



INVISIBLE INSURANCE

RAYMOND CHEUNG
GENERAL INSURANCE CONFERENCE 2018





Residence

Car

Factory

Travel

Hospital

Medical

Family life

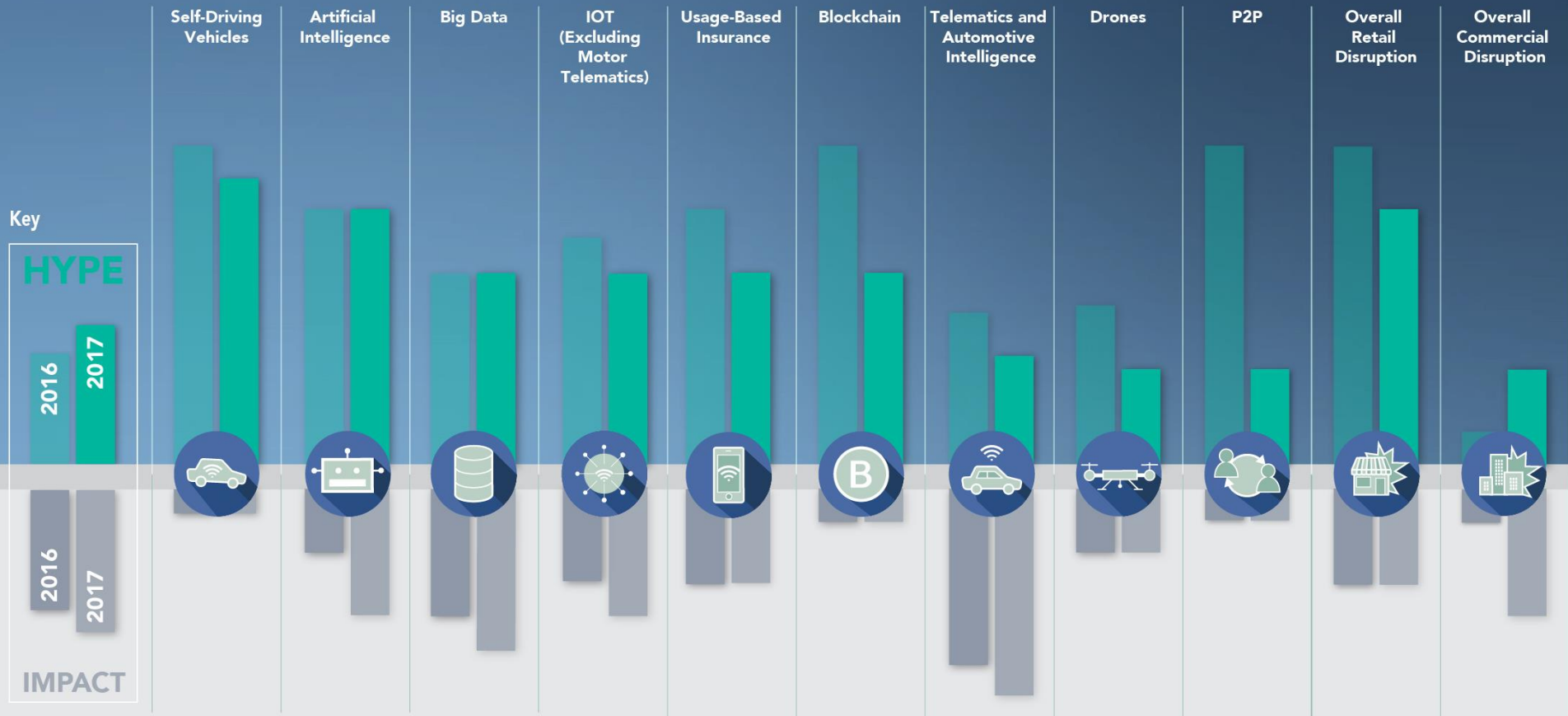
Insurtech – Disruption or Innovation?

S Y M B O

InsurTech and Insurance Disruption

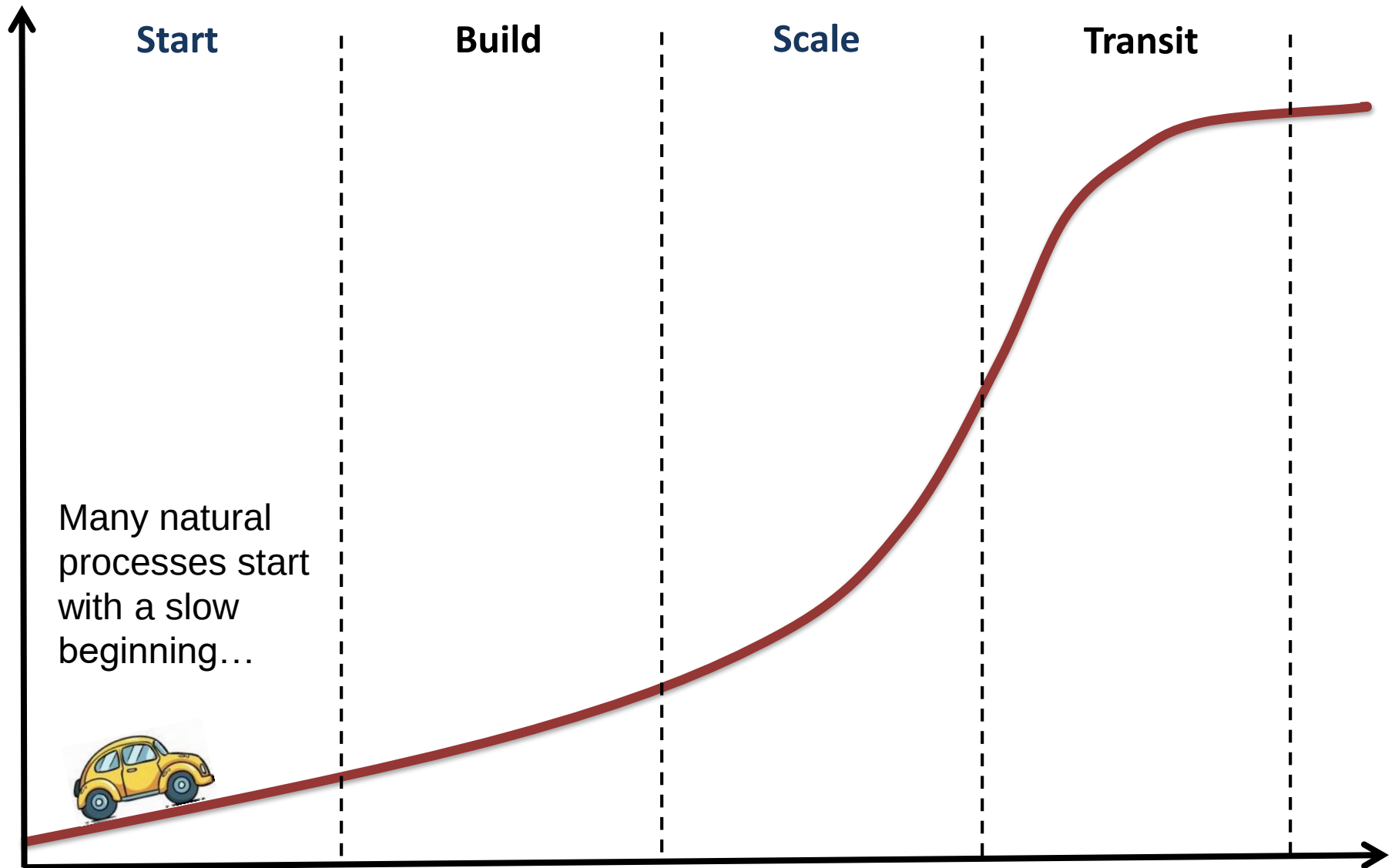
Hype VS Impact*

* significant effect on GWP or operating ratios for brokers and (re)insurers



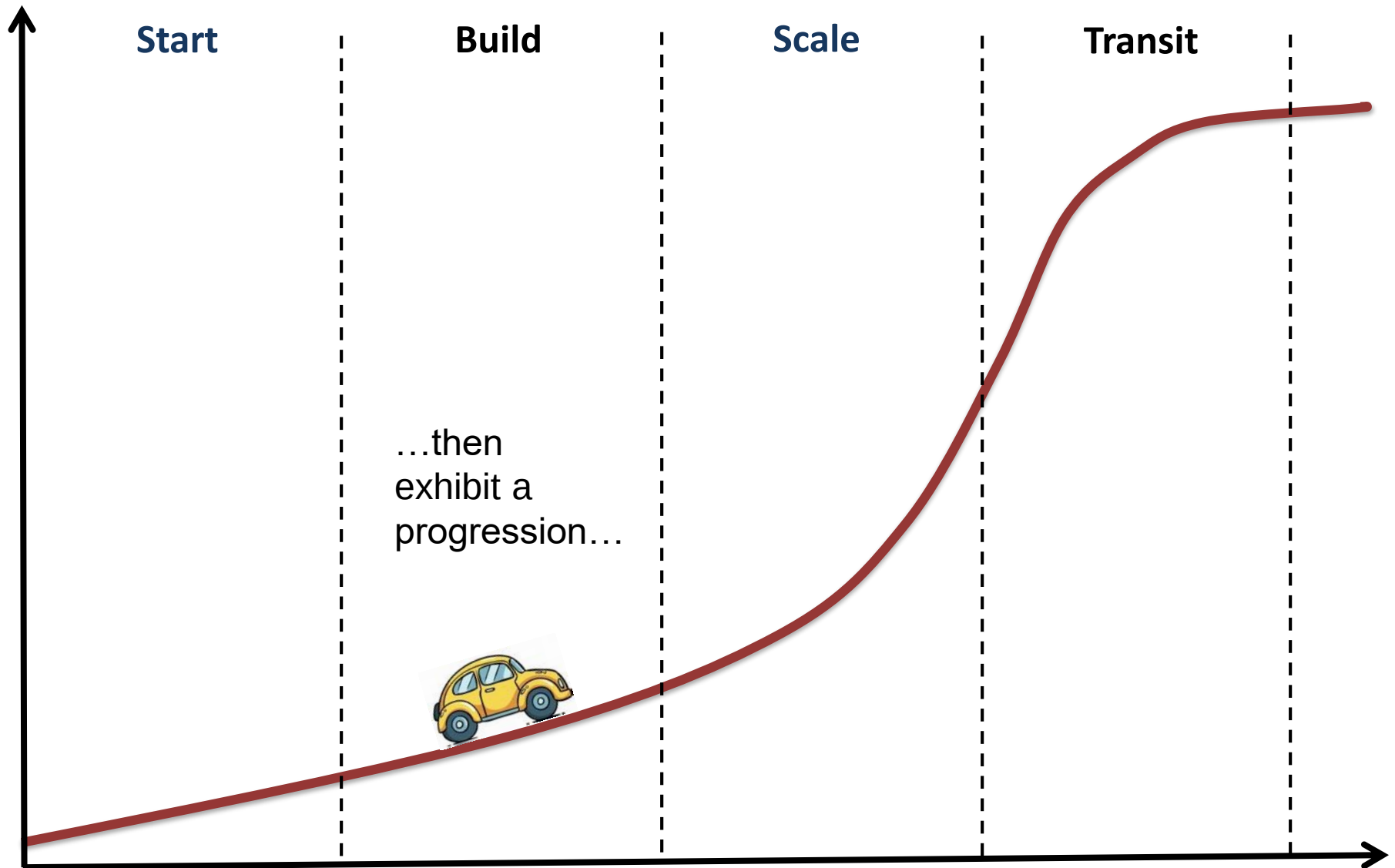
Intro to S-curve (Sigmoid Curve)

S Y M B O



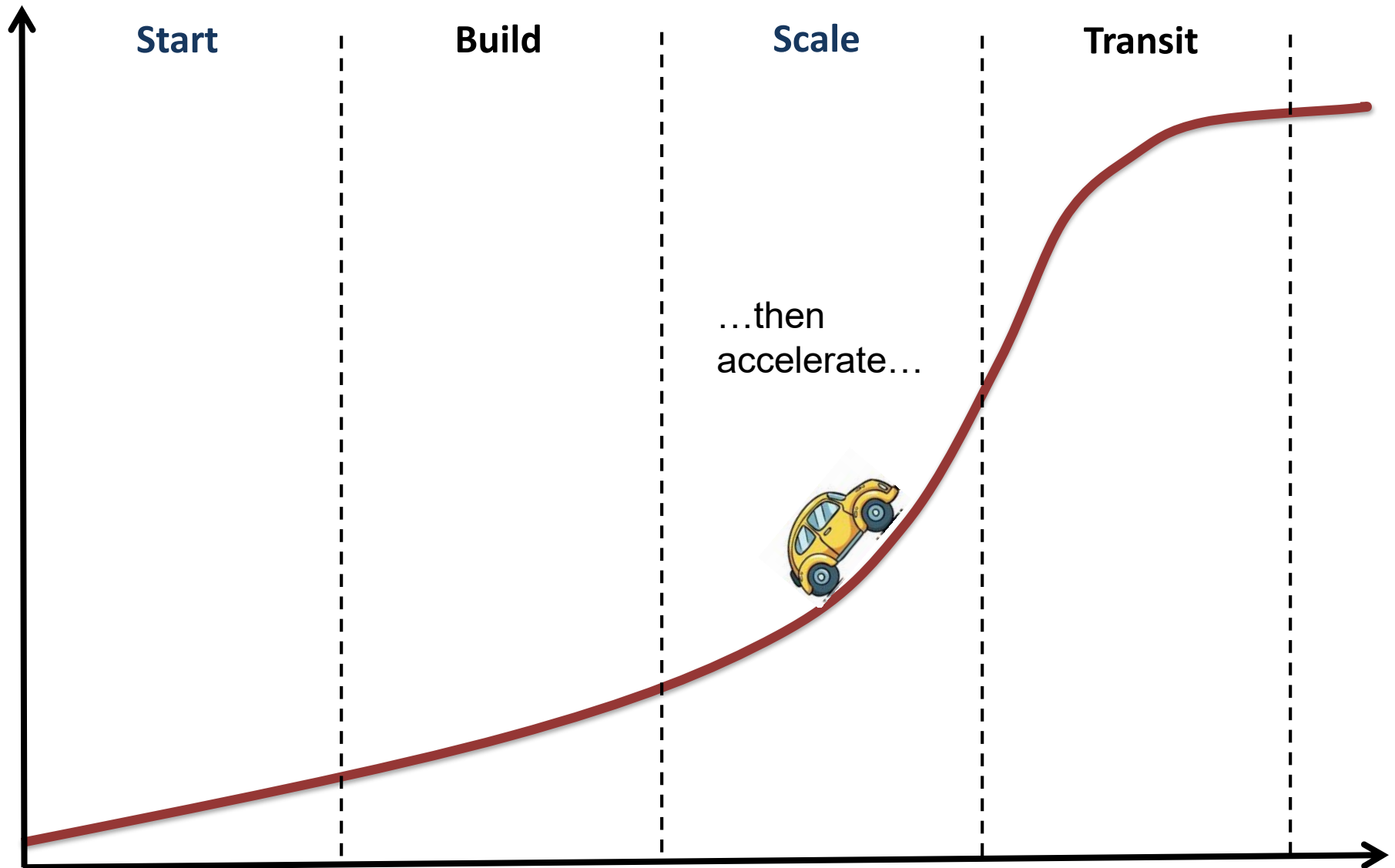
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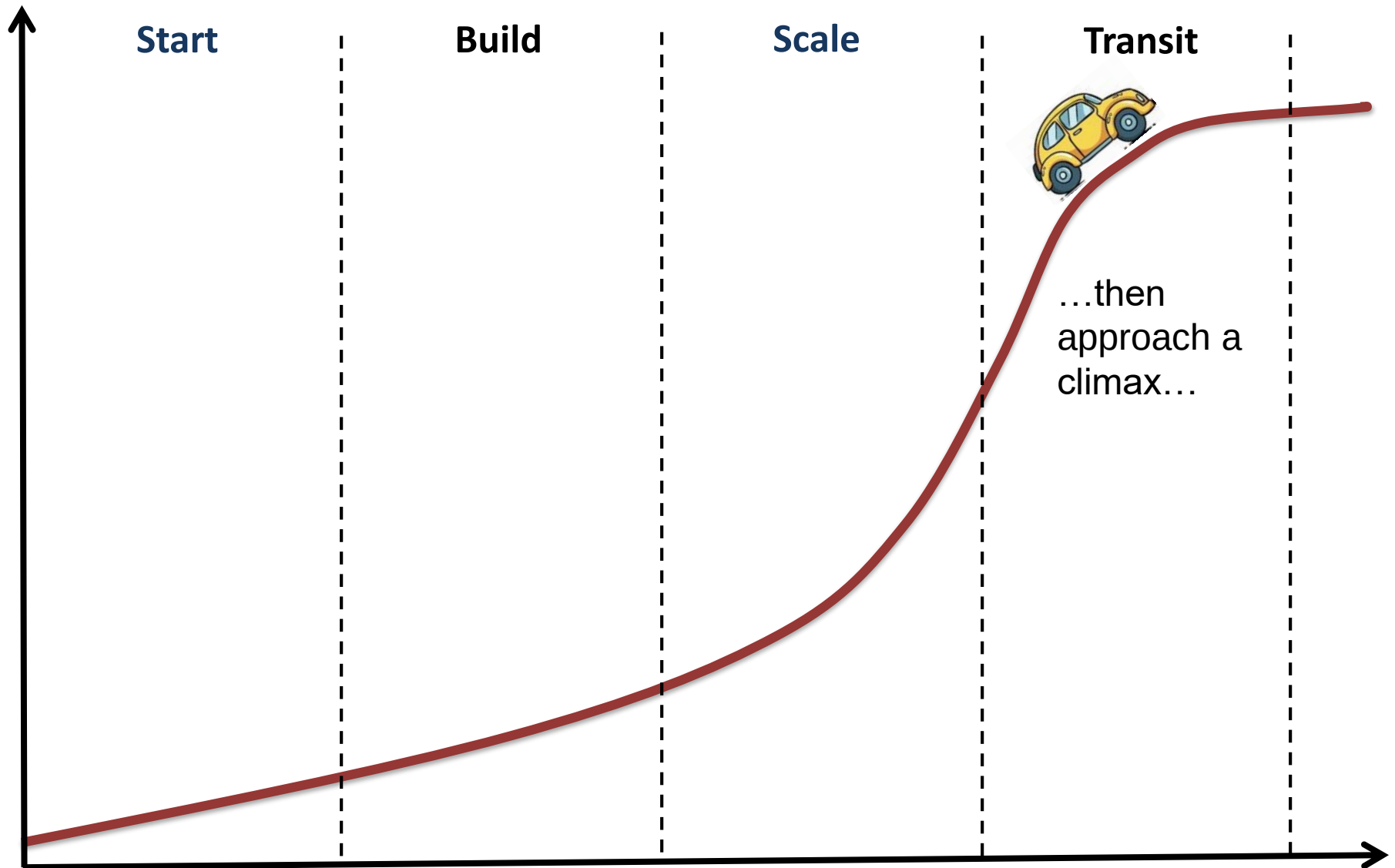
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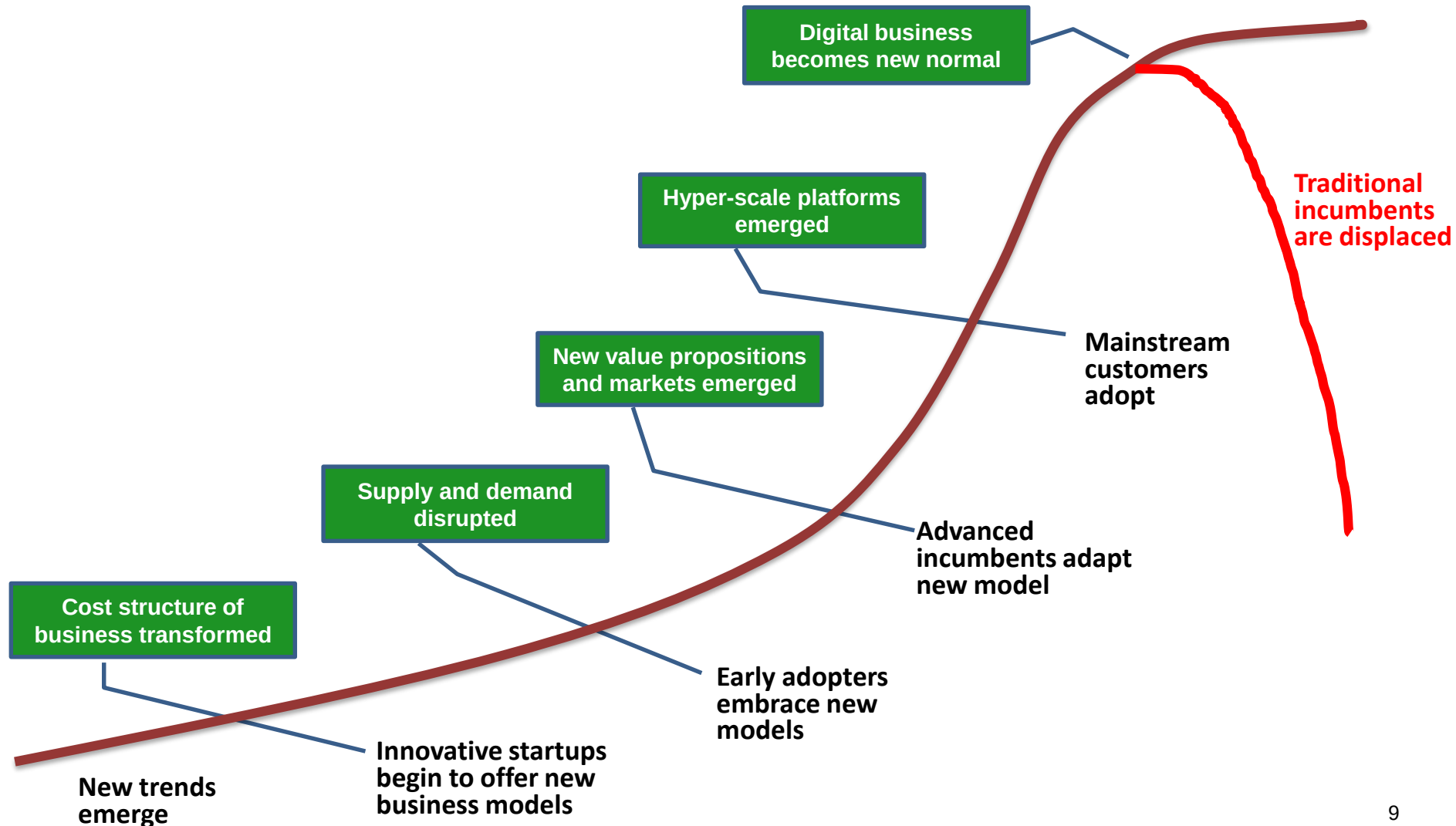
Intro to S-curve (Sigmoid Curve)

S Y M B O



The S-curve of Digital Transformation

SYMBO



The S-curve of Digital Transformation

S Y M B O

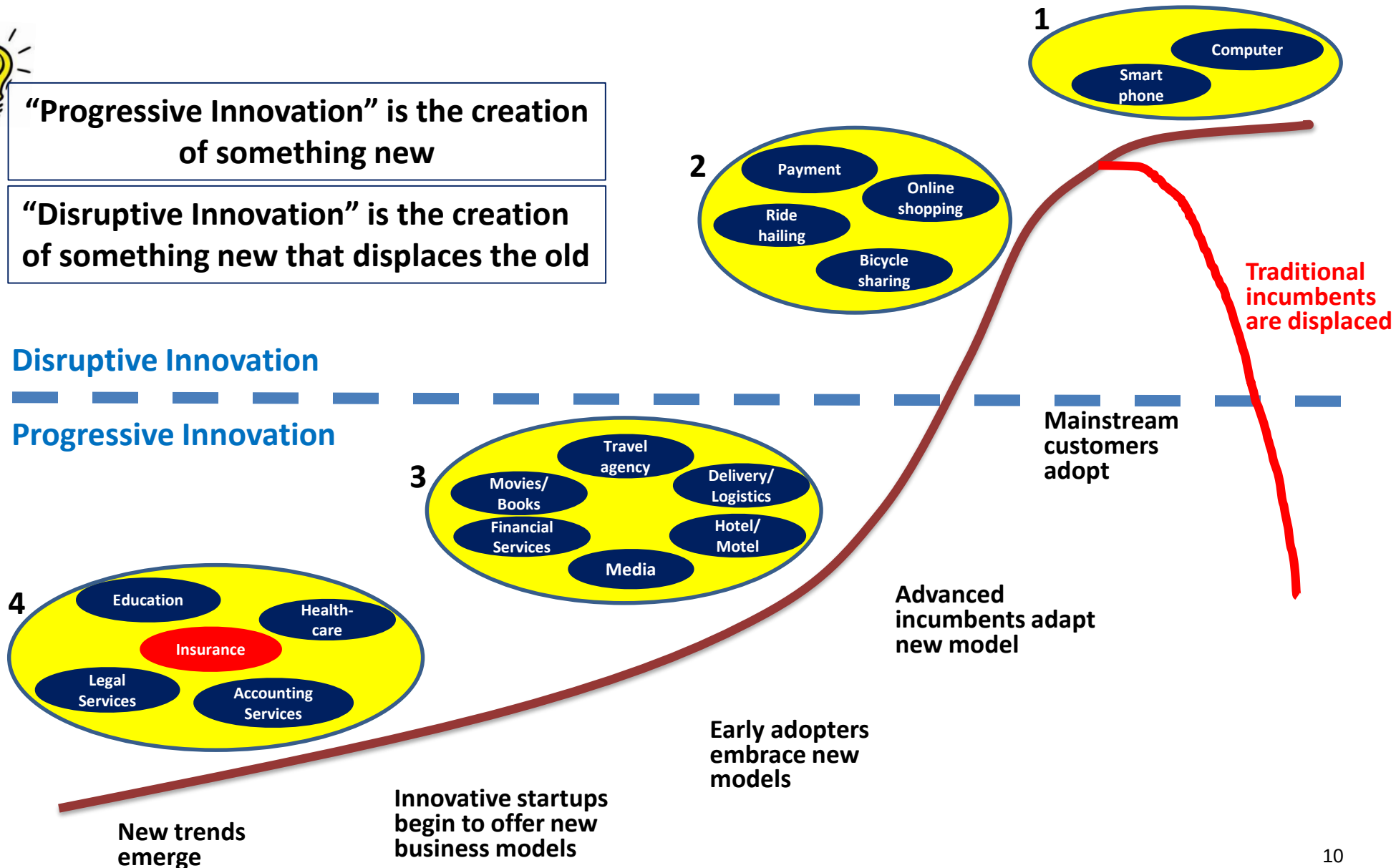


“Progressive Innovation” is the creation of something new

“Disruptive Innovation” is the creation of something new that displaces the old

Disruptive Innovation

Progressive Innovation



Progressive vs Disruptive Innovation

Disruptors are innovators but not all innovators are disruptors. To put it another way, disruption is a subset of innovation.

Progressive Innovation	Disruptive Innovation
Incremental	Rapid
New co-exist with old	New displaces old
Operate within traditional value chains	Operate outside traditional value chains
Improve existing products/channel	Offer totally different business model
Compete with existing markets/demands	Create new markets/demands
Focus on competitors	Focus on customers
Not usually scalable	Often scalable
Adoption gradually	Mass adoption quickly

Source:

<https://www.channelnewsasia.com/news/startup/articles/disruption-vs-innovation-what-s-the-difference-8878464>

**In Progressive Innovation, the Big Fish eats the Small Fish.
In Disruptive Innovation, the Fast Fish eats the Slow Fish.**

The S-curve of Insurance Digitisation

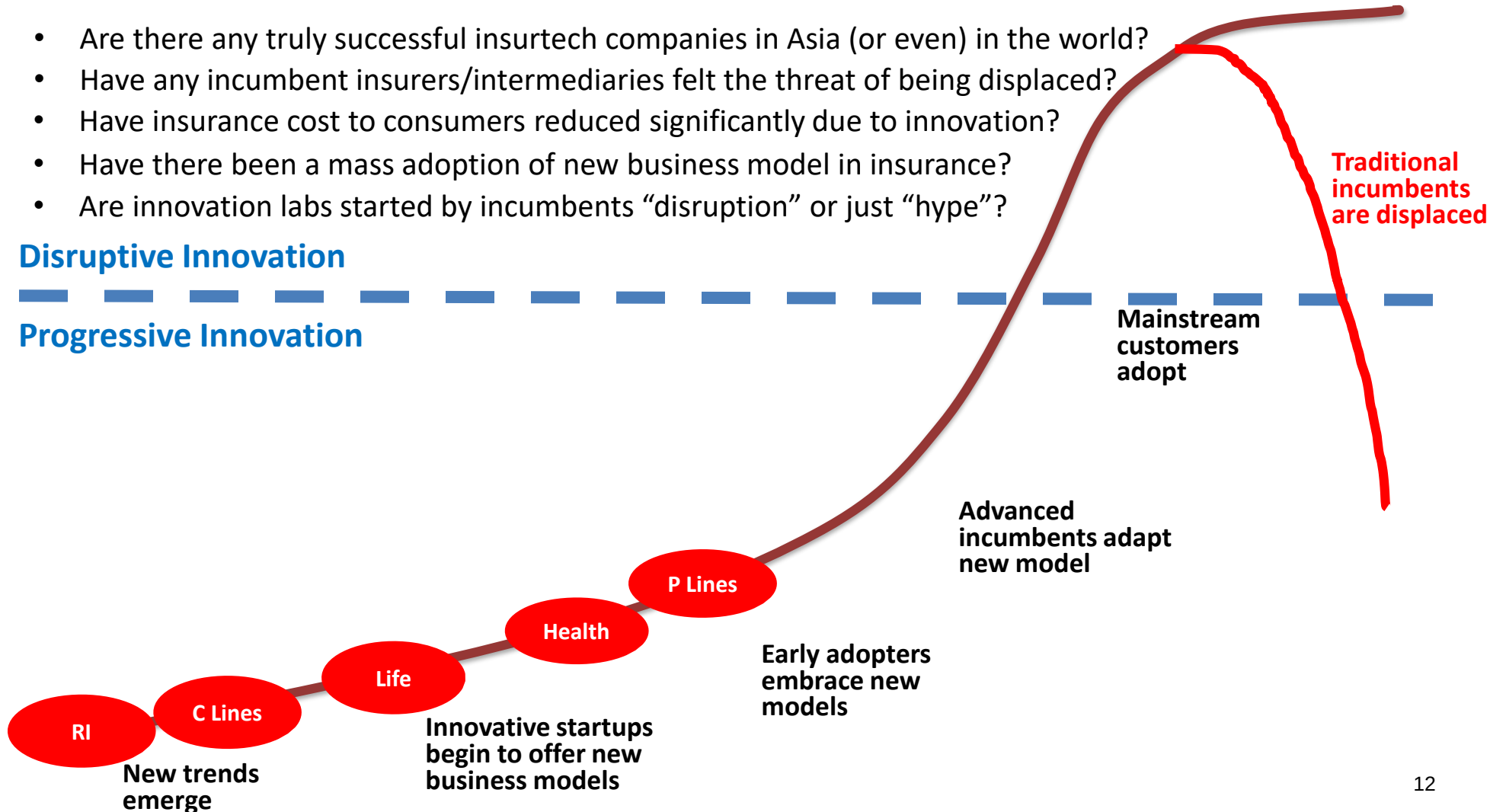
SYMBO

Until now, we have not seen true “Disruptive Innovators” in the Insurance Industry. Insurtech companies are, by far, just “Progressive Innovators”

- Are there any truly successful insurtech companies in Asia (or even) in the world?
- Have any incumbent insurers/intermediaries felt the threat of being displaced?
- Have insurance cost to consumers reduced significantly due to innovation?
- Have there been a mass adoption of new business model in insurance?
- Are innovation labs started by incumbents “disruption” or just “hype”?

Disruptive Innovation

Progressive Innovation



The S-curve of Insurance Digitisation

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Why insurtech has not had significant breakthroughs in the insurance industry?

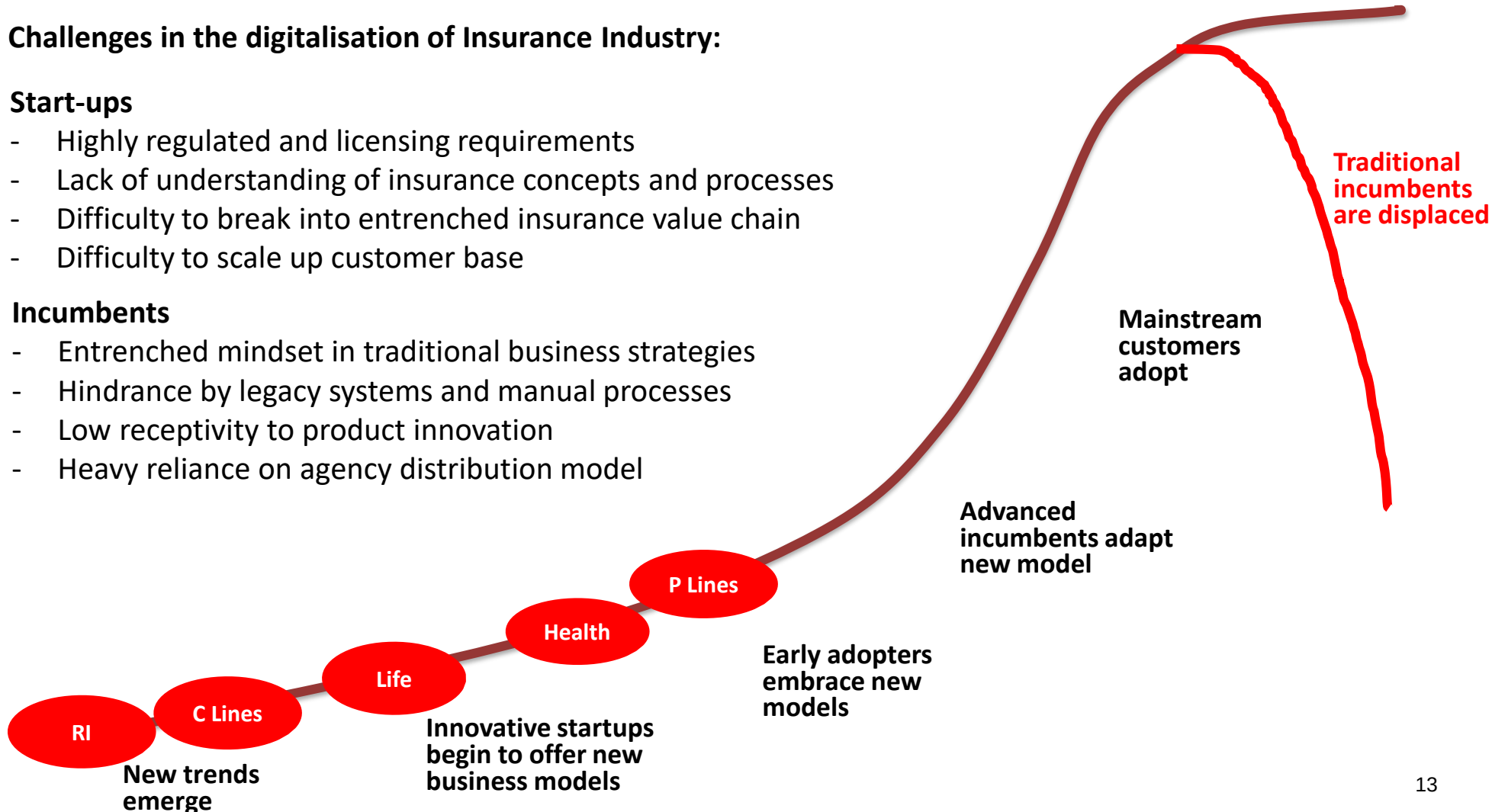
Challenges in the digitalisation of Insurance Industry:

Start-ups

- Highly regulated and licensing requirements
- Lack of understanding of insurance concepts and processes
- Difficulty to break into entrenched insurance value chain
- Difficulty to scale up customer base

Incumbents

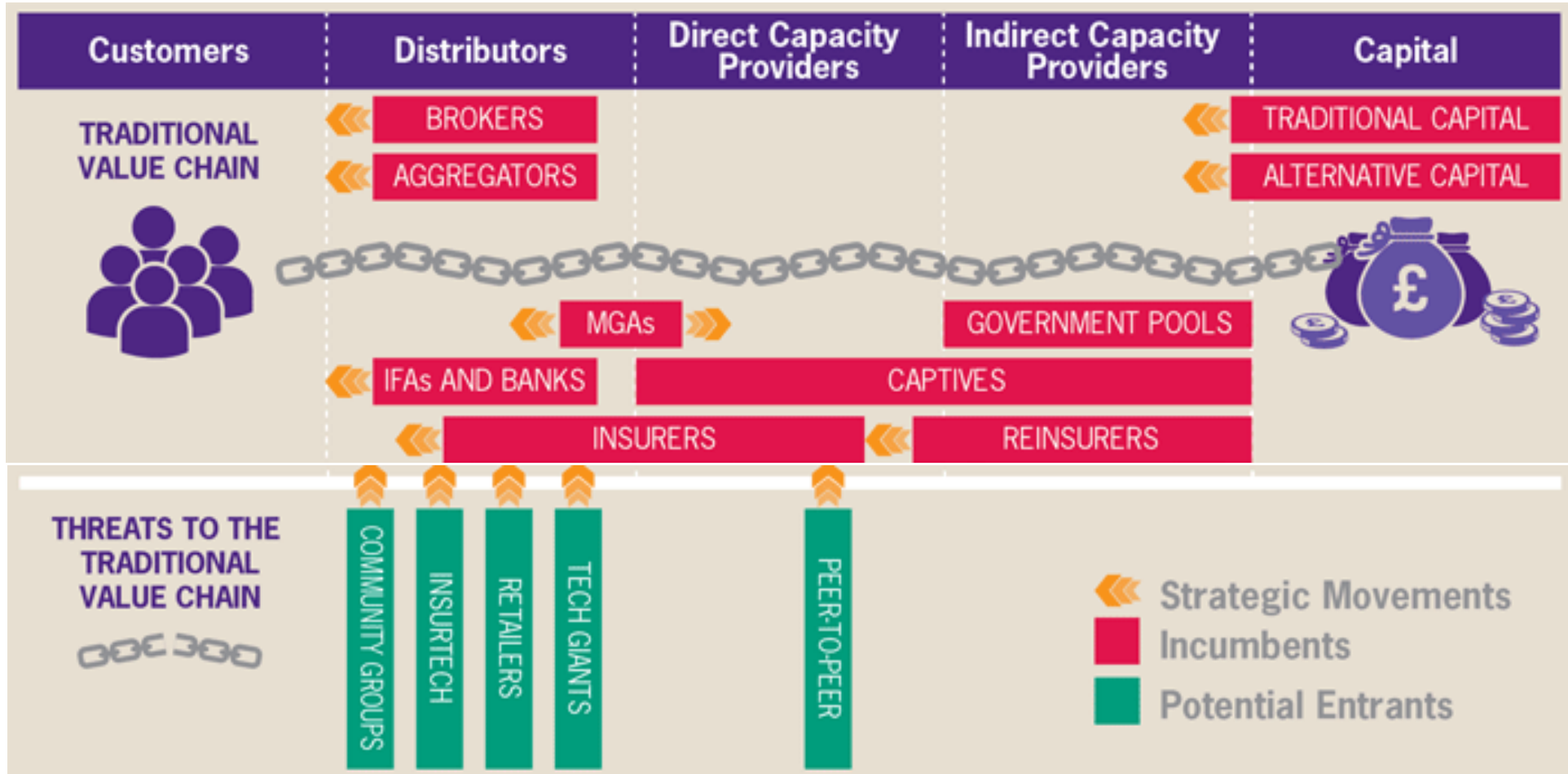
- Entrenched mindset in traditional business strategies
- Hindrance by legacy systems and manual processes
- Low receptivity to product innovation
- Heavy reliance on agency distribution model



Insurance Value Chain

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When thinking of insurance “disruption” ideas, many start from the insurance value chain.



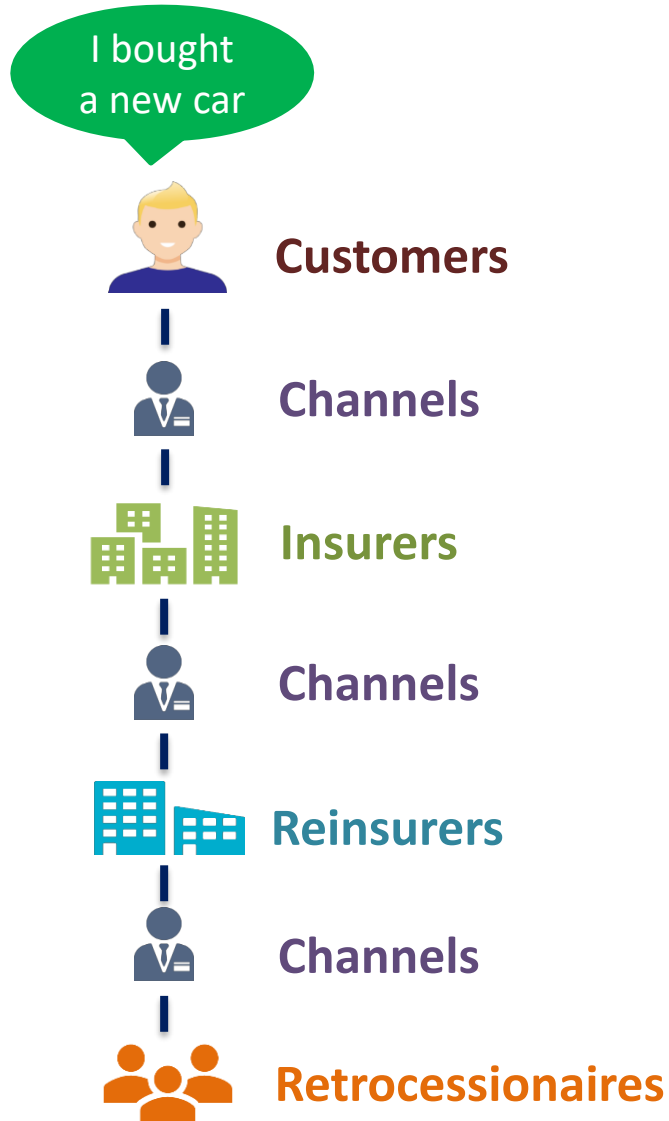
Reference: Grant Thornton

But...as long as startups are still part of the insurance value chain, there is no disruption!!

Where to generate Disruptive Ideas?

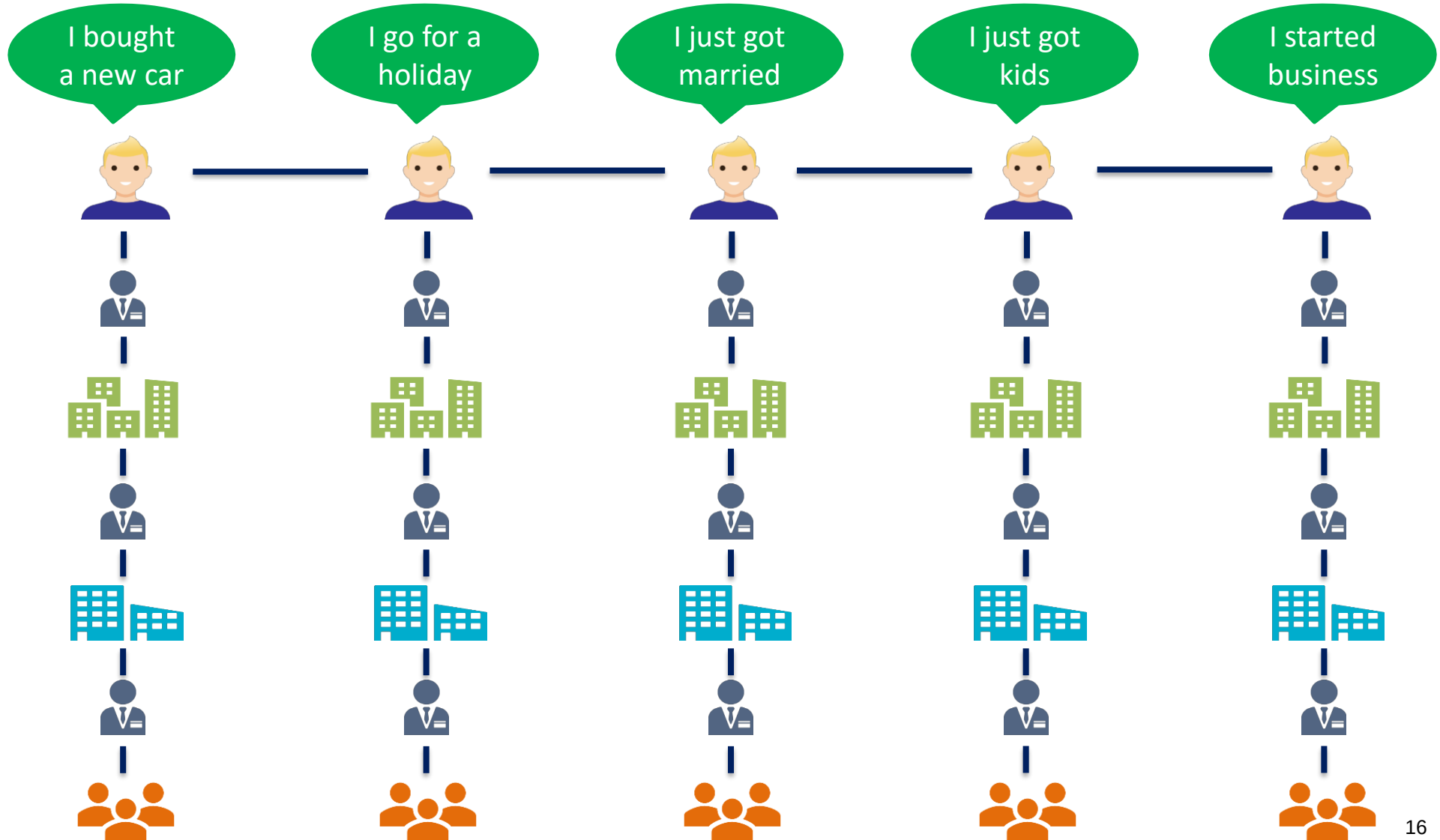
A simple Insurance Value Chain

S Y M B O



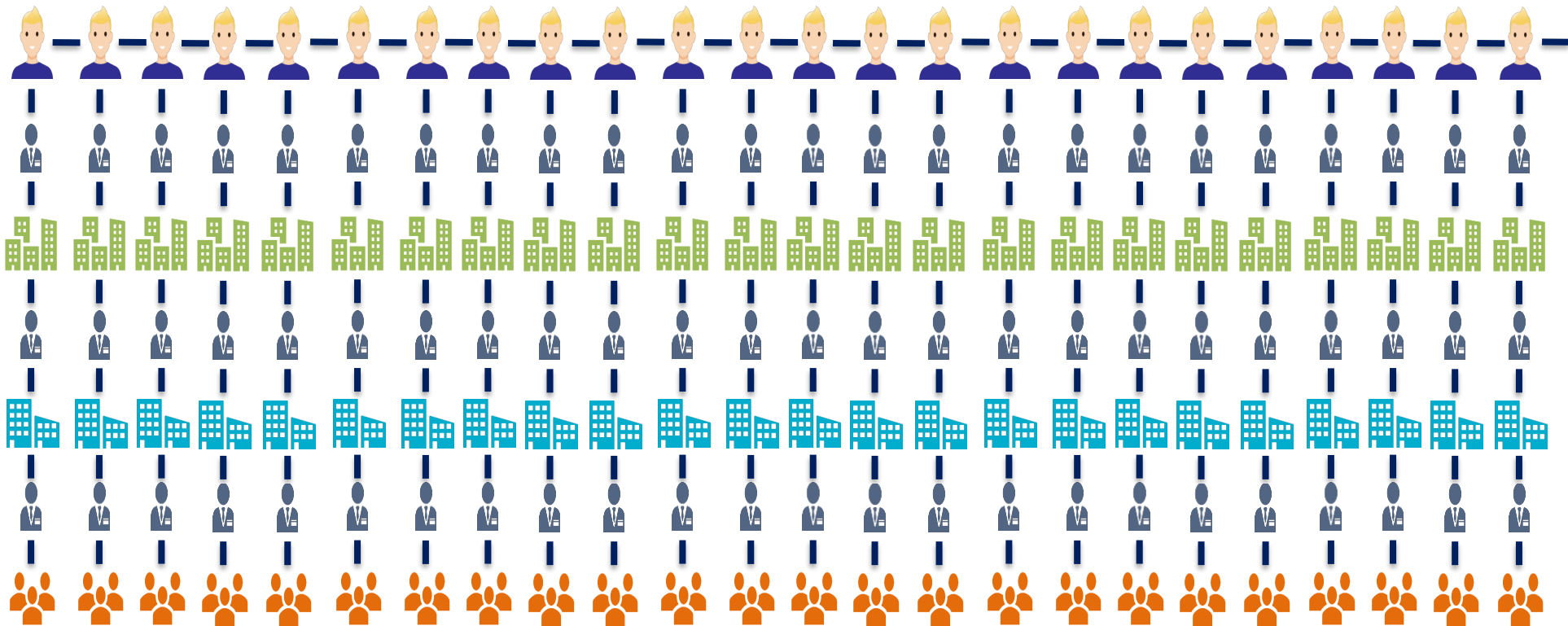
What if the Insurance Value Chain is part of a larger value chain?

S Y M B O



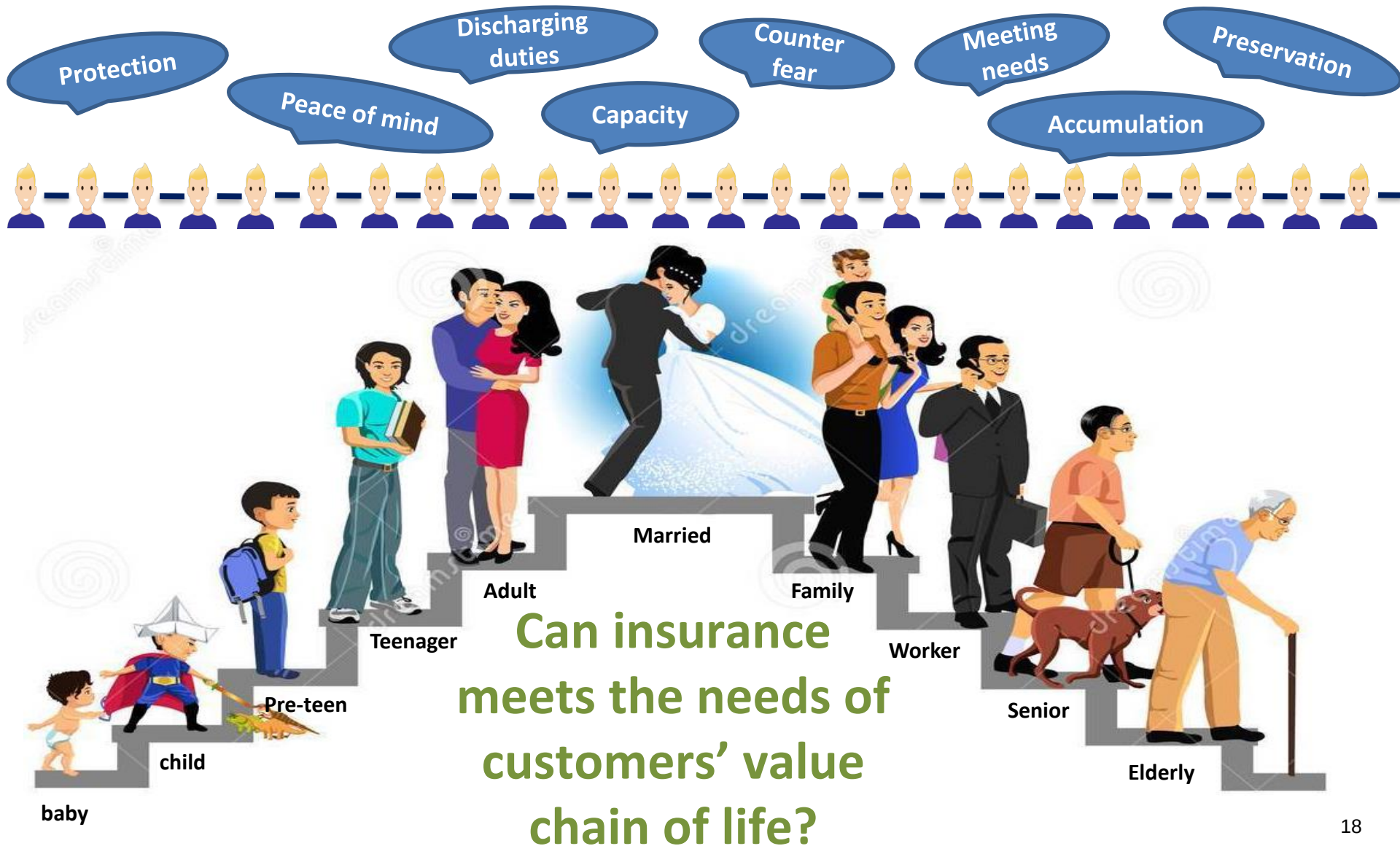
What if the Insurance Value Chain is part of a larger value chain?

S Y M B O



What if the Insurance Value Chain is part of a larger value chain?

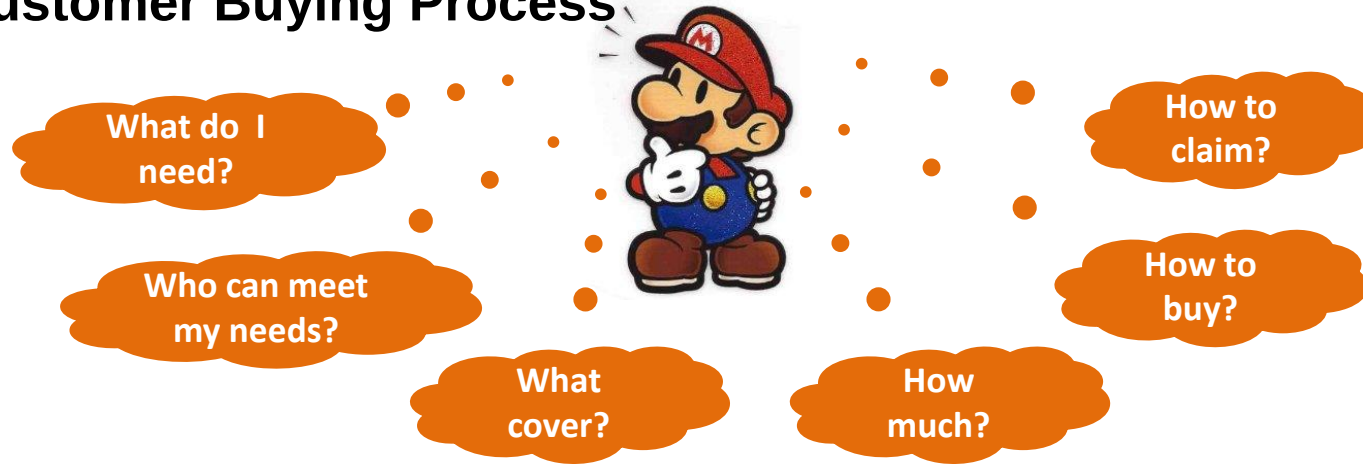
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Insurance 1.0

3Es of Customer Buying Process

SYMBIO



Education

Experience

Evaluation

Pre-Purchase
Research

Purchase
Quote to Buy

Service
Claims

I don't know what I need

I don't understand

Agents pushing products

I don't know how to choose

Takes so long to sign up

So much paperwork

So so expensive

Customer service unhelpful

Useless hotlines

So many documents needed

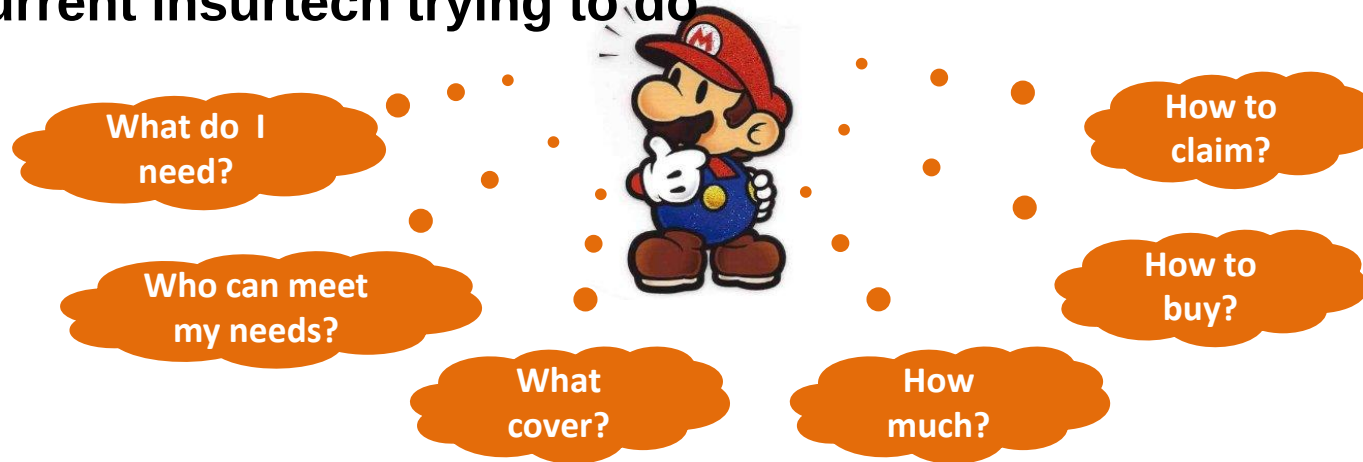
Takes so long to process

Inflexible & cold service

Insurance 2.0

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Where current insurtech trying to do



Education

Experience

Evaluation

Pre-Purchase
Research

Purchase
Quote to Buy

Service
Claims

Relevant
Content

Instant Query
Assistance

Compare
Products

Quick
Quote

Multi-Channel
Support

FNOL

Track
Claims

Timely
Notifications

Search

Agent/Broker
Locator

Decision
Support Tools

Multiple
Payment
Options

Instant Query
Assistance

Easy Renewal
Process

Personalized
Profile

Interactive services- Web Chat, Expert advice

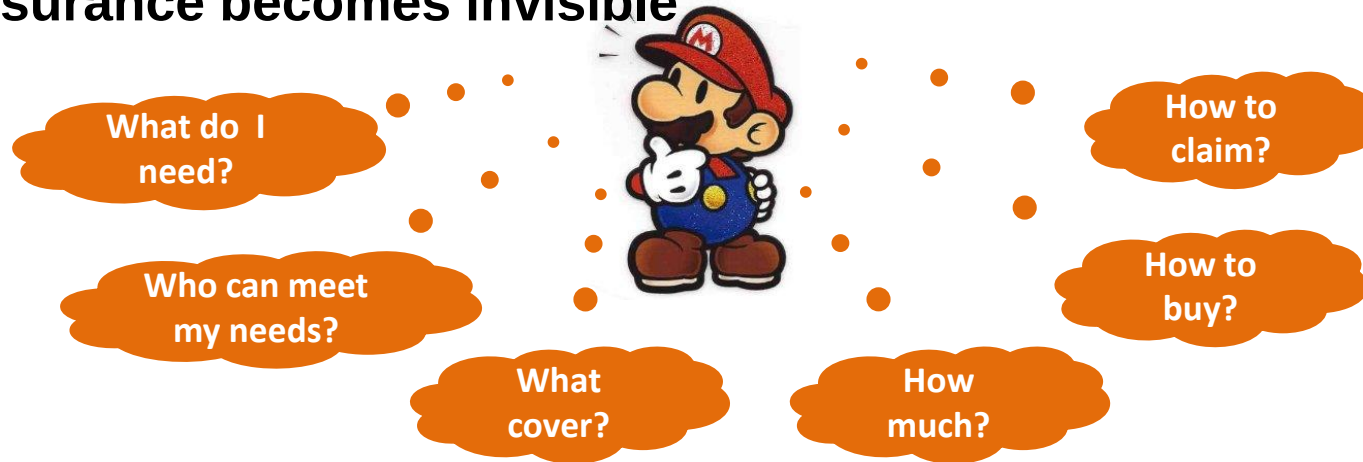
Cross Sell/ Upsell Products

Policies available for download

Insurance 3.0

Where Insurance becomes invisible

SYMBO



Education

Experience

Evaluation

Pre-Purchase
Research

Purchase
Quote to Buy

Service
Claims

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Assistance

Compare
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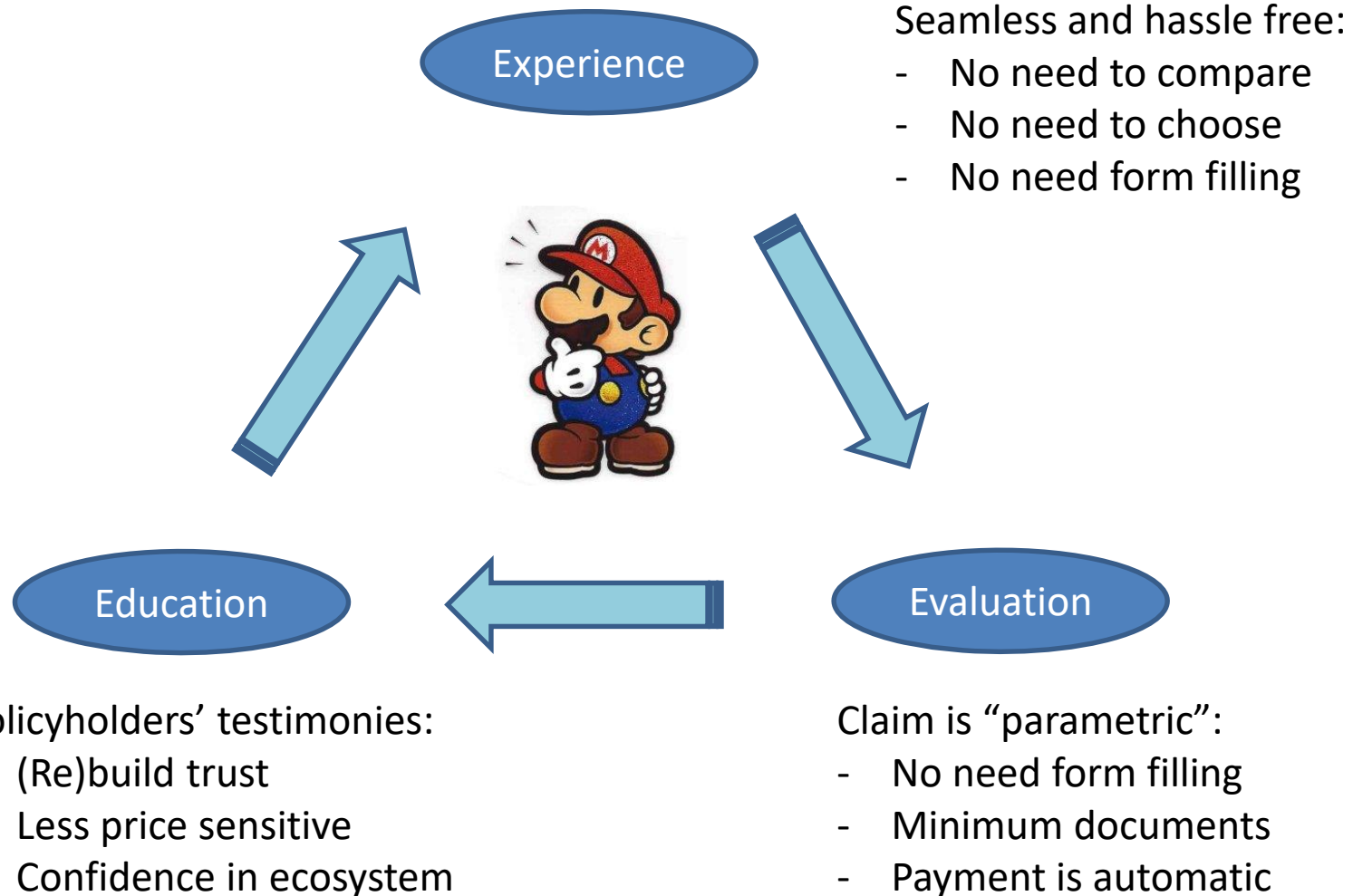
Policies available for download

Insurance 3.0

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Where Insurance becomes invisible

When I purchase a product or acquire a service, insurance is embedded within.



To make Insurance invisible, starting point is Digital Insurance-As-a-Service (DIAAS)

Example 1 – Pizza-As-a-Service

S Y M B O

Home Made	Take and Bake	Pizza Delivery	Dining Out
Dining Table	Dining Table	Dining Table	Dining Table
Drinks	Drinks	Drinks	Drinks
Electric / Gas	Electric / Gas	Electric / Gas	Electric / Gas
Oven	Oven	Oven	Oven
Fire	Fire	Fire	Fire
Pizza Dough	Pizza Dough	Pizza Dough	Pizza Dough
Tomato Sauce	Tomato Sauce	Tomato Sauce	Tomato Sauce
Toppings	Toppings	Toppings	Toppings
Cheese	Cheese	Cheese	Cheese

 You manage

 Vendor manages

Example 2 – Car-As-a-Service

Own Car

Driver
Traffic Law
Road Tolls
Parking
Fuel
Car wash
Garage
Repair
Tax / Duties
Insurance
Renewables
Servicing
Resale value
Depreciation
Finance
Car

Lease Car

Driver
Traffic Law
Road Tolls
Parking
Fuel
Car wash
Garage
Repair
Tax / Duties
Insurance
Renewables
Servicing
Resale value
Depreciation
Finance
Car

Rent Car

Driver
Traffic Law
Road Tolls
Parking
Fuel
Car wash
Garage
Repair
Tax / Duties
Insurance
Renewables
Servicing
Resale value
Depreciation
Finance
Car

Grab Car

Driver
Traffic Law
Road Tolls
Parking
Fuel
Car wash
Garage
Repair
Tax / Duties
Insurance
Renewables
Servicing
Resale value
Depreciation
Finance
Car

 You manage

 Vendor manages

Example: Digital Insurance-As-a-Service

S Y M B O

DIY	Agent/Broker	Insurtech	DIAAS
Policy renewal	Policy renewal	Policy renewal	Policy renewal
Receive claims	Receive claims	Receive claims	Receive claims
Track claims status	Track claims status	Track claims status	Track claims status
Claim Support Query	Claim Support Query	Claim Support Query	Claim Support Query
First notice of loss	First notice of loss	First notice of loss	First notice of loss
Product support query	Product support query	Product support query	Product support query
Issuance of policy certificate	Issuance of policy certificate	Issuance of policy certificate	Issuance of policy certificate
Payment options	Payment options	Payment options	Payment options
Purchase product	Purchase product	Purchase product	Purchase product
Get quick quote	Get quick quote	Get quick quote	Get quick quote
Compare product prices	Compare product prices	Compare product prices	Compare product prices
Compare product features	Compare product features	Compare product features	Compare product features
Compare insurance companies	Compare insurance companies	Compare insurance companies	Compare insurance companies
Instant Query Assistant	Instant Query Assistant	Instant Query Assistant	Instant Query Assistant

 You manage

 Vendor manages

Examples of DIAAS

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Insurance in Ride Hailing

The image shows a screenshot of a Grab ride receipt. The top section is green with the Grab logo and the text "Hope you had an enjoyable ride!". Below this, the total fare is listed as SGD 10.00, and the date and time are 2016-11-09 20:29:20 +0800. The receipt is divided into two main sections: "Booking Details" and "Receipt Summary". The "Booking Details" section includes information about the vehicle type (GrabCar), driver (Raman Shah Bin Babsah), booking code (IOS-2791160-2-2012), pick-up location (31, EAGLES CENTER, BOON TAT STREET, 069625, SINGAPORE, SINGAPORE), drop-off location (BLK 3, DELTA AVENUE, 160003, SINGAPORE, SINGAPORE), and tag (BUSINESS). The "Receipt Summary" section is highlighted with a red box and contains a detailed breakdown of the fare: Ride Fare (SGD 10.00), Insurance Fee* (SGD 0.08), and a waived fee of SGD 0.08, resulting in a total of SGD 10.00. A callout box from the "Receipt Summary" section in the main receipt points to a larger, detailed view of the "Receipt Summary" on the right. This detailed view shows the payment method (Visa 8233), the description of the ride fare and insurance fee, and the total amount. It also includes a note about the automatic inclusion of insurance for GrabCar rides.

Grab

Hope you had an enjoyable ride!

TOTAL
SGD 10.00

DATE | TIME
2016-11-09 20:29:20 +0800

Booking Details

Vehicle type:
GrabCar

Issued by driver
Raman Shah Bin Babsah

Issued to
YI

Booking code
IOS-2791160-2-2012

Pick up location:
31, EAGLES CENTER, BOON TAT STREET, 069625, SINGAPORE, SINGAPORE

Drop off location:
BLK 3, DELTA AVENUE, 160003, SINGAPORE, SINGAPORE

Tag:
BUSINESS

Receipt Summary

Payment Method:
Visa 8233

Description:	Amount:
Ride Fare	SGD 10.00
Insurance Fee*	SGD 0.08
<i>It's on us, we've got your back</i>	- SGD 0.08 [Waived]
TOTAL	SGD 10.00

**Do you know that all GrabCar rides are covered by our Group Personal Accident Insurance, at no additional costs to you? [Learn more](#)*

Share the love, refer a friend!
Invite a friend to use the Grab App and enjoy \$8 off for both of you.

Stay organised!
Tag your rides as Personal or Business in the app and manage all your e-receipts online when you log in to [grab.com/work](#)

- Insurance is included automatically when we book a Grab ride

Examples of DIAAS

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Insurance in Credit Cards

The screenshot displays the Citi website's 'Trip Cancellation & Interruption Protection' page. The header features the Citi logo and a 'Sign On' button. The breadcrumb trail reads 'Home > Travel Benefits > Trip Cancellation & Interruption Protection'. The main content area is divided into two columns. The left column, enclosed in a red dashed border, highlights 'Trip Cancellation & Interruption Protection' with the subtext 'Protection If Your Trip Is Interrupted Or Cancelled'. It includes a checkmark icon and the text 'Included with select Citi® cards', along with buttons for 'Sign On & See More' and 'Become a Citi cardmember'. The right column promotes the 'Citi Alerting Service', explaining that users receive account-specific alerts on their phone or email, with a 'Learn More' button. Below these, a 'Featured' section introduces 'Trip Defender from Ameriprise Travel Insurance', which helps protect trips from delays, cancellations, lost luggage, and more, also with a 'Learn More' button. A testimonial box on the left states: 'I feel more secure when I book my trip with my Citi card. If I get sick and need to cancel, I may be reimbursed for my eligible expenses.' To the right of the testimonial is an image of a woman in a white shirt sitting in an airplane seat. Below the image, it says 'This service is included with select Citi® cards'. At the bottom left, a note reads: 'Sometimes the unexpected happens, and you need to cancel or cut short a planned trip.' The bottom right corner features the 'MIGHTY TRAVELS' logo, which depicts a cartoon rabbit superhero.

citi

Sign On

Home > Travel Benefits > Trip Cancellation & Interruption Protection

Trip Cancellation & Interruption Protection

Protection If Your Trip Is Interrupted Or Cancelled

✓ Included with select Citi® cards

Sign On & See More ▶

Become a Citi cardmember

Citi Alerting Service

Know what's going on with your account with account specific alerts sent to your cell phone or email.

Learn More ▶

Featured:

Trip Defender from Ameriprise Travel Insurance

Help protect your trip from things that can go wrong, like delays, cancellations, lost luggage and more.

Learn More ▶

I feel more secure when I book my trip with my Citi card. If I get sick and need to cancel, I may be reimbursed for my eligible expenses.

This service is included with select Citi® cards

Sometimes the unexpected happens, and you need to cancel or cut short a planned trip.

MIGHTY TRAVELS

- Travel Insurance included when signing on travel with credit cards

Examples of DIAAS

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Insurance in Car Rental

- Insurance is included when renting a car

Promotional Green Car Leasing Offer...

  Lease Rent AED 2500/-

Toyota Prius (Iconic) - Hybrid

Green Car Rental, only Electric & Hybrid Car Rental in the Middle East offers best ever car leasing promotional deals. Save Future & Save 35% of fuel expenses from renting hybrid cars.

 Lease Rent AED 1500/-	 Lease Rent AED 1750/-
 Lease Rent AED 1700/-	 Lease Rent AED 2500/-
 Lease Rent AED 1550/-	 Lease Rent AED 1000/-

Insurance: Including Insurance | Maintenance: Free of Charge | Delivery: Free of Charge

Email: lease@greencardubai.com | Reach Us: 600 548 880 | Mob: +971 50 2360745

For more info kindly visit us on: <http://www.greencardubai.com>

Examples of DIAAS

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Insurance in Logistics

Carrier	Service	Insurance included for package value:
	All	Up to \$100
	All	Up to \$100
	Priority Mail (domestic)	Up to \$100 (CPP) - Up to \$50 (CBP) ²
	Priority Mail (international)	Up to \$200
	Priority Mail Express (domestic)	Up to \$200
	Priority Mail Express (international)	Up to \$200
	First Class Mail (domestic and international)	Not included
	Media Mail	Not included
	Parcel Select	Not included

- Insurance is included when delivery of parcels

AXA Singapore to bring insurance-as-a-service model to Asia

by [Gabriel Olano](#)
14 Nov 2017

SHARE



AXA Singapore has launched a new service to provide customised risk management to customers on demand.

Its end-to-end insurance transactional application programming interfaces (APIs) will provide more insurance-as-a-service to the region.

The insurance-as-a-service concept enables insurers to provide personalised insurance products integrated into the digital ecosystem. AXA claimed in a statement that its

Free e-newsletter - get the latest news!

LATEST NEWS

Uber and AXA link-up to provide driver coverage across Europe

Protections include injury, accident, illness, as well as maternity and paternity benefits

Solvency II: WTW survey exposes persistent uncertainty

Requirements still proving complex... and that's before the implementation of IFRS 17

Gallagher swoops for major marketing hire

Seasoned executive has spent time at the likes of American Express

Submit a press release

AXA Singapore to bring insurance-as-a-service model to Asia

DIAAS is Progressive Innovation...

by Gabriel Chan
14 Nov 2017

SHARE
f t G+ in e

Free e-newsletter – get the latest news! 

But...

The application of DIAAS can become Disruptive Innovation...

...when insurance becomes “invisible” and forms part of the larger value chain...

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Pharmaceuticals industry faces incident, illness, as health system grapples with security benefits

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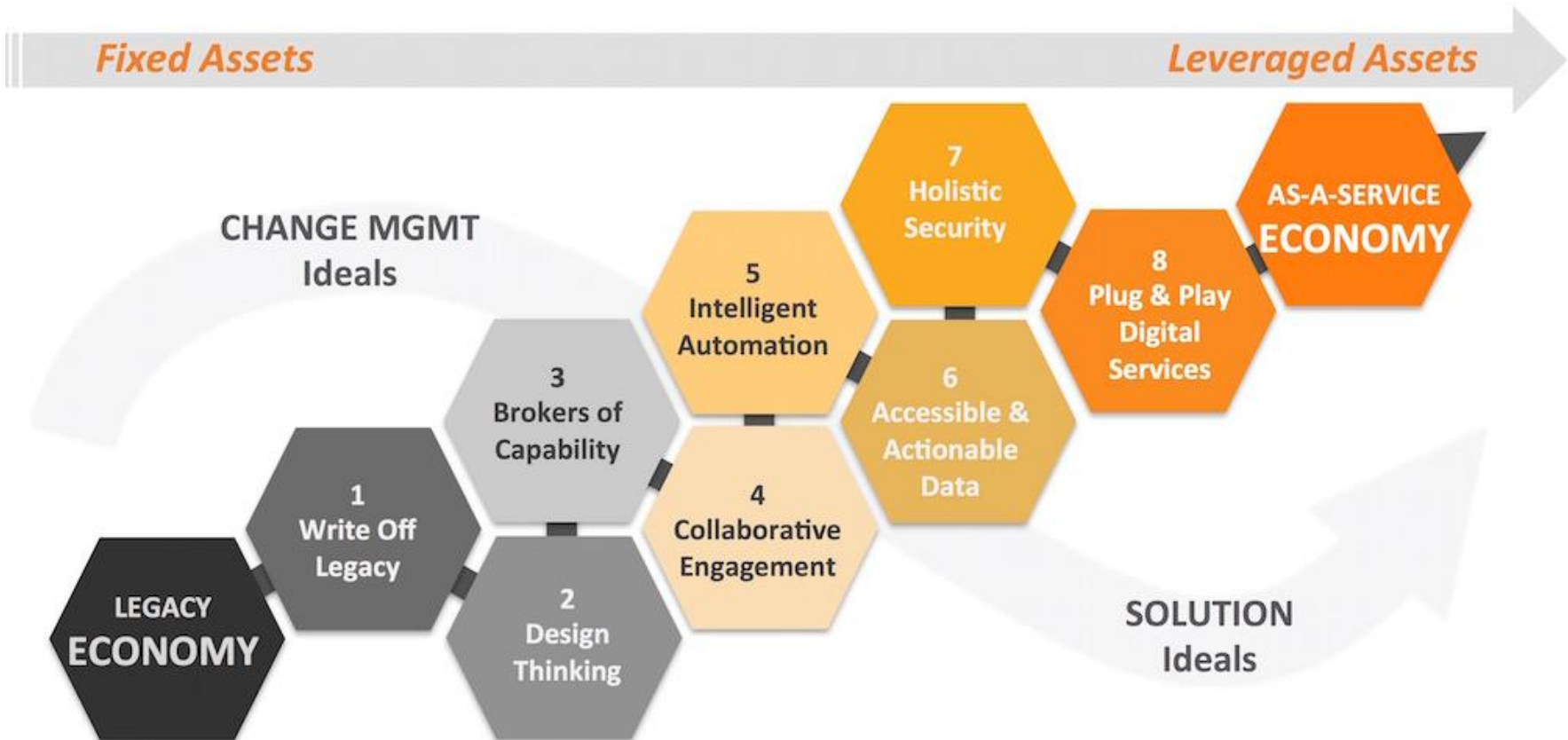
Bank of America's new CEO, Brian Moynihan, outlines vision for American Express

Submit a press release 

Why DIAAS can become “Disruptive Innovation”?

S Y M B O

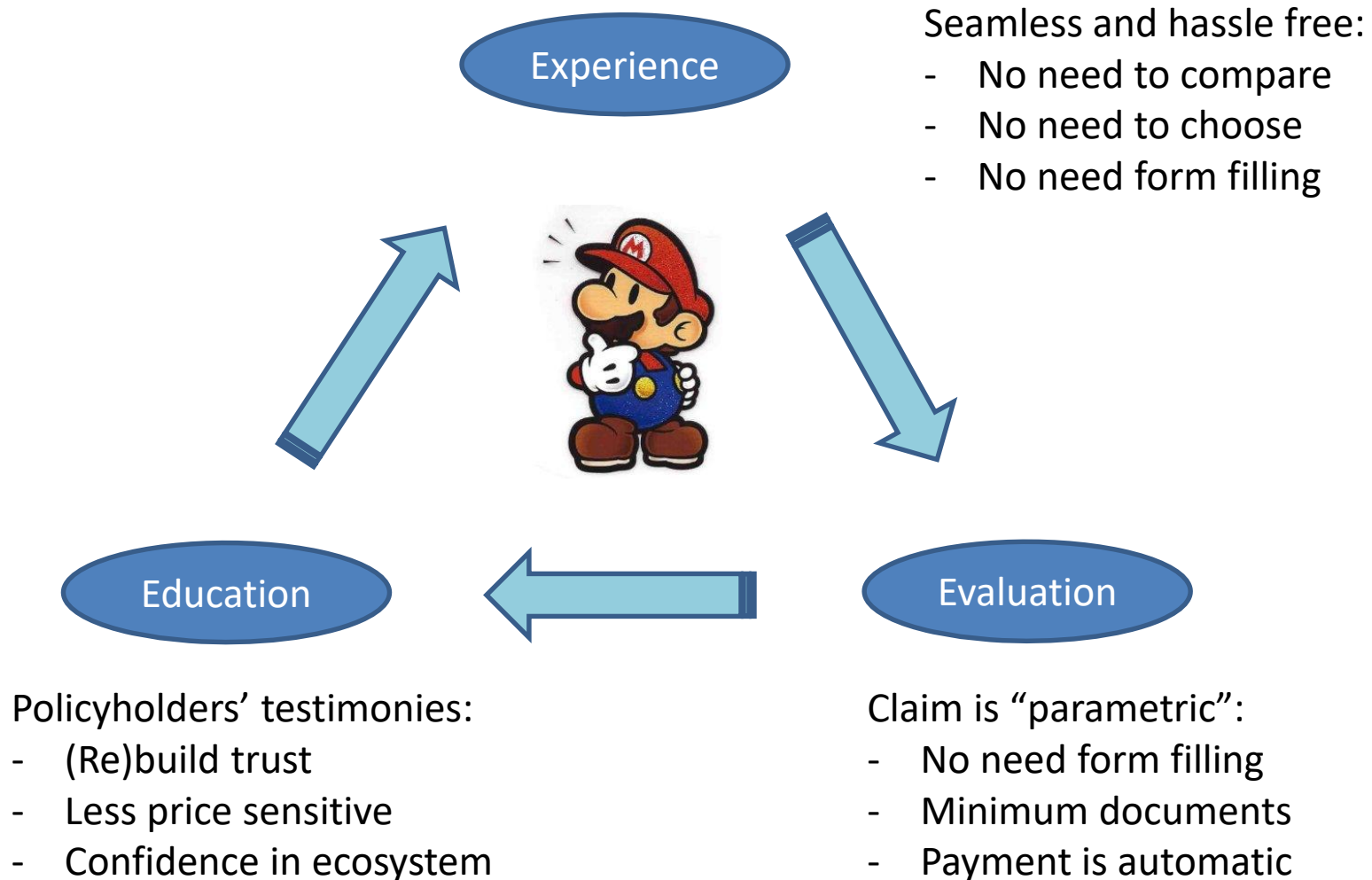
- DIAAS begins with “**service**” and not “**products**” or “**channel**” and aims to drive new value through smarter technology and automation
- It changes the nature and focus of engagement between Insurance Buyers, Insurance Providers, and Insurance Intermediaries



What does it take to make insurance invisible?

SYMBO

Recall Insurance 3.0...embedding insurance in everything we do...



My “prediction” of Insurance in 2028...

S Y M B O

Wishlist

“Invisible Insurance” at work

- Major consolidation of (re)insurance companies into just a few global providers
- The (re)insurance leaders in 10 years from now will be technology companies
- Insurance products can be bought via “DIAAS” or “Insurance gateway” – a centralised digital marketplace for insurance purchase
- DIAAS becomes the norm, highly flexible and customisable:
 - Bundled with other services or coverage
 - On-demand / Pay-as-you-go
 - Dynamic pricing
 - Flexi payment terms
- Insurance claims become largely “parametric”:
 - Automatic claims payout by triggers or via “smart devices”
 - Claim events are reduced through IoT – prevention and detection
- Insurance agents will be highly digital savvy and only serve HNW clients



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