

The background of the slide is a close-up photograph of green oak leaves. The leaves are vibrant green and have a distinct lobed shape. They are arranged in a way that creates a dense, textured pattern. The lighting is soft, highlighting the veins on the leaves.

Life insurance environment, trends & future opportunities

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Life Insurance competitive environment

Conservative and occupied with its own legacy insurance sector

High entry barriers / limited competition in certain markets

Challenging times is good driver for some further innovation within our great and so important industry!

No/rare substitute products for life (protection) products

Many alternatives for (saving) products

Aging populations

Fertility ↓

Healthcare cost ↑

Public debts ↑

Economic growth →

Negative interest rates

Regulations ↑

New technologies incl AI & IoT ↑

Product that need to be „sold“

Limited engagement

Changed customer behavior

Limited attention to risks prevention

Digital channels ↑

Willingness to pay for advice ↓

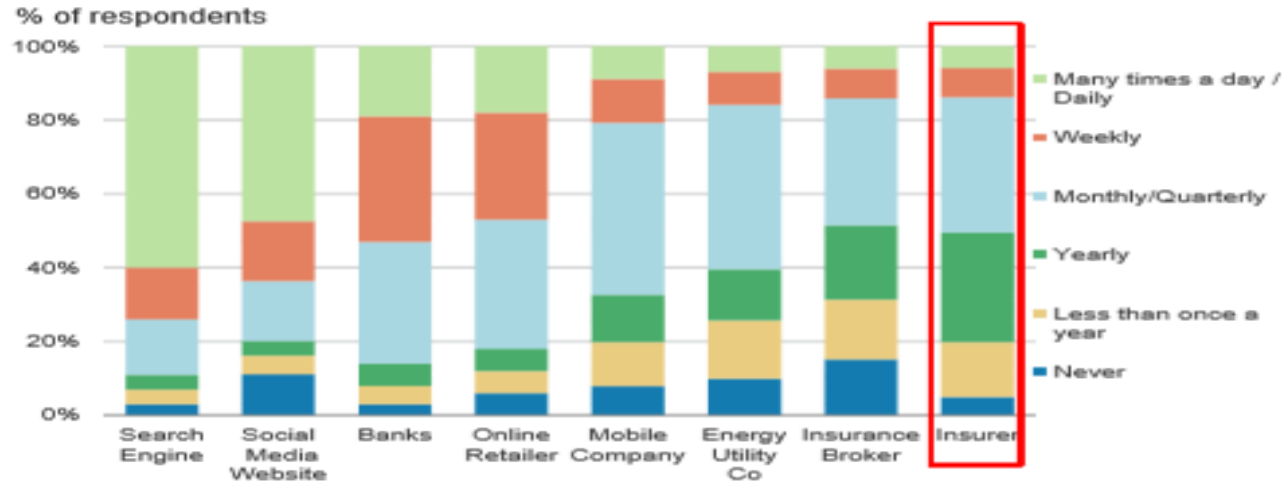
Clients openness for new ↑

Huge protection gap & need

InsuranceTech investments ↑

Digital environment & life insurance

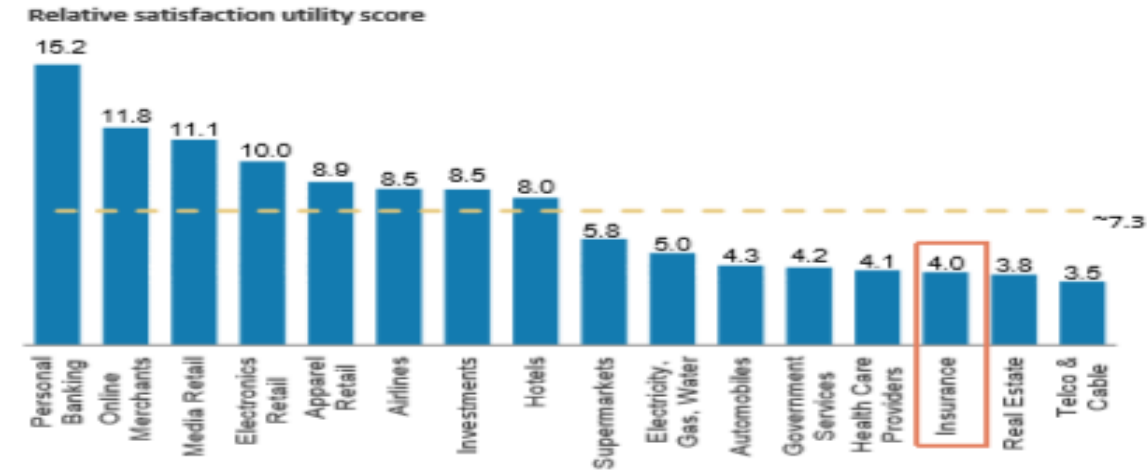
Up until now, consumers have interacted less with insurers than with any other industry...



Source: Morgan Stanley/BCG Global Consumer Survey 2014, BCG e-intensity index, Morgan Stanley Research

Insurance online experience lags behind

Consumer satisfaction with online experience, by industry

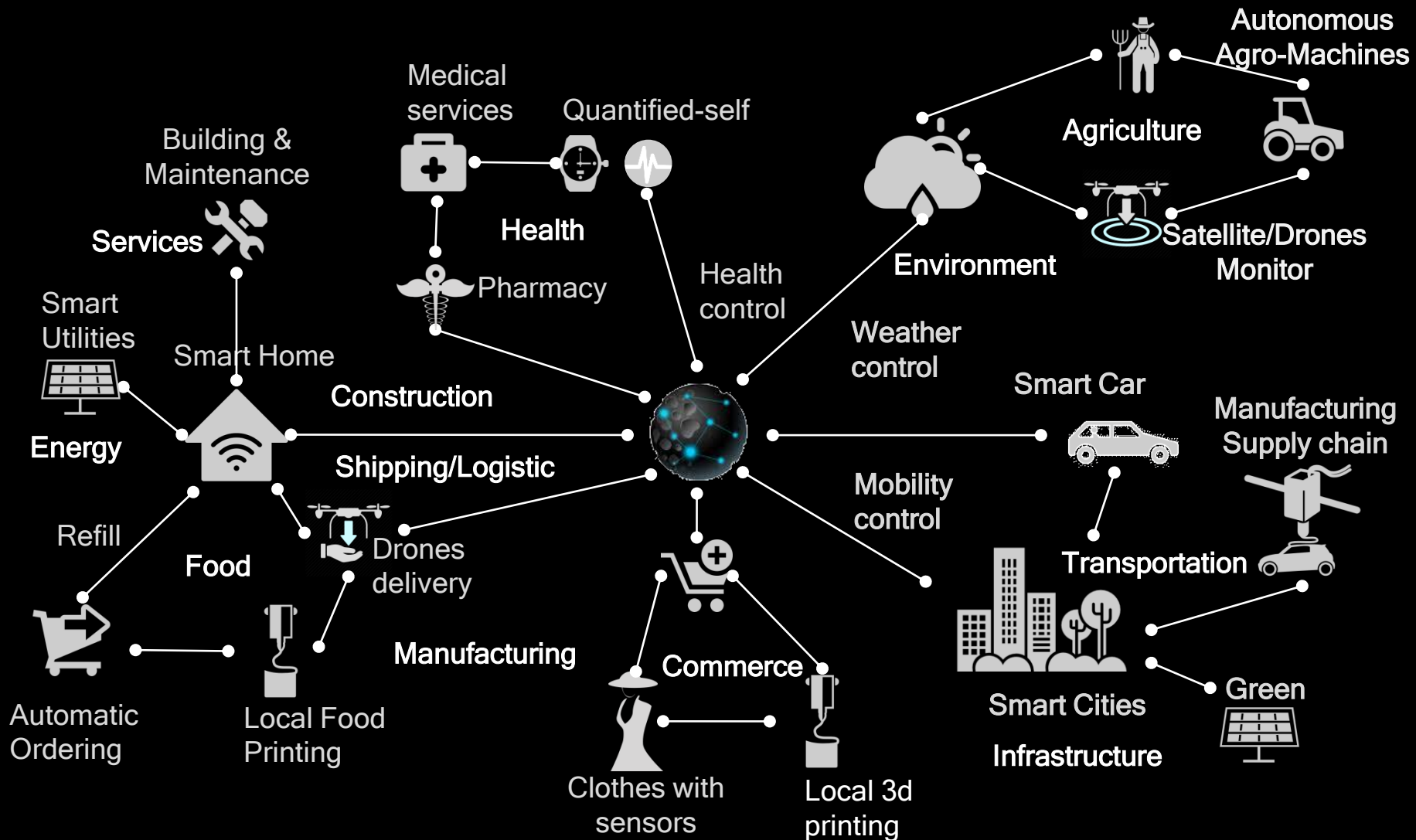


Source: BCG digital satisfaction survey March 2013, Morgan Stanley Research

Limited attention & interactions = usually limited engagement & limited relationships

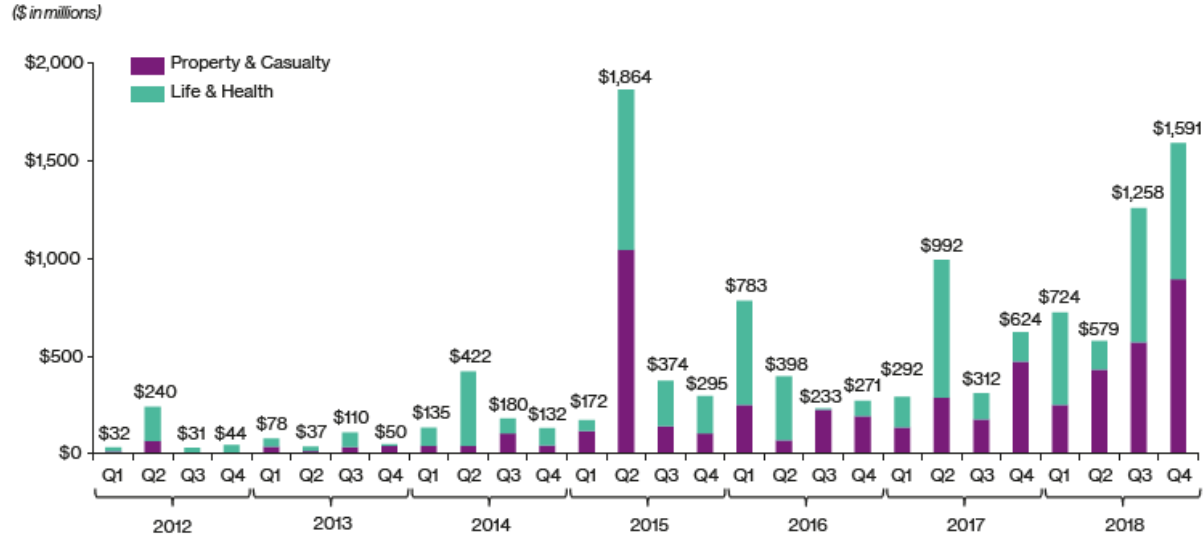
„The IoT has the potential to transform the P&C, life and health insurance industries as we know them today“ N. Chen. Towers Watson 2015.

THE CONNECTED WORLD ...

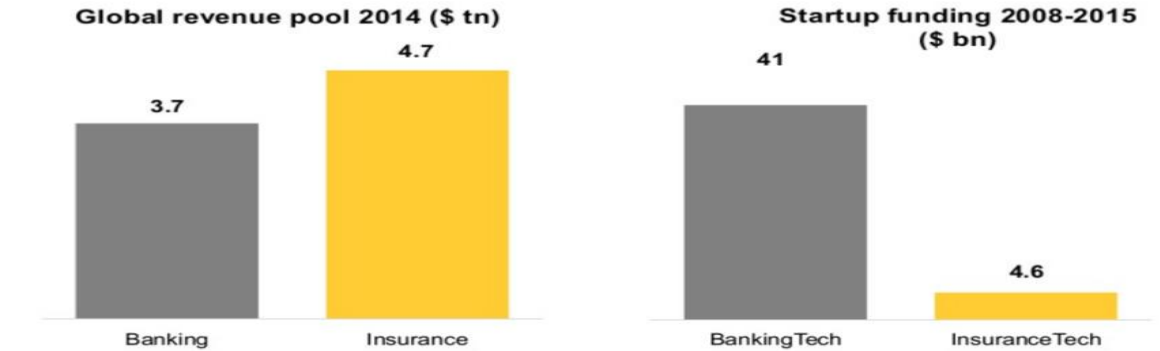


InsuranceTech Investments

Quarterly InsurTech funding volume – all stages



Relative to industry size, InsuranceTech has received 12 times less funding than BankingTech



Source: Swiss Re, McKinsey, Accenture, CB Insights, VentureScanner
CommerzVentures GmbH | Frankfurt a.M. | March 07, 2016

CommerzVentures white paper (2016):

„the most imminent effects of disruption will be felt in the banking sector; however, the greatest impact of disruption is likely to be felt in the insurance sector“

Source: https://www.cbinsights.com/research/report/insurance-tech-q4-2018/?utm_source=Insurance+Tech+Newsletter&utm_campaign=7dc7d55e2d-InsuranceNL_8_24_2018_COPY_01&utm_medium=email&utm_term=0_0c441eb5f9-7dc7d55e2d-88238721

Source: <http://www.slideshare.net/JenniferLanger/commerzventures-white-paper-on-insurancetech>

New opportunities across various business dimensions

	Traditional approach	New opportunities
Business model & ecosystem	Control full (insurance limited) value chain	Platform based business models (e.g. Zhong An)
Channels	Traditional (mostly physical) sales channels	Fully digital & omni channels (e.g. CommunityLife, HavenLife)
Ownership model	Corporations. Profit driven.	Owned by customers e.g. peer to peer models (e.g. Friendsurance)
Benefits	Defined risks/ events = benefit paid	Added value through risk(s) prevention, strive for behavioral change (e.g. Vitality) Contributions for local communities (e.g. Lemonade)
Time horizon	Long term (even decades)	Insurance on demand / short term (e.g. Sure)
Coverage	Wide risk covers	insuring specific items or events that „matters“ (e.g. TRÖV) or even new types of risks e.g. cyber/ID theft
Pricing	Backwards looking data/UW/models Solidarity approach.	New data sources. IoT. Dynamic pricing. More personalized solutions. (e.g. Telematics)
Communication	From insurer to client. Mostly one way.	Interactive / AI & chatbot / robo-advice.

14 examples of new and innovative practices

1. **Beam Technologies** introduced (IoT) based toothbrush and has now launched a new dental insurance product leveraging technology and data from the toothbrush. Toothbrush is connected with special app and gathers data about toothbrush usage and aims to reward customers with better dental insurance;
2. **CommunityLife** is a startup in Germany and have built their business model through digital channels only for protection products and is supported by reinsurance partnership.
3. **FWD Life Indonesia** iFWD Liberate is the first life insurance company in Indonesia that fully implemented an electronic-based platform to underwrite and distribute life insurance products;
4. **Haven Life** is an example of entrepreneurship within the life insurance industry as Heaven Life is legally operating as agent. Risks are carried by US based MassMutual. Enables customers to apply and receive term life insurance entirely online.
5. **Lemonade** is New York based online Peer-to-Peer Insurer a technology-first and legacy-free insurance offering. They operate based on fixed fee income and distribute profit back to society.
6. **Manulife Asia** launched the Manulife MOVE program in 2015 as a unique insurance concept for Hong Kong consumers that rewards them for being healthier and more active.
7. **Oscar** provides health insurance with a free Misfit Flash, a wearable fitness tracker that measures customer activity, syncs with their app and helps clients to save money;
8. **Pinnacle Life** being the first life insurer in the world to provide online sales;
9. **Progressive** offering quotes of its competitors along with its own quote;
10. **Road to Health** allows to see how your health compared with 100 people in the same age and gender as you;
11. **Sure** offers on-demand insurance app providing micro-duration life insurance coverage during air travel;
12. **Vitality Life** developed Vitality wellness program;
13. **WeSavvy** built digital insurance platform that enables Insurance companies to engage more effectively with customers. Customers can get cash points on their insurance premium when they run, walk or cycle;
14. **Youi's** website contains the innovative 'wall' where consumer can post their reviews in real time;

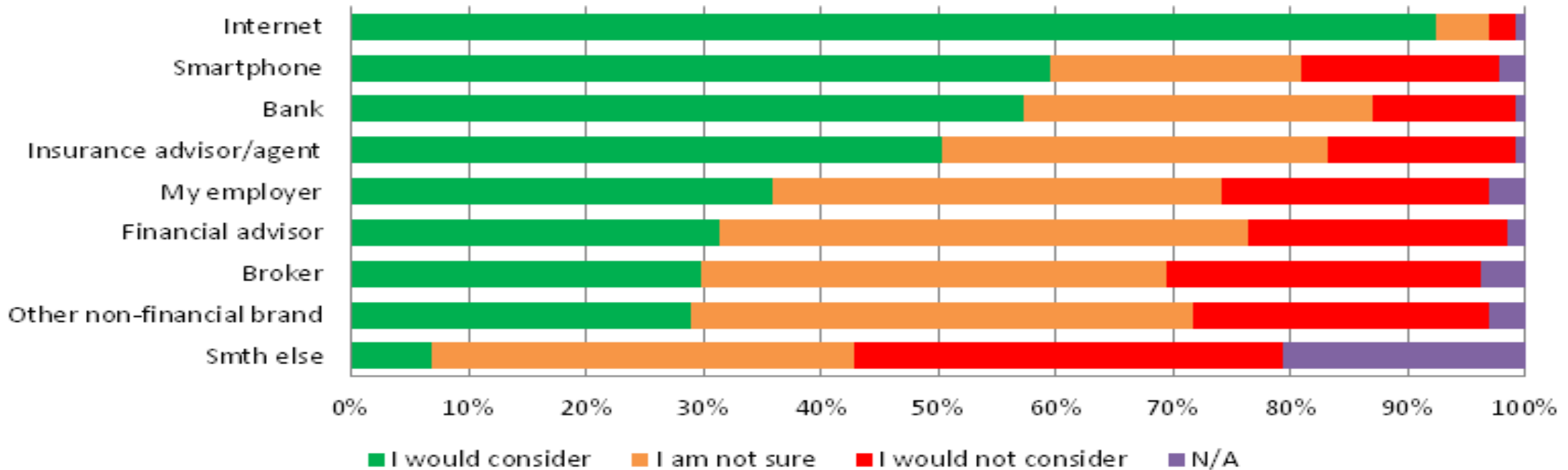
Some insights from recent Life Insurance Digital Channels Survey*

** Based on special 1Q`18 survey initiated by myself which was shared mostly among social networks (LinkedIn, Facebook) and which gathered 132 responses across 23 European countries*

** NB! Results should be taken as indicative and might be biased into certain extent.*

People clearly prefer digital channels

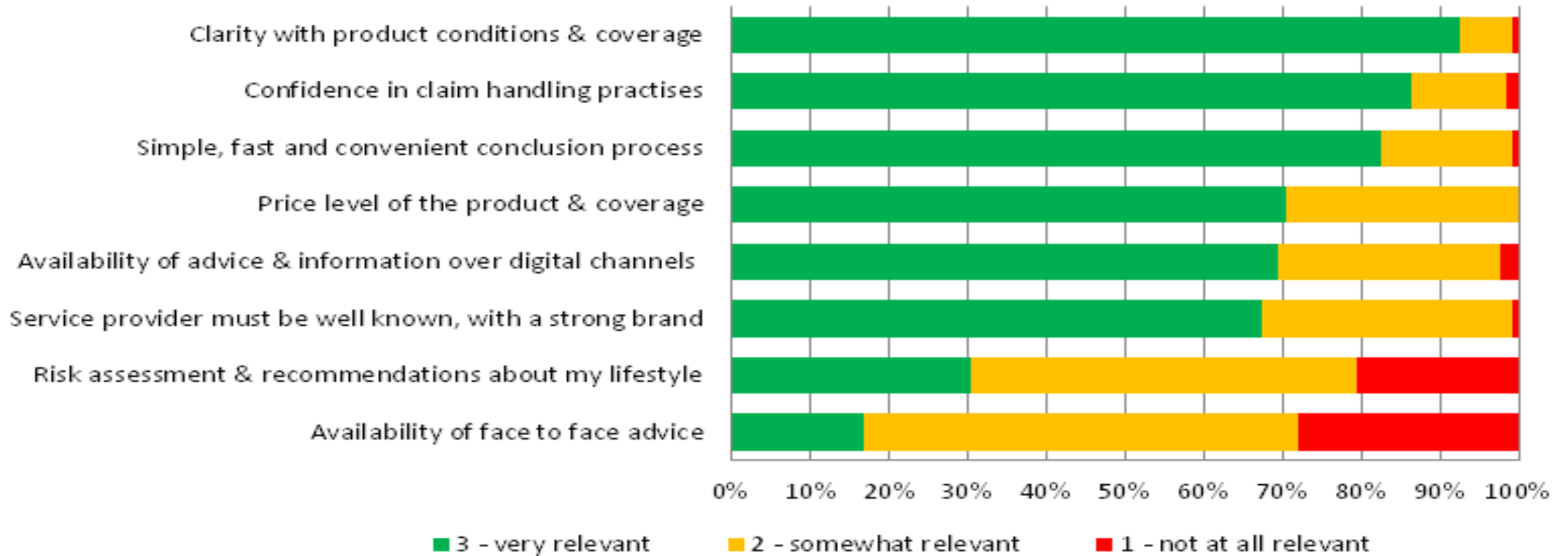
Channels preference for concluding life insurance



... while industry is lagging behind to cope with that in many cases

Basic factors matters mostly

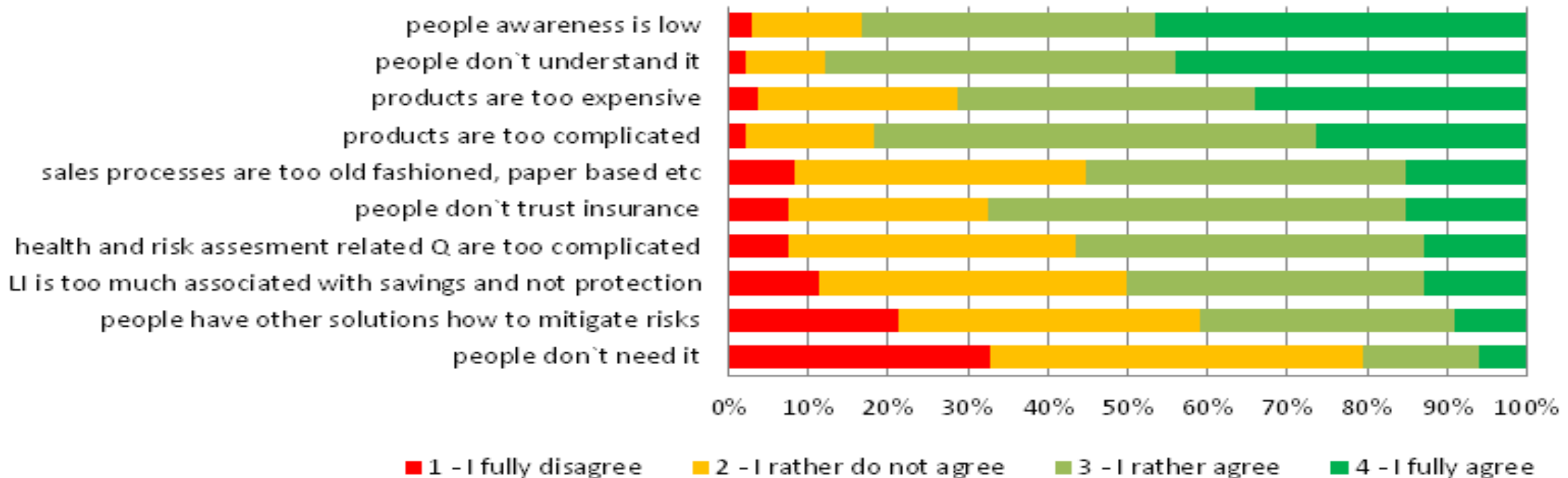
Importance of factors while considering life insurance



... while we might overload customers with various complexity coming from compliance, regulations, various risk management or just from our old practices

Main reasons people are not using life insurance

What are the main reasons you think people are not using life insurance



... and we reach to complicated insurance world which is difficult to understand

Simplify and always think how to add true customer value!