



How does digitalization create competitive advantage for insurance companies?

Case study analysis of global leading insurance firms and
analysis on what the future holds for the insurance industry
in Azerbaijan

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General insights on digital transformation in the insurance sector

France case study analysis

What does digital transformation in insurance sector mean?

Digital transformation can be carried out through automation and optimization of various business processes like:

- Optimizing underwriting processes;
- Automation of claims;
- Document management automation;
- Automation of settlement checks.

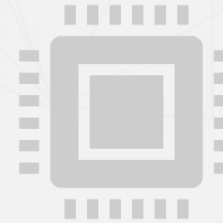
Why is digitization important?



One of the most prominent advantages of digital transformation is relieving the IT department.



Automation and digitization lead to faster market launches.



Digitization of business processes imply that the services a company provides is reusable, meaning it will facilitate a less complex IT landscape, and reduces its costs for implementation and operation.

How to successfully digitize insurance processes?

More flexible IT landscapes should be created.

Automation of processes is an inseparable part of digitization.

Improved and systemic decision-making model ensures more effective decision-making to take place in all operations units of an insurance company like, service processes, pricing, contract management, risk assessment, settlement, sanctioning list checks, and fraud detection.

Examples of digital processes successfully implemented in companies: France case study

ASSU 2000 Group is a French network of insurance brokers with 400 agencies and more than 560,000 customers.

The company faced a challenge in the face of wanting to find a new global pricing system to respond to some key market challenges like its increasingly digitized distribution channels.

The solution to the challenges faced by ASSU 2000 was to introduce a rules-based pricing system.

ASSU 2000 benefits from implementing rules-based pricing policy in the following ways:

- Strengthened position among competition due to accelerated time to market
- Reduced maintenance costs
- Improved communication and cooperation between business and IT departments
- Complete alignment among different channels

It has been established that the model is more efficient than the previous pricing system.

The impact of digital transformation on insurance intermediaries

US case study analysis

The impact of digital transformation on insurance intermediaries: US based insurance company case study

- A large insurance corporation valued at 4.2 billion USD offering a range of specialty insurance products.
- The company was one of the first in their field to capitalize on putting insurers in direct contact with potential customers that are willing to buy their offered services and products via online sales channels.
- The company needed to be able to implement intense call flow for quoting, binding and customer service to ensure all requests are answered satisfactorily.
- The company has implemented a technology-based, service solution with a single interface for all agent needs.
- Implemented shifts resulted in 100 million USD fast growth in new gross written premium, 98 percent more satisfied customers, and 20 percent higher policies per sale.

Digital transformation of the marketing function for UK insurers

UK case study analysis

DIGITAL TRANSFORMATION OF UK INSURERS

Industry trends show that although digital technologies can make companies market leaders, on the other hand, it can slow down corporate earnings and the overall value of the industry. Consumers, instead of companies, are usually the beneficiaries in the digital era.

Today, digitization is rather a necessity than a value driver. The insurance sector is a highly regulated; the consumer on the other hand, is moving at an exceptional speed.

The main challenge that insurance companies face is to stand out among the rest of the competition and move at the same pace as the rest of the market and especially its target segments.

The key to a successful digital market strategy is to establish a long-lasting direct communication and relationship with a customer or potential customer via available earned and social media channels.

Research shows that insurance companies are advised to invest in their digital transformation capabilities rather than tools to make digitization work.

Digital transformation of the marketing function for uk insurers

- Sales channels attract price-sensitive customers, which in turn leads to margin reduction and higher churn rates.
- The company decided to assess the current customer acquisition process. The objective was to increase the effectiveness (sales volume) and optimize efficiency (cost per acquisition) of the more profitable non-aggregator direct channel.
- The framework constituted to deep dive into the company's owned and paid channels, analytics tools, campaign effectiveness, and data infrastructure and availability.
- The problem of the company was rooted down in the lack of knowledge, insights, and monitoring of company's customer journeys. The reports were limited and lacked a level of sophistication.



DIGITAL TRANSFORMATION OF THE MARKETING FUNCTION FOR UK INSURERS

The outcomes of the assessment were as follows:

Identified the targeting models for the direct mail channel to target cold customer base to reduce the cost per acquisition by at least 35%, with a further scope of optimization possible depending upon volume of expected conversions;

Saved up to 0.7 million pounds by developing a better customer targeting framework and channel optimization strategies;

Demonstrated additional top-line upside of 5 MM £ through intelligent targeted offer design based on customer demographics and price elasticity analysis;

Designed comprehensive visuals for campaign performance to facilitate root-cause analysis;

Identified areas for improvement for customer journey, which in turn leads to higher conversion rates and better user experience.

Challenging Customer Experience

Canada case study analysis

Challenging customer experience: Canada case study analysis

- Key player in the Canadian insurance market anticipated the shift in customer expectations by transforming its business activity and creating a separate, direct digital direct insurance brand that effectively and efficiently delivers insurance products and [services that the Canadian market is demanding](#).
- Extensive market research was conducted in order to understand what customer pain points, preferences, are and expectations to create a brand that would speak directly to their [needs](#).
- The user experience model was designed using sophisticated software, advanced analytics engine, and [innovative digital experience](#).
- In less than five minutes' time, the customer receives a tailored and personalized quote [without having to talk to an agent](#). The backend use of third-party data and real time analytics provide improved underwriting and rating calculations and quotes.
- The way company's brand has been created will allow adapting to changing market environments and customer demands, making it easy for it to stay the market [leader in Canada](#).
- This digital solution allowed the company to expand its market share and set the high bar for [direct insurance](#) experience in Canada.



Overview of the InsurTech Ecosystem in Latin America

Brazil, Mexico, and Columbia market analysis

Overview of the InsurTech Ecosystem in Latin America

The main challenge companies face nowadays is to adapt to these changes and keep creating value for its customers.

These shifts create discrepancies in what the companies have to offer and what the customers want and need, leading to urgent rise in tailored service and product offers.

In the last years, there has been a drastic increase in the number of FinTech and InsurTech startups in the Latin American region. The growth is estimated to be 50 percent in 2019.

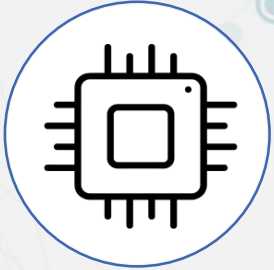
Brazil, Mexico and Columbia are considered region's leaders in terms of InsurTech growth. InsurTech startups represent 6 percent of the total number of startups in the Latin American region.



Brazil InsurTech Overview

- Leader in the Latin American region with over 370 startup companies created.
- The biggest segments are payments and financial management with 23 and 17 percent, respectively.
- The fastest growing segments, on the other hand, are digital banks (147 percent), trading platforms (95 percent) and loans (77 percent).
- 31 percent of total startups in the industry are considered ready and willing to grow, and 35 percent are already in the stage of expansion and development.
- InsurTech startups are growing at a rate of 73 percent annually.

Mexico InsurTech Overview



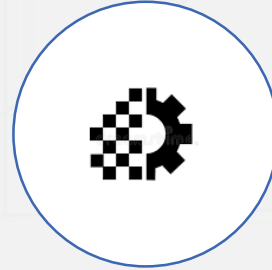
Mexico is the second biggest InsurTech ecosystem in the Latin American region.



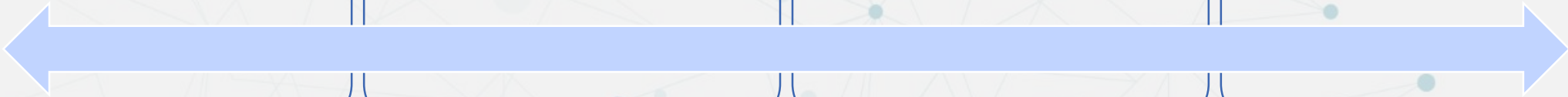
InsurTech is estimated to show an annual growth of 27 percent.



InsurTech represents 6 percent of the total number of startups in the market.



As far as development is concerned 47 percent of digital startups are ready to grow, and 31 percent are already in the stage of growth and penetration of new segments. Only 17 percent of InsurTech companies have expanded outside of Mexican market.



Columbia InsurTech Overview



Columbia is ranked third in terms of number of InsurTech, and Fintech startups created, reaching **up to 124 companies**.



Regarding development, **32 percent** of InsurTech startups claim to be ready to grow, and 40 percent of those startups are already in the phase of growth and expansion.



The startups in that segment grow at a rate of **75 percent** in the last year.

Overview of the InsurTech Ecosystem in Latin America

Mexico is the prime market with strictest InsurTech laws that have been put in force in 2018. These laws were established in order to regulate the InsurTech industry and to provide greater legal stability across the industry. In the other biggest markets like Brazil and Colombia, similar laws are in the process of approval.

Government authorities are imposing electronic invoicing in numerous countries in Latin America, where users and companies are required to record each financial transaction in the form of an electronic invoice.

There are approximately 85 foreign InsurTech startups currently settled in Latin America.

Both FinTech and InsurTech have the slowest growth rates in the region when compared to other segments.

This is because of the conservative and risky nature of insurance.

Also, there is an extreme shortage of people, who are not familiar with new technologies and digital transformation processes.

In addition, the low penetration rate in the insurance sector.

This also explains why most of the InsurTech companies focus on developing new distribution channels and product comparisons to improve overall customer experience.



Compliance procedures for insurance companies in the digital age

German case study analysis

Compliance for insurance companies in the digital age: German case study analysis

One of the main challenges German-based insurers face in terms of compliance is constantly verifying its client data and filter out blacklists.

This is done to meet regulatory internal and external compliance requirements, achieve maximum transparency, and ultimately strengthen corporate reputation as a trust-worthy company.

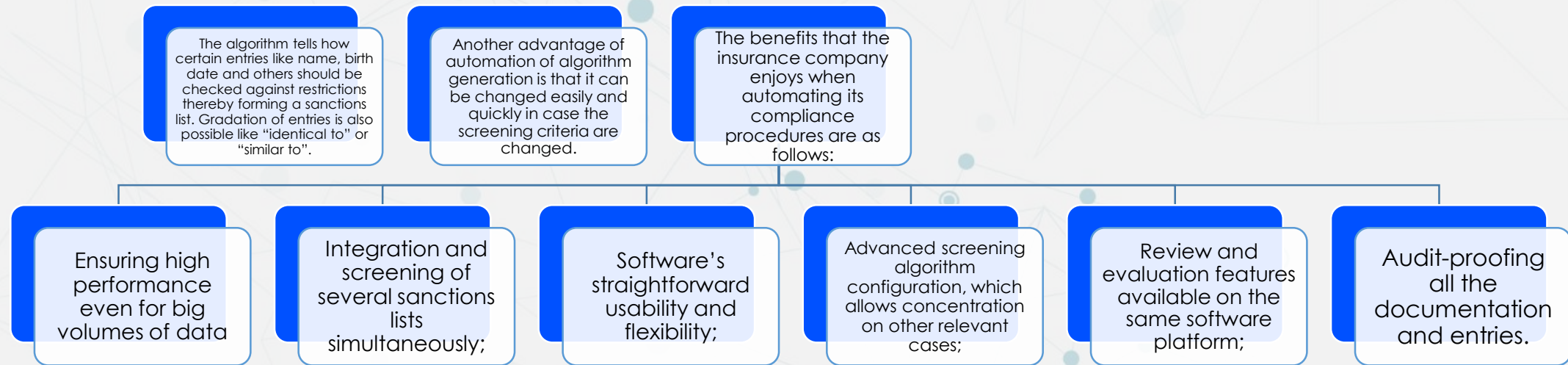
For an insurance company to meet its compliance requirements and regulations, insurers must regularly update and check its database.

For sanction lists screening, a specially designed software is implemented that can analyze numerous lists simultaneously.

In order to facilitate the large number of data to be analyzed, the algorithm is continuously refined through extended selectors to decrease drastically the false-positive rate of the process.

With high volumes of data, it is especially important to reduce the false-positive rate of the algorithm so that compliance officers can focus on other truly relevant cases.

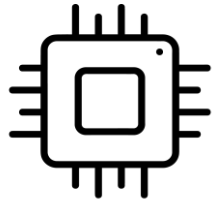
Compliance for insurance companies in the digital age: German case study analysis



Digitalization of anti-money laundering models in insurance companies

Switzerland case study analysis

Digitalization of anti-money laundering models in insurance companies: Switzerland case study analysis



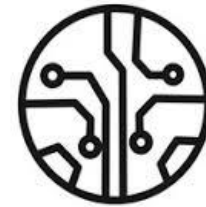
The Swiss Life Group is one of world's leading insurance and financial service providers. The company offers its services to both individual and corporate clients along with a broad range of products.



The company has set an objective to detect and identify high-risk entities to prevent money laundering and terrorist financing.



The main challenge Swiss Life is facing is that it wants to automate the process of high-risk entities and fraud detection, immediately extract those entries from the database, and form sanction lists.



The software was expected to solve the following points:

- Detecting high-risk physical and legal entities;
- Easily implemented in several European countries simultaneously;
- The software should be in accordance with corporate restrictions and guidelines.



A specially designed software that had to be implemented in the European offices has been operating in Swiss Life's headquarters since 2006. The system is advances enough to scan entries based on several criteria simultaneously.

Digital insurance platform for *SMEs*

France case study analysis

Digital insurance platform for SMEs: France case study analysis



Global insurance broker, Aon has formed a partnership with Chubb, a limited liability insurance company to provide insurance services online exclusively to small and medium sized enterprises.

The new online platform offers more than ten insurance products and services from Chubb, by ultimately reducing the time to get an insurance quota.

Aon's mission is to continually diversify its distribution channels and digitally transform them to increase the rate of automation, decrease the false-positive ratio and ultimately increase customer satisfaction.

Using the specially developed online platform, the client can obtain quotes on different products, compare coverage options, pay either using a credit card or bank transfers, instantly download all the documentation required to purchase a policy plan and contact a specialist in case of any inquiries.

Turkish InsurTech market growth and Digital Innovation of Zurich Turkey

Turkey case study analysis

Turkish InsurTech market growth

The Turkish insurance market, which is currently valued at 30 billion USD, consists of three main branches:

- life;
- non-life insurance;
- private pensions.

The development of the non-life insurance sector is directly linked with the overall economic situation in Turkey.

In the past decade, the non-life insurance sector has been growing at a rate of 15 percent per year, while in 2016 alone the growth was estimated to be around 32 percent.

The insurance sector in general is currently valued at 10 billion USD and when compared to the insurance premiums to GDP ratio, which is around 1.3, the sector should grow seven times to reach the same level of industry value as in EU.

Digital Innovation of Zurich Turkey

Zurich Turkey has been operating in Turkey since 2008 and has entered the Turkish market through an acquisition and has since invested over 500 million USD.

Currently almost half of the Turkish population own some sort of device with Internet accessibility.

Mobile usage is almost 97 percent.

Over 90 percent of the whole population has Internet access.

The number of people, who are currently utilizing electronic banking services, add up to almost 45 million, which is a 400 percent increase from 2007. More than 15 million of these people are classified as 'active internet banking customers.'

The current value of the Turkish e-commerce market has exceeded 6 billion USD, reaching an all-time high.

Digital Innovation of Zurich Turkey

One of the first industries to embrace digital transformation in Turkey has been the financial sector, which implies that the insurance sector will follow as per example.

With the rise of digitalization of industries like banking services, comes the rise in digital crimes, in other words called cybercrimes.

This is where insurance steps in to play a role of a medium to mitigate the risks.

Over 15 million people in Turkey today are affected by cybercrimes. A recent survey that has been conducted among avid e-banking services user state that 86 percent are deeply concerned about ID theft and cybersecurity.

Digital Innovation of Zurich Turkey



The insurance sector in Turkey is striving to provide its clients, both individual and corporate with innovative insurance solutions preventing cyber theft.

One of the most successful examples among key market players in Turkey is Zurich Insurance. Since the main concern of customers is data theft, Zurich Insurance is providing new cybersecurity products to help customers protect their vital information, like passwords and credit card numbers, from cyber threats.

Thus, the name of the product, which is "ID-Safe".

ID-Safe users can benefit from various coverage options, like identity fraud and password coverage.

The main selling point of the product is that its features are not limited to coverage plans provided for cyber threats; the product also helps customers to protect their personal information.

This is primarily achieved with the help of a special software, Web Radar, which is an additional service provided to policyholders.

The way this software works is that policyholders enter all their information into the secure database, and the software regularly scans through the web to detect any information misuse.

In case there is any information misuse, the software sends a warning notification to the policyholder. Moreover, policyholders are also provided with free antivirus software so that they can protect their computer devices as well.

Zurich Insurance is currently working on a similar software designed specifically for SMEs.

Nordic InsurTech Overview

Scandinavian region analysis

Nordic InsurTech Overview

It is common in the Nordic region for incumbent insurers to be digitizing and automating its paper-based operations and IT infrastructure and then label themselves as an InsurTech company.

For an insurance company to label themselves as an InsurTech organization, three main components must be adhered to:

- traditional insurance principles;
- new technology implementation;
- continuous business model innovation.

It is also common in the Nordic region, to see new market players in the insurance industry to offer pure digital experiences to its clients while maintaining minimal costs. This business model is not based on providing effective services to its client, rather to minimize costs on an absolute level.

Both extremes, traditional insurance and pure digital experience, may be profitable.

The impediment is whether the company will be able to create a differentiation strategy with extreme business models.

There is a growing number of new market players that commit to adhere to the digitization extreme.

Nordic InsurTech Overview

One of the prominent examples is Hedvig in Sweden.

The company has all the elements to label itself an InsurTech: Digital service offerings, adherence to traditional insurance principles, and continuous business model innovation of using surplus money and investing in social good.

Another fine example is a company from Denmark, Undo; a company that started as a green-field startup initiative.

Undo as well, has all the pillars to label itself an InsurTech. Its user journey is purely digital having a mobility perspective by customizing granular insurance for a younger demographic.

Based on research, if traditional insurance companies offered similar services as InsurTechs, 61 percent of respondents would still prefer traditional insurance companies.

InsurTech offerings are considered extremely niche, thus the high percentage in favor of traditional insurers.

Technological trends and challenges in the Dutch insurance market

Dutch case study analysis

Technological trends and challenges in the Dutch insurance market

Based on a report published by KPMG in 2020, 65 percent of Chief Insurance Officers (CIOs) claim that skill shortage in big data, analytics, AI, and technical architecture is one of the main impediments to facilitate digital transformation and business model innovation.

Another impediment that insurers face in order to customize their offerings to clients is strict privacy technology regulations.

Currently, there are several technology trends that Dutch insurance companies invest in and rely on:

- Micro services
- Blockchain
- Edge Computing
- Cognitive Expert Advisors
- Fraud Analytics
- Machine Learning
- Productive Analytics

Digitalizing risk prediction with Zurich Insurance

In the case of Zurich Insurance in the Netherlands, the company uses predictive analytics to identify the most probable risks their clients. Predictive analytics incorporate machine-learning principles to go beyond statistics and probability.

This new risk-predicting model resulted in:

- The company being able to process large volumes of customer-related data across multiple platforms.
- A greater flexibility being presented to generate new data sources and test against them in real-time.
- Greater functionality across different platforms and greater tool variety to be experimented with to achieve most favorable results at the lowest cost.

Several technology trends might disrupt the future of the insurance industry like, brain-computer interface (BCI), and smart dust.

BCI is a software that allows computers to read human brain's patterns and may revolutionize medical underwriting processes altogether.

Digitalizing risk prediction with Zurich Insurance



- Several technology trends might disrupt the future of the insurance industry like ,brain-computer interface (BCI), and smart dust.
- BCI is a software that allows computers to read human brain's patterns and may revolutionize medical underwriting processes altogether.
- Smart dust is a collective system of micro electromechanical systems (MEMS) that include microscopic clusters of sensors, cameras, chips and robots. These help identify even the slightest light, temperature and pressure changes. This helps insurers to anticipate and thus prevent certain insurance events.

Utmost Group's transformation of operations and automation in the Russian Office

Case study analysis

Utmost Group's transformation of operations and automation in the Russian Office

"Utmost Group's" Russian office wanted to improve its customer satisfaction and simplify customer journey for its clients.

By implementing a specially designed platform, the optimization of internal operational processes, reduction of service delivery time, and improvement in the communication with brokers has taken place.

The company had an ultimate business objective of transforming its business process mainly through operational automation while delivering high quality results to clients.

The impediment was that it had to transform within existing technological limitations.

Utmost Group's transformation of operations and automation in the Russian Office

To achieve and embrace digital transformation of the company's Russian office at the quickest possible rate, the company implemented a specially designed software in 2017.

The goal of the software was to read, understand and ultimately substitute the human factor of the operations using Robotic Process Automation.

Within six months after the implementation of the software, it delivered an 80 percent decrease in internal processing time, amongst other improvements such as:

80 percent reduction in processing time

70 percent decrease in end-to-end cycle times

38 percent decrease in the total number of phone calls

56 percent decrease in client problem resolution time via email

23 percent improvement (from 73 to 96 percent) in effectiveness of phone calls with clients (call time/problem resolution ratio)

75 percent decrease in employee overtime rate



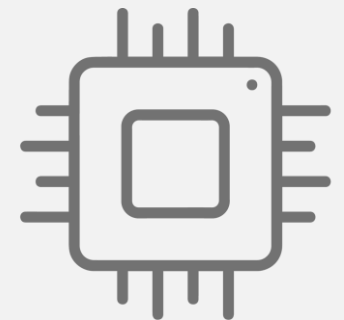
Utmost Group's transformation of operations and automation in the Russian Office



This transformation has had several positive impacts for the company:

- Firstly, the staff has been able to switch from hectic work schedules to adequate responding times thus increasing efficiency and quality of client deliverables.
- Secondly, the overall employee satisfaction rate has improved resulting in greater confidence at key intermediary meetings.

Today, the company has transformed operations in all its offices using a mix of human and bot resources. The software also helps to deploy more bots at pace.



Digital advancements in the health industry of Kazakhstan

Market Analysis

Digital advancements in the health industry of Kazakhstan

Most of health care facilities are state owned and thus, the government keeps pushing the local population to obtain a universal health coverage.

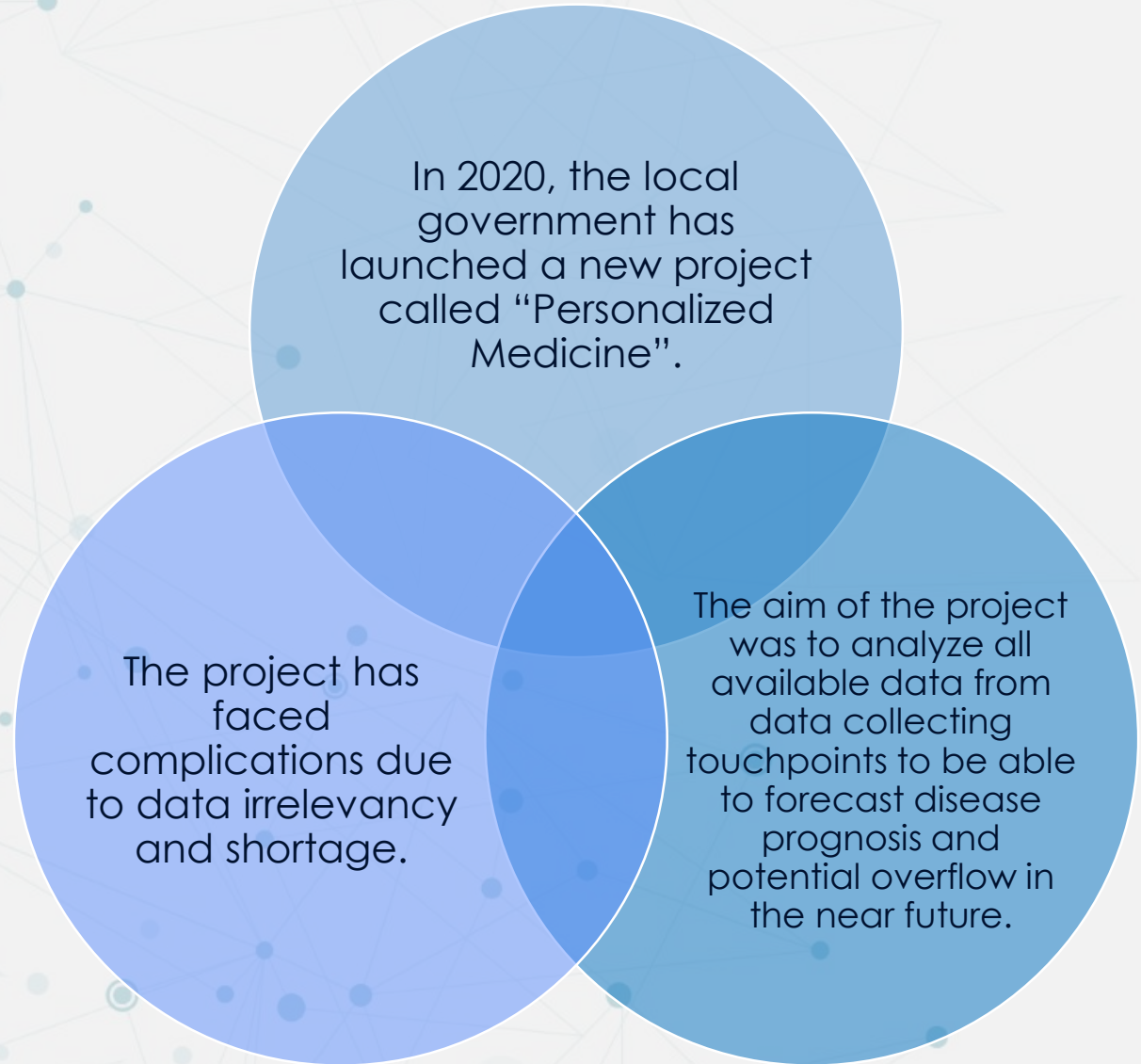
The Ministry of Healthcare of the country launched a special project named, "Unified Health Information System", whose aim was to design a special software and automate major operational processes like medical data collection and the monitoring the quality of medical service providers.

Other impediments included lack of population enthusiasm and involvement in the development process, which in turn lead to a low level of acceptance of changes in the industry.

To achieve the statewide registration to the universal health coverage, the government relies on digitalization of the healthcare ecosystem.

One of the main obstacles was technological issues like outdated client-server architecture and software limitations.

Digital advancements in the health industry of Kazakhstan



Digital advancements in the health industry of Kazakhstan

In 2004, the first telemedicine network in the country has been launched with the aim to provide rural areas with access to basic medical care.

Since then, about 200 000 consultations were held using the network.

The government has also incentivized an initiative for citizens to self-manage their check-up times and appointments using electronic applications that help people make a doctor's appointment, keep track of their treatment plan, manage prescriptions and view blood test results.


The government has formed partnerships with 40 different medical providers to implement the initiative. The system currently has 2 million registered users.

Another impediment was digital literacy of the population.

To enhance digitalization, the government diversified its channels to SMS communications, call-centers, and data analytics in addition to smartphones.

This helped achieve almost 17 percent of the adult population of the country use universal health insurance.

Digital advancements in the health industry of Kazakhstan



The Ministry of Health organizes healthcare related events to increase awareness of the population and literacy on the topic.

Starting from 2018, the Ministry has held annual international conferences and exhibitions where practical examples of new technologies emerging in the healthcare landscape have been displayed and lectured about to the representatives of the healthcare industry of Kazakhstan.

The National Electronic Health Record platform provides online reports and records, medical history to the public via its free app.

SOGAZ's transformation of its corporate property insurance

Russia case study analysis

Digital advancements in the health industry of Kazakhstan



Before digitalization, the company struggled with paperwork and manual quotation process using spreadsheets and non-automatic calculations.



SOGAZ decided to optimize the underwriting process by digitalization, which would lead to more efficient results and transparent workflow of the underwriting process.



One of the main challenges was to merge vast amounts of data, several sales channels, and numerous levels of organizational structures within one simplified process.



In 2018, SOGAZ formed a partnership with a fintech company that would help to transform one of sogaz's most important business processes, which is corporate property underwriting.



The fintech company focused on optimizing the application, quotation, policy conclusion, and underwriting processes, which resulted in a universal unified underwriting process.

SOGAZ's transformation of its corporate property insurance

The transformation was planned and divided into four phases:

- Launch a new quotation approach for the corporate property underwriting process.
- Identify and integrate pre-underwriting stop factors.
- Provide support and integrate the sales team into the transformation process by organizing special trainings and workshops.
- Align the transformation with reinsurance and accounting divisions.

The newly optimized underwriting process works in the following way:

- The process is triggered by an application or a similar command, which contains basic information about the policyholder.
- Upon submission, the application acts as the basis for either one or several quotations.
- Once the quote is selected, a policy is created.

SOGAZ's transformation of its corporate property insurance



The most complex part is the calculation of the quotation because it has the nature of changing from one application to another based on different criteria entered.



To simplify the calculation process, a specially designed software was created to be in alignment with SOGAZ's internal procedures that would design an algorithm for quote calculation for each application individually.



SOGAZ managed to transform its corporate property insurance underwriting process completely.



Not only did the company increase its effectiveness and efficiency, but it has also succeeded in the simplification of one of the most complex processes in the insurance business while ensuring that the whole process stays structured, transparent, and delivers reliable and accurate calculations.



The company has used the Agile approach to implement the digital transformation of one of its blocks. The first step was planning the solution, followed by several 2-week implementation sprints.



This approach allowed SOGAZ to see the results of the project early on and provide immediate feedback. This approach facilitated a speedy implementation time, which was a total of 7 months.

Digital transformation of SAVA Reinsurance Group's IT landscape across Eastern Europe

Slovenia case study analysis



Digital transformation of SAVVA Reinsurance Group's IT landscape across Eastern Europe

- SAVVA Reinsurance Group is operating mainly in the southeastern markets of Europe, offering its clients both life and non-life insurance services.
- The main complication that SAVVA was confronted with was the inconsistency of its IT landscape across its regional offices.
- The company sought a solution that would adhere to its criteria, which were:
 - Offering online information support about its life and non-life insurance services on a single, easily accessible internal platform;
 - Designing an optimum IT platform that would fully support all internal processes while eliminating all other formats of record keeping and data storage systems;
 - Designing the online platform in such a way for it to be easily customized based on language and currency options and implemented across several markets;
 - Enabling rapid implementation and full alignment in case a new office branch opens.

Digital transformation of SAV A Reinsurance Group's IT landscape across Eastern Europe



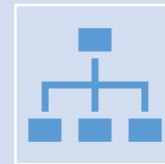
A unified data storage and information support system allows multi-office companies to easily oversee operations in all its branches, which ultimately simplifies operations and allows the management to focus on development of new products and serving clients in a more effective and efficient manner.



Uniformity in IT landscape allows the company greater flexibility and responsiveness when new products are formed, which in turn reduce operational costs and IT system maintenance.



Consolidated and uniform data provides the company a strong and reliable basis for actuarial analysis, and thus more effective decision-making, which ultimately increase business profitability and reduces operational costs.



SAVA has fully transformed its IT landscape across all its offices, which included processes like sales, quotation calculation, premium bookkeeping and management, reinsurance and provisioning.

Digital transformation of Japanese conglomerate to facilitate innovation

Case study analysis

A major Japanese conglomerate commits to digital transformation to facilitate innovation

A Japanese insurance conglomerate wanted to form long-term partnerships with its peers to intelligently approach innovation activities and retain its position as the market leader.

The company has collaborated with and purchased a license to access a research firm's "Idea Pulse" report for 2021, together with the data set behind it.

The dataset contained over 1000 most recent digital insurance innovations and ideas from the top 250 insurance companies globally.

The data is categorized based on innovation type (product, claim, underwriting, etc.) and innovation theme (Blockchain, machine learning, etc.). The report also includes all the companies and entities that were involved with each innovation mentioned.

With obtaining access to this kind of dataset, the conglomerate gained access to extremely valuable information that facilitated its further development, innovation and digital transformation in the market.

In addition, the company was able to rapidly access a source with all the potential partnerships that they could form based on market dynamics.

Digital transformation case studies on top 4 InsurTech companies from Asia Pacific (APAC)

China, Hong Kong, Indonesia, and
Singapore case study analysis

Digitalization technologies and trends in China and Hong Kong

Zhong An is an InsurTech based in Shanghai and has formed a partnership with Alibaba for further research and development.

The company is known worldwide for its customer-centric approach. The start-up was created by Chinese tech and insurance market leaders, making Zhong An the only holder of an internet insurance license in all China and has served nearly 150 million clients in its first year alone.

The company is also famous for its flexible, speedy, and customized solution offerings to its clients and target audience, who are considered the most difficult to appeal to, which are millennials. This success has been attributed to the company's valuable consumer data that they constantly analyze.

Bowtie is based in Hong Kong and provides health insurance services to both individual and corporate clients. It has formed an extremely successful partnership with one of Hong Kong's biggest conglomerate, Sun Life Hong Kong.

Bowtie is the first insurtech to receive a virtual insurance license in the market from the Hong Kong Insurance Authority (IA).

Digitalization technologies and trends in Indonesia and Singapore

PasarPolis provides modular and micro insurance offerings through its established partnerships.

Despite its massive population, Indonesia has one of the lowest insurance adoption rates in Asia at only **2 percent**.

The company wants to change the local population's misconception that insurance is a luxurious and can be purchased only by the upper middle or top class.

PolicyPal is a digital insurance company based in Singapore that provides easy-to-use mobile application where users can look for new policies and manage their current ones, compare coverage plans and prices, all in one place.

The application has several partners and allows its users to compare policies from companies like **AXA, Zurich, AIA, Allianz, Cigna, Generali, and Prudential**.

Besides offering products those of its partners, PolicyPal also offers its own solutions to its users.

For example, EZCare, which is a solution that uses the app's front-end web and app technologies to offer a complete digital group employee benefits plan by Liberty Insurance.



Future digital and technological trends in the insurance industry

Key findings and trends

Future digital and technological trends in the insurance industry

There are several pillars of facilitating digital transformation to maintain or gain the position of the market leader that an insurance company should adhere to:

- business process automation,
- evolution and training of staff in terms of technological intelligence,
- exploiting digital sales and communication channels and prioritizing it in the marketing mix.

Business process automation

- The mechanical human aspect of the operations drastically hinder efficiency, [speed of delivery and quality](#) of work delivered to the client.
- In an intensely competitive market, this lagging is no longer an option especially if the company aspires to become or maintain its position as the [market leader](#).
- Insurance companies keep striving to automate both operational and non-operational processes to improve customer experience and focus its time and energy into product development and improving [customer satisfaction](#).
- Especially since eSignatures and other digital tools are being normalized and are becoming customers that are more common, are expected to perform nearly all processes like [account opening and policy renewals online](#).

Evolution and training of staff in terms of technological intelligence

- Managing employees remotely and even on-site can be challenging to company management.
- The pandemic surely created more impediments in terms of logistics of employees and the shift of working from the office to working from home.
- Specifically designed applications and software have been designed that facilitate teamwork, efficient collaboration, and smooth communication transition.
- Consequently, inward-facing technological innovation is extremely probable to be one of the focuses in the insurance industry.

Exploiting digital sales and communication channels and prioritizing it in the marketing mix

- Insurance products and services have traditionally been sold and communicated mainly through offline channels like [agents, brokers, call-centers, resellers and offices](#).
- Agents and brokers are now performing and delivering their services through online platforms, whereas self-service digital channels are gaining more popularity with clients due to [extreme convenience, simplicity, and speed](#).
- A survey that has been conducted by McKinsey&Co in 2020, states that 89 percent of European insurance executives expect exponential increase in the use of digital channels and that they are prioritizing [to make the shift from mainly offline to online as smooth as possible](#).
- Currently, insurance products and operations like, signatures and medical underwriting that would have required offline channels and manual human factor are transitioning into the digital realm with the help of eSignatures, specially designed [software for underwriting calculations and telemedicine services](#).



**Thank you
for your
attention!**