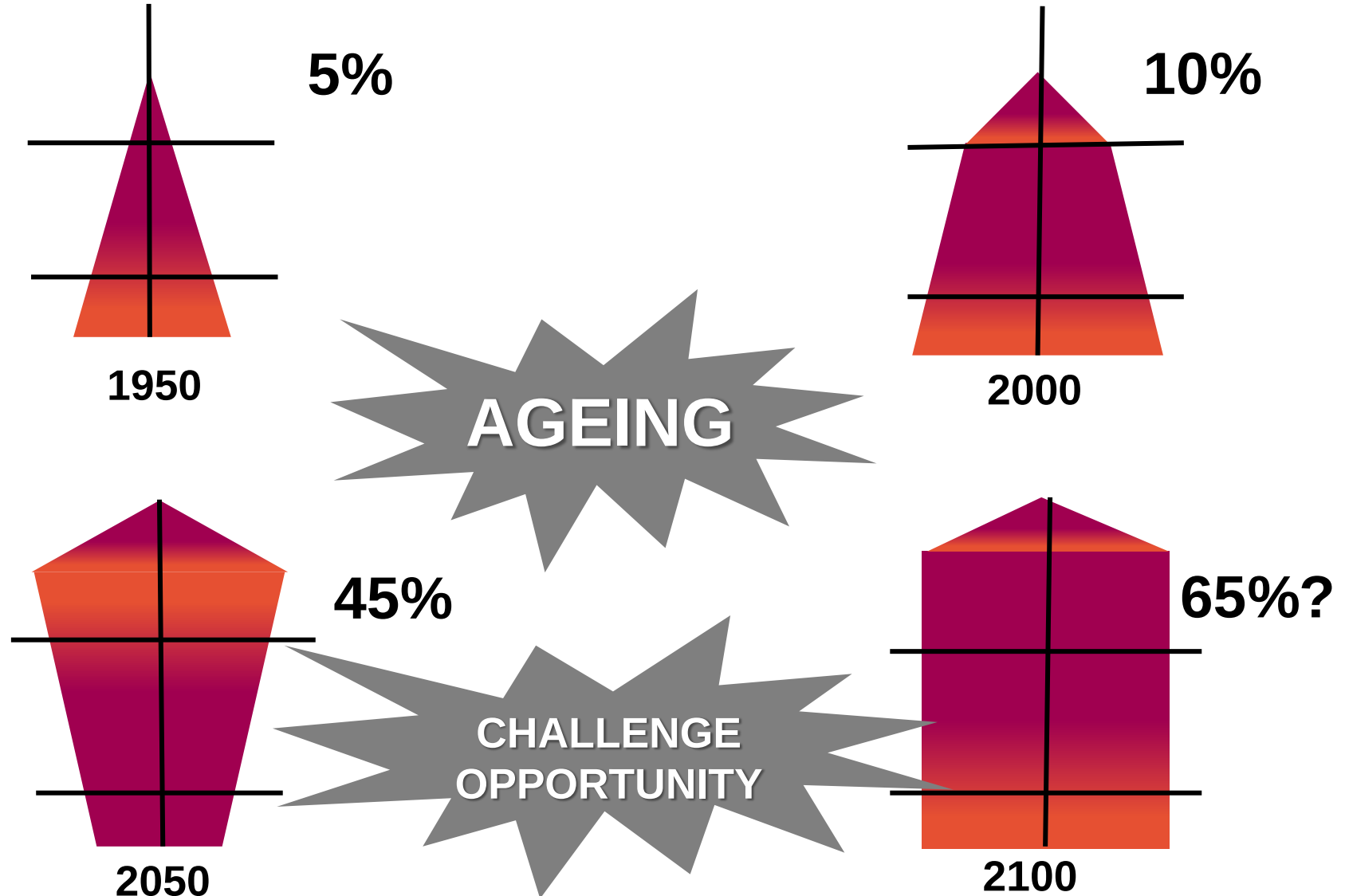
Source: Bloomberg May 18, 2012



Ten Areas of Opportunity...



Demographics



The question is

How to grasp the opportunity?

Evolution or Revolution?

A reminder ... Our Objectives?



1. Do well by doing good



2. Live long and live well



3. We can make a difference; so let's move minds

Provide for people's needs ...

...through PULL rather than PUSH ... ?!?



Appreciation & Customer Focus

**Promote
the
“GOOD”
Be Proud**

Customer Experience

Wow!?.....decent?

VFM

Fair & Reasonable

TRUST

DIFFERENTIATOR

“Greed and Fear”

Accumulation

Maintain Lifestyle
But.... **Outliving Savings?**

De-accumulation

Synchronise exhausting
assets but how much to
leave to dependents?



Challenges



- Cost of Rtmt Provision
- HealthCARE Services



**Massive
Need & Want**

- LIRs
- Longevity
- Guarantees



**Challenges
Risk Management Specialists**

- Poor Perception



**Achieve Appreciation
Positive Customer Experience
Move Minds**

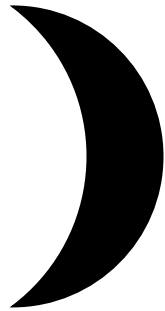
Public



Private

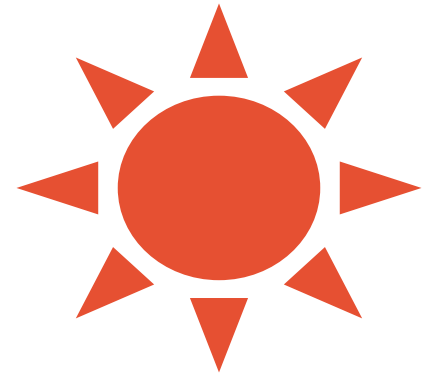
Partnership

Too difficult ?!?



Dying Too Soon

VS



Living Too Long

Vision of the World – Steve Jobs – Game Changer ...



The Game Changer



**Solution for
Ageing “problem”**

+

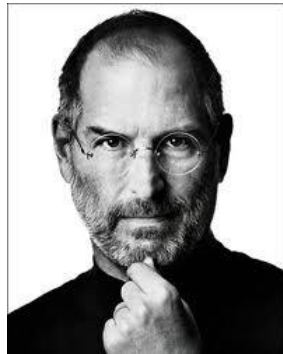


**Customer
Focus**

+



**Awareness and
Appreciation**



**Will it
be
YOU?**



Move Minds

A

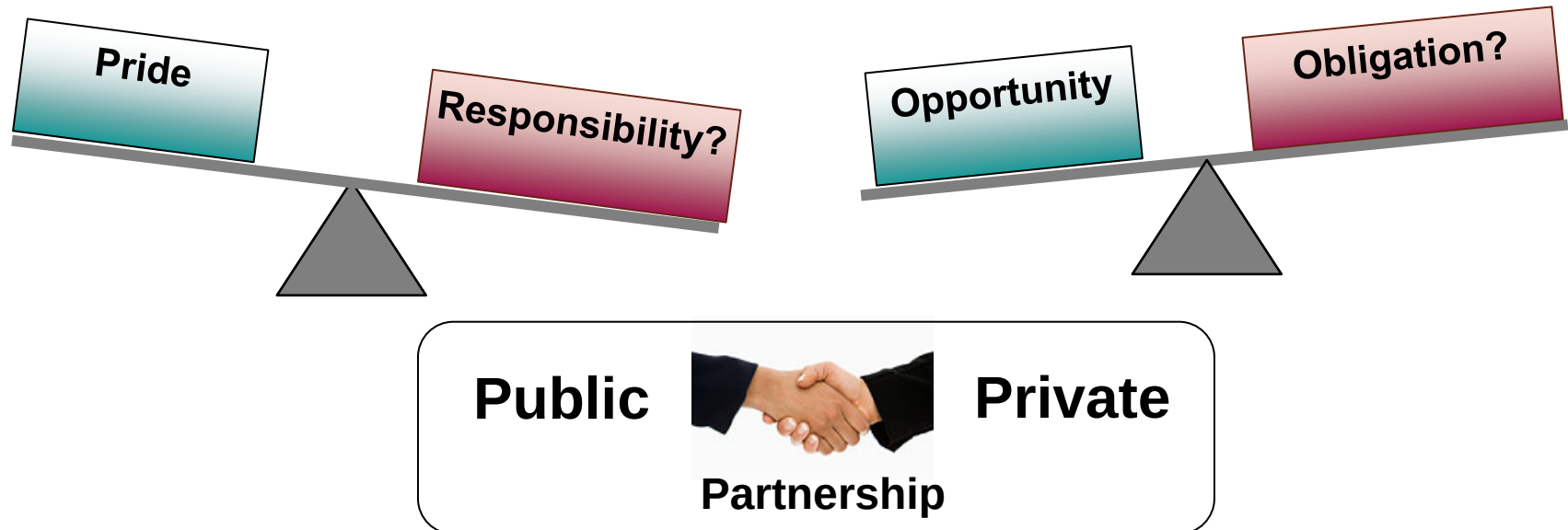
**Awareness +
Appreciation**

C

**Customer-
focused**

A

Ageing



Which direction you take is up to you!

There is (or should be):

- ✓ **NEED**
- ✓ **WANT**
- ✓ **SUPPORT**



1. Do well by doing good



2. Live long and Live well



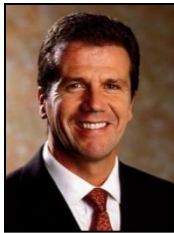
3. We can make a difference; so let's move minds

Push or Pull ?!?

And finally...

.....IN THE NEW WORLD.....

Success and Fortune



Mark Saunders, FIA, FIAI, FSA, FSAS, FSAT

Managing Director, Hong Kong

& Asia Pacific Insurance Sector and Risk Consulting Practice Leader

Towers Watson

Telephone: +852 2593 4535

Fax: +852 2525 9706

E-mail: mark.saunders@towerswatson.com

www.towerswatson.com

TOWERS WATSON 

Disclaimer

This presentation has been prepared by Towers Watson for general information purposes only and does not constitute professional advice. It is incomplete without the accompanying oral explanations. The information, opinions and illustrations contained are derived from various sources and have not all necessarily been independently verified by Towers Watson. The presentation is not intended to guide or determine any specific individual situation and persons should consult qualified professionals for appropriate professional advice before taking any specific actions. Neither the presenter, nor the presenter's employer, shall have any responsibility or liability to any person or entity with respect to damages alleged to have been caused directly or indirectly by the content of this presentation. If you require professional advice or require any further information, please contact Mark Saunders or your usual Towers Watson representative.

All rights reserved. You are not permitted to create any modifications or derivatives of this presentation or to use it for commercial or other public purposes without the prior written permission of Towers Watson