



THE MALAYSIAN  
INSURANCE INSTITUTE



THE  
**DIGITAL INSURER**

**DIGITAL INSURANCE IN MALAYSIA**

18<sup>TH</sup> AUGUST, 2020



# Disclaimer



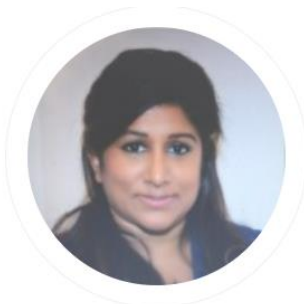
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# Today's Panellists



**Shalini Pavithran**  
CEO, The Malaysian Insurance Institute



**Vas Ramunujam**  
Head of insurance, Malaysia, Cover Genius



**Rohit Nambiar**  
CEO of Axa Affin - Life Insurance



**Wan Najib**  
Chief Strategy & Digital Distribution Officer,  
FWD



**Hugh Terry**  
Founder, The Digital Insurer



**Simon Phipps**  
Founder, The Digital Insurer

# Discussion Agenda

Opening remarks from Shalini Pavithran @ MII	5 minutes
Global overview with Simon Phipps @ TDI	10 minutes
Landscape overview of Malaysia with Vas Ramunujam @ Cover Genius	10 minutes
Perspectives from Wan Najib @ FWD	5 minutes
Perspectives from Rohit Nambiar @ AXA Affin Life	5 minutes
Panel discussion	30 minutes
MI & TDI updates and wrap up	10 minutes

**75**  
Minutes

# How to participate



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## ► How to participate:

If you have a **question** please type into the **Q&A** area

If you have a **comment** please type into the **chat** area

## ► Session format:

The moderator will use a combination of their own questions and those from the audience

# Welcome



**Shalini Pavithran**  
CEO, The Malaysian Insurance Institute

# Global Overview



**Simon Phipps**  
Founder, The Digital Insurer



## TDI POV: Industry Warning – digital tipping point is approaching insurers faster than expected

*Executive teams must urgently accelerate their transformation efforts*

### TDI PoV: Industry Warning - digital tipping point is approaching insurers faster than expected

*Executive teams must urgently accelerate their transformation efforts*

In this TDI Point of View, Simon Phipps considers the strategic impact of the 2020 Coronavirus pandemic on cross-industry digital adoption and why, critically, insurance executives should consider accelerating investment in digital transformation roadmaps, and in particular, digital learning & development, as a key strategic priority - right now.

#### Consumer digital adoption – Accelerating to tipping point

The 2020 Coronavirus pandemic has, in just a few short weeks, turned the world upside down.

Whilst, ultimately, mankind will prevail and things will start to settle down, our post-pandemic world will never be the same again. It will change the way we shop, travel and work forever.

Things we previously took for granted will be re-evaluated in many different ways. New norms will be established, instilled in society cultures that define us for generations to come.

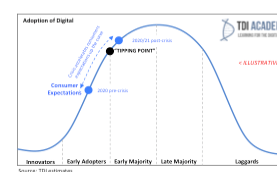
One of those is digital, and the accelerated use of, and increasing comfort with, new technologies as a consequence of the rapid responses by governments, businesses and individuals to try and contain the outbreak.



Simon Phipps  
Founder & Head of Asia  
The Digital Insurer

*Our personal and professional lives will never be the same again, as a consequence of crisis-induced acceleration in digital adoption:*

- Tech-enabled remote working – increased use of, and dependency on, remote communication and collaboration platforms such as Zoom
- Tech-enabled research, purchasing and deliveries
- Tech-enabled customer servicing, relationship management and community development
- ...the list goes on, and the impact on insurance is far reaching



Fueled by the meteoric rise of tech giants such as Google, Tencent and Facebook, peoples' lives were already on a journey of digital adoption, particularly among the younger generations. But now, crisis responses have forced the entire world into the digital age and for many, the benefits will remain long after the pandemic subsides.

Academics refer to the point of mass adoption as the tipping point – the stage of development beyond which there is no going back. Unquestionably, the 2020 crisis will accelerate the world to the tipping point for digital adoption, as illustrated here (Fig 1).

Fig 1: Consumer Expectations vs Insurer Readiness in Digital - 2020 pre-crisis

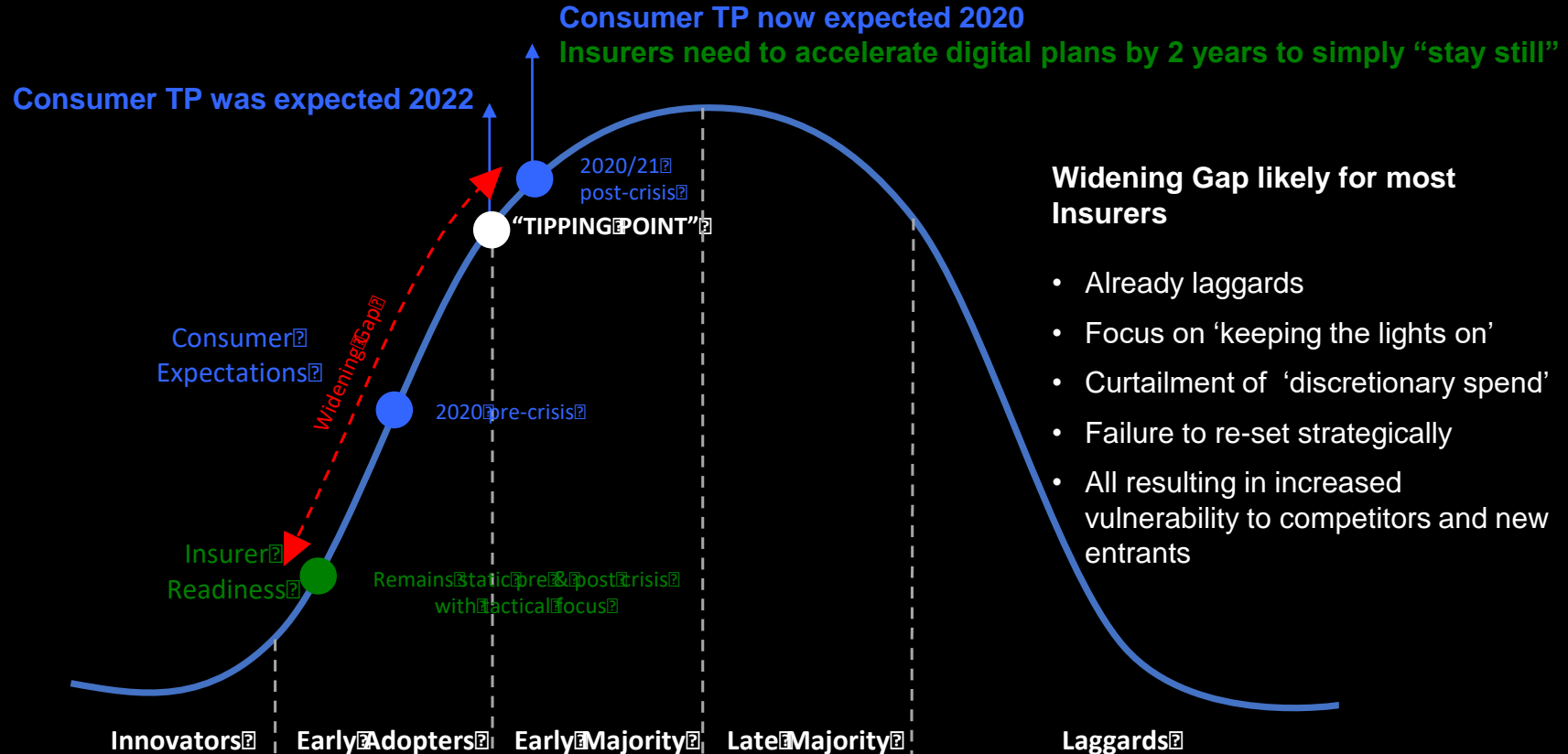


# Most insurers will lose 18 – 24 months

...off transformation roadmaps if they want to keep up



**TDI ACADEMY**  
LEARNING FOR THE DIGITAL AGE





Working together to *accelerate* the digital transformation of insurance



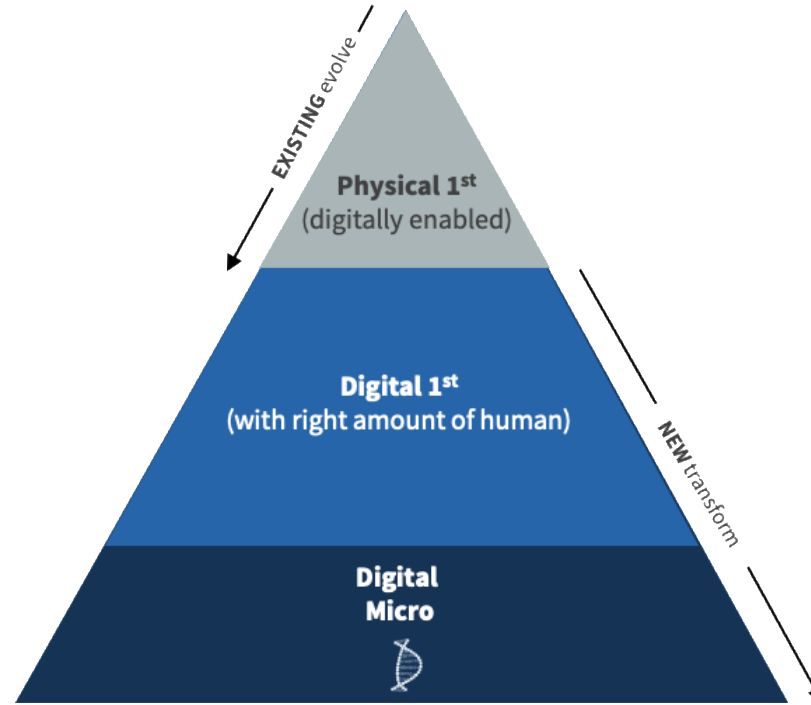
# New Market Space is Emerging in Insurance



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## TDI POV: Agency alarm bells are ringing as consumer adoption of digital accelerates beyond Tipping Point

*Insurers, and their agents, need to urgently transform from 'traditional sales' to an 'OMNI advisor' model - not only to stay relevant, but also to generate significant growth in the years ahead*

### TDI PoV

**Agency alarm bells are ringing as consumer adoption of digital accelerates beyond Tipping Point**  
Insurers, and their agents, need to urgently transform from 'traditional sales' to an 'OMNI advisor' model - not only to stay relevant, but also to generate significant growth in the years ahead

In this TDI Point of View, Hugh Terry & Simon Phipps consider the future of the insurance advisor in Asia, and present the OMNI Advisor Model (Fig 1) as a strategic approach to reinventing face-to-face insurance advice in an increasingly digital world.

Current face-to-face models are under severe stress

It has taken Covid-19 to illustrate what happens as consumers accelerate adoption of technology and reduce their face-to-face meetings and visits to branches. Lead generation has stalled, and this has inevitably fed into reductions in new business volumes for many. Each insurer is in a slightly different position, but most will identify with the reasons opposite.

Many insurers are hoping for a return to business as usual once Covid-19 is behind us – but we believe this is misguided. What the pandemic has shown is that customers have leapt ahead in their adoption of digital, and this trend is likely to continue (albeit at a slower pace). In our recent [POV whitepaper on the digital tipping point](#) we estimated that consumer adoption of digital has already moved ahead by two years – further widening the consumer expectation vs reality gap for most insurers.

TDI is clear, and insurers in their hearts now know, that existing face-to-face business models urgently need to be reimaged and re-tooled for the digital world.

But all is far from lost. For the first time there is an alignment of key stakeholders: advisors are asking for tech and risk management committees have, at long last, put digital towards the top of their agenda. Growth prospects and core fundamentals, especially in Asia, remain extremely positive.

Change is coming. Fortune will favour the brave.

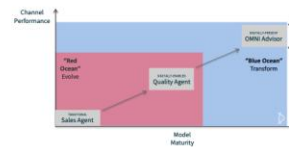


Fig 1: TDI OMNI Advisor is the transformational model for insurance advisory



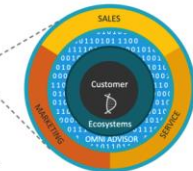
Hugh Terry  
The Digital Insurer



Simon Phipps  
The Digital Insurer

**New business has stalled for many insurers with face-to-face agency or bancassurance models in Asia**

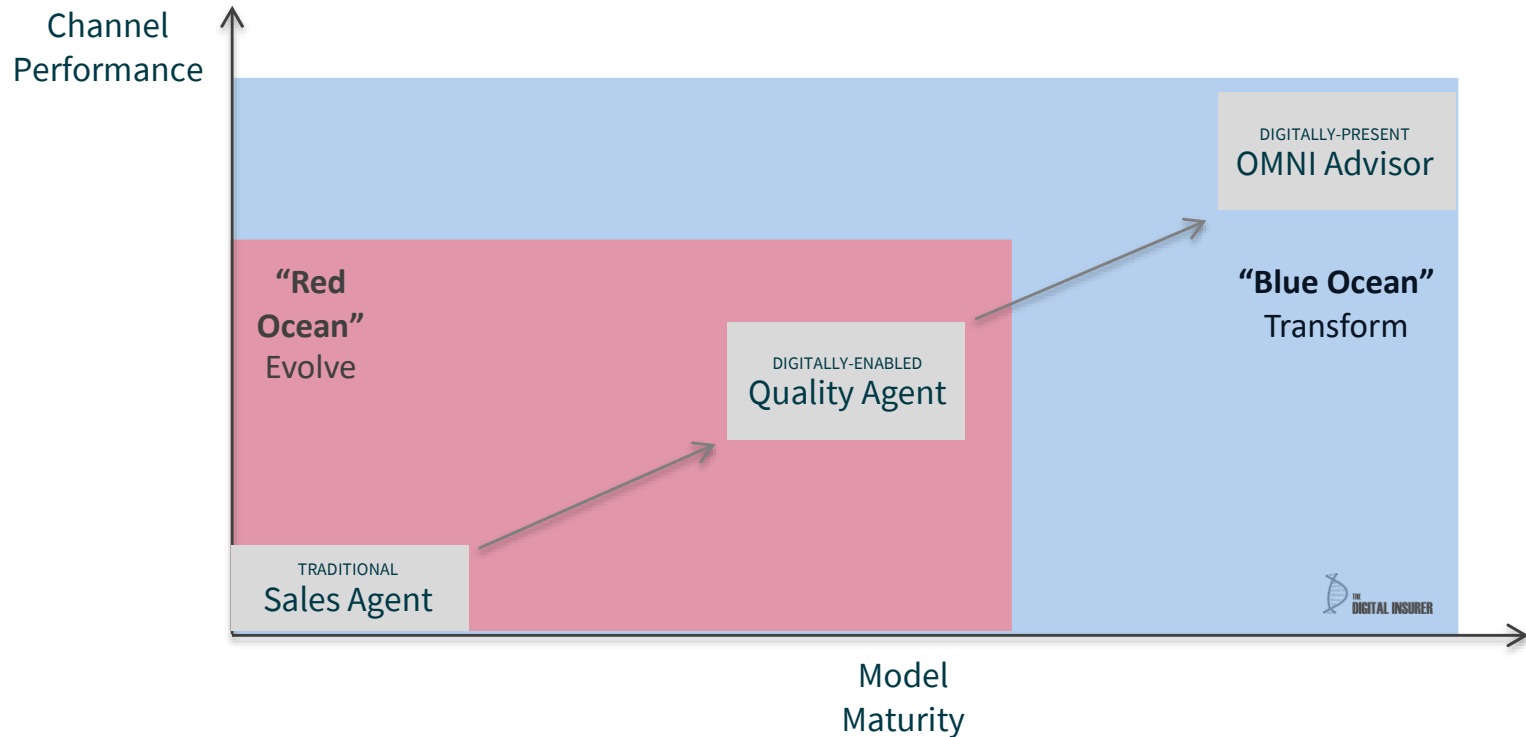
- Tech designed primarily for off-line face-to-face has failed to meet changing consumer needs
- The almost universal under-investment in digital marketing tools for advisors has left them too reliant on face-to-face lead generation
- "Sticking plasters" have been applied but they do not provide the cure
- Consumers have moved ahead of agency offerings and are looking for a new purchasing experience



# Opportunities for insurers to move into new space



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“

*ECOSYSTEMS are the future of insurance*

”

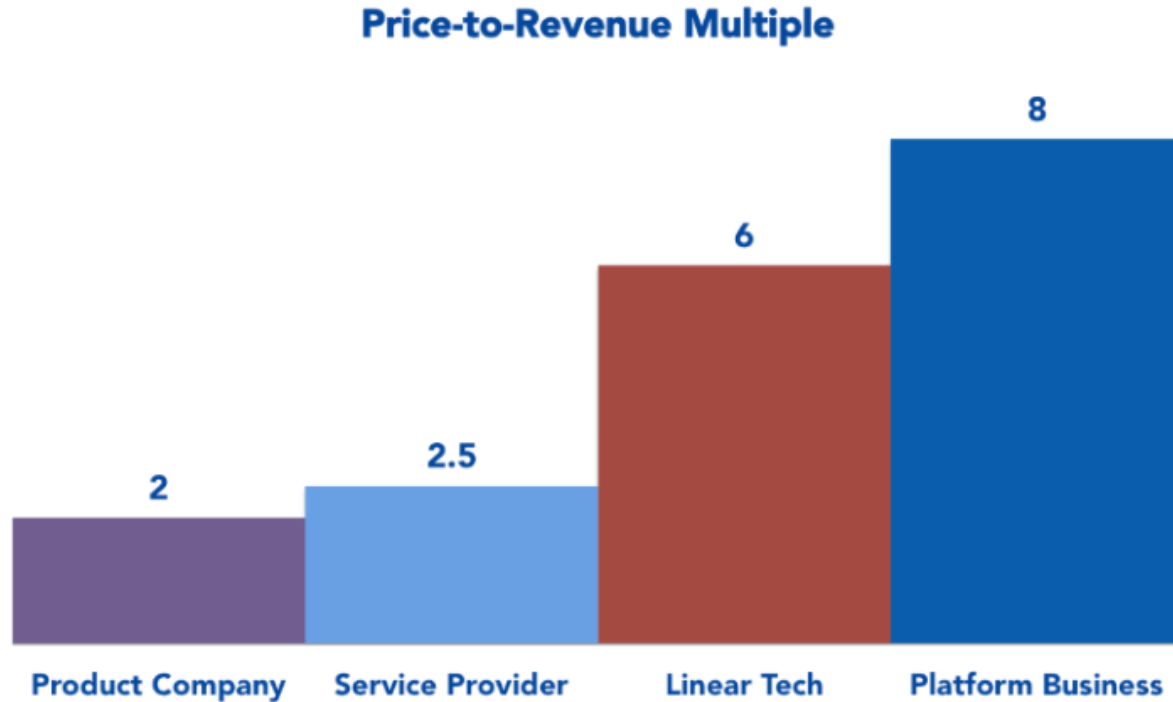
# There is a big prize to play for



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# McKinsey: Ecosystems 25-30% global GDP by 2025

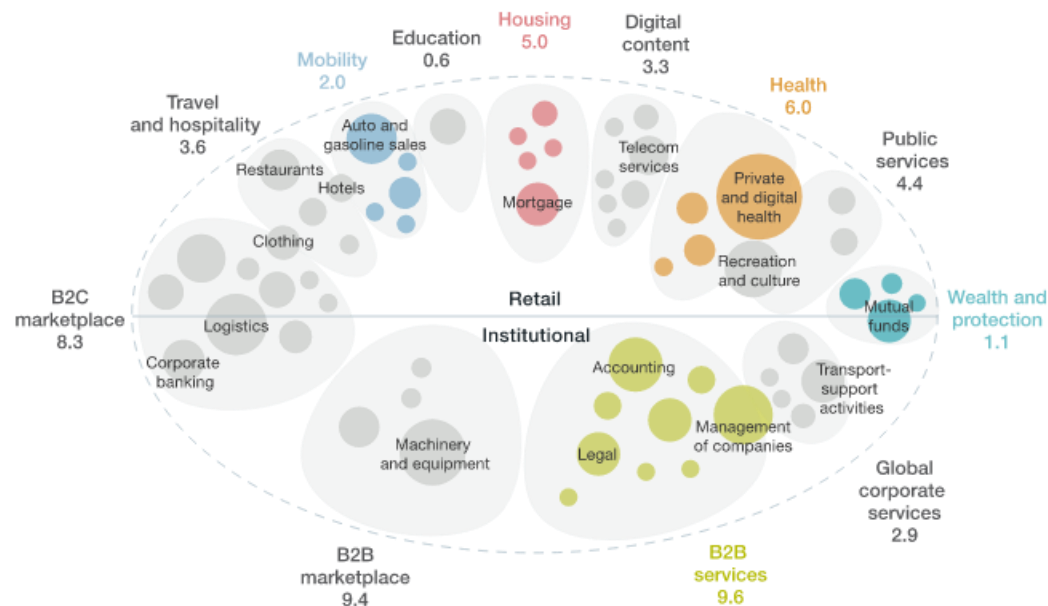


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New ecosystems are likely to emerge in place of many traditional industries by 2025.

Ecosystem illustration, estimated total sales in 2025,<sup>1</sup> \$ trillion



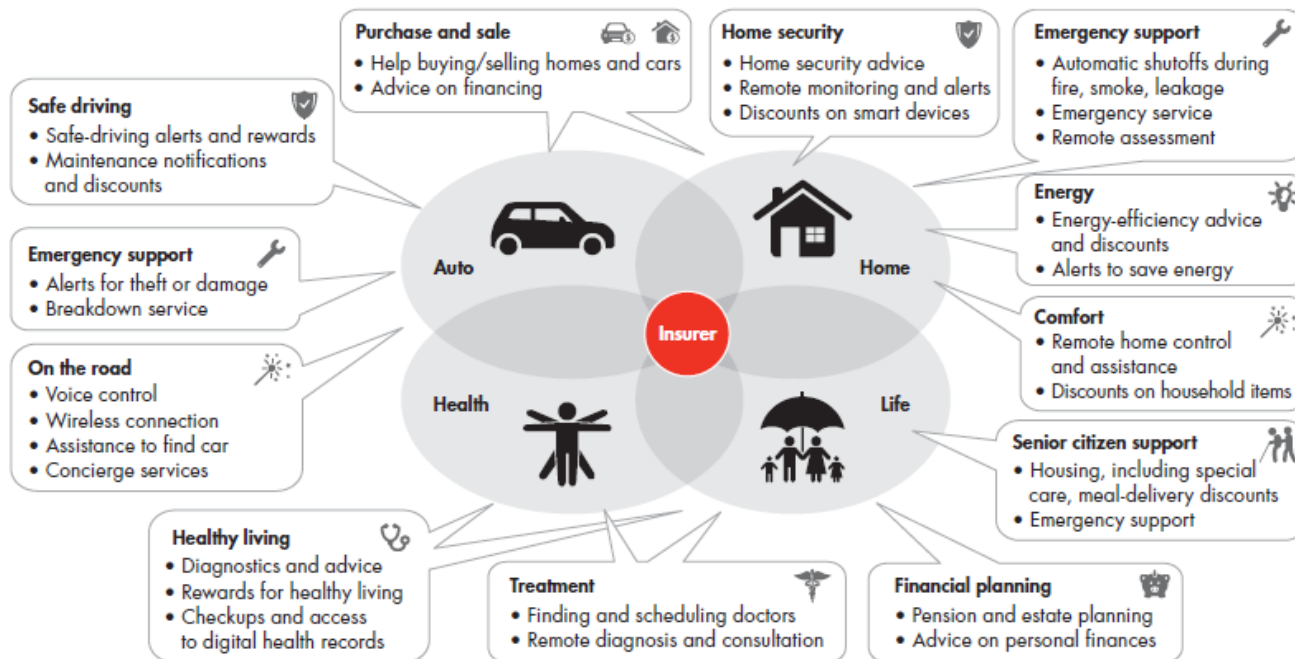
<sup>1</sup>Circle sizes show approximate revenue pool sizes. Additional ecosystems are expected to emerge in addition to those depicted; not all industries or subcategories are shown.

McKinsey&Company | Source: IHS World Industry Service; Panorama by McKinsey; McKinsey analysis



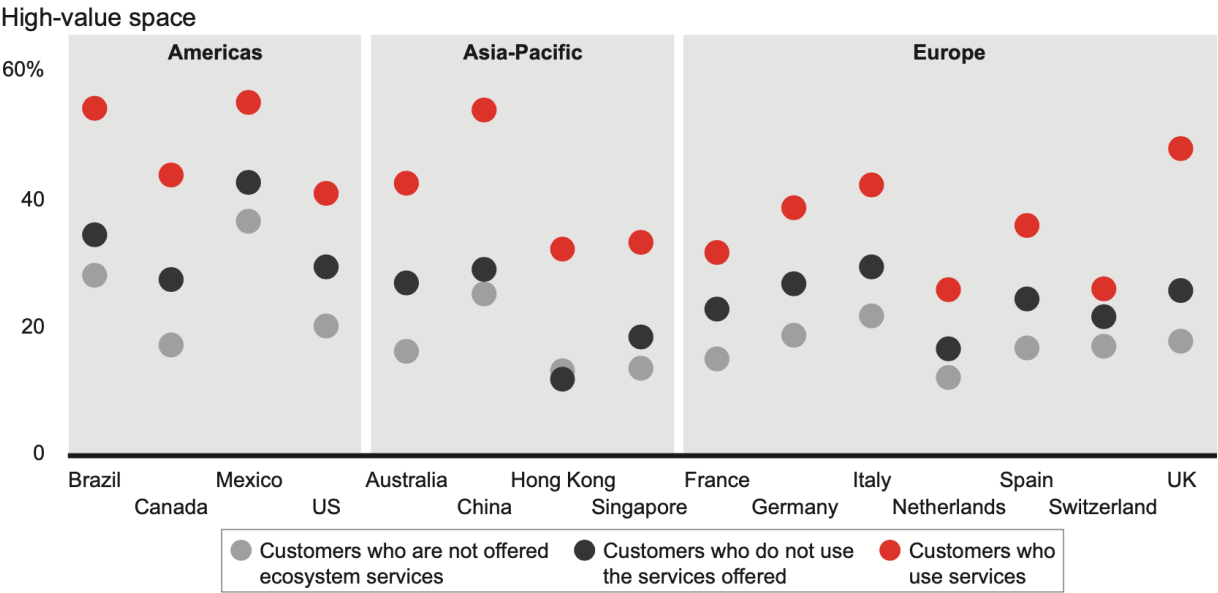
# Bain: Insurer ecosystem opportunities plentiful

*Figure 1:* Ecosystems—insurers are beginning to deliver these kinds of value-added services to their customers



Source: Bain & Company

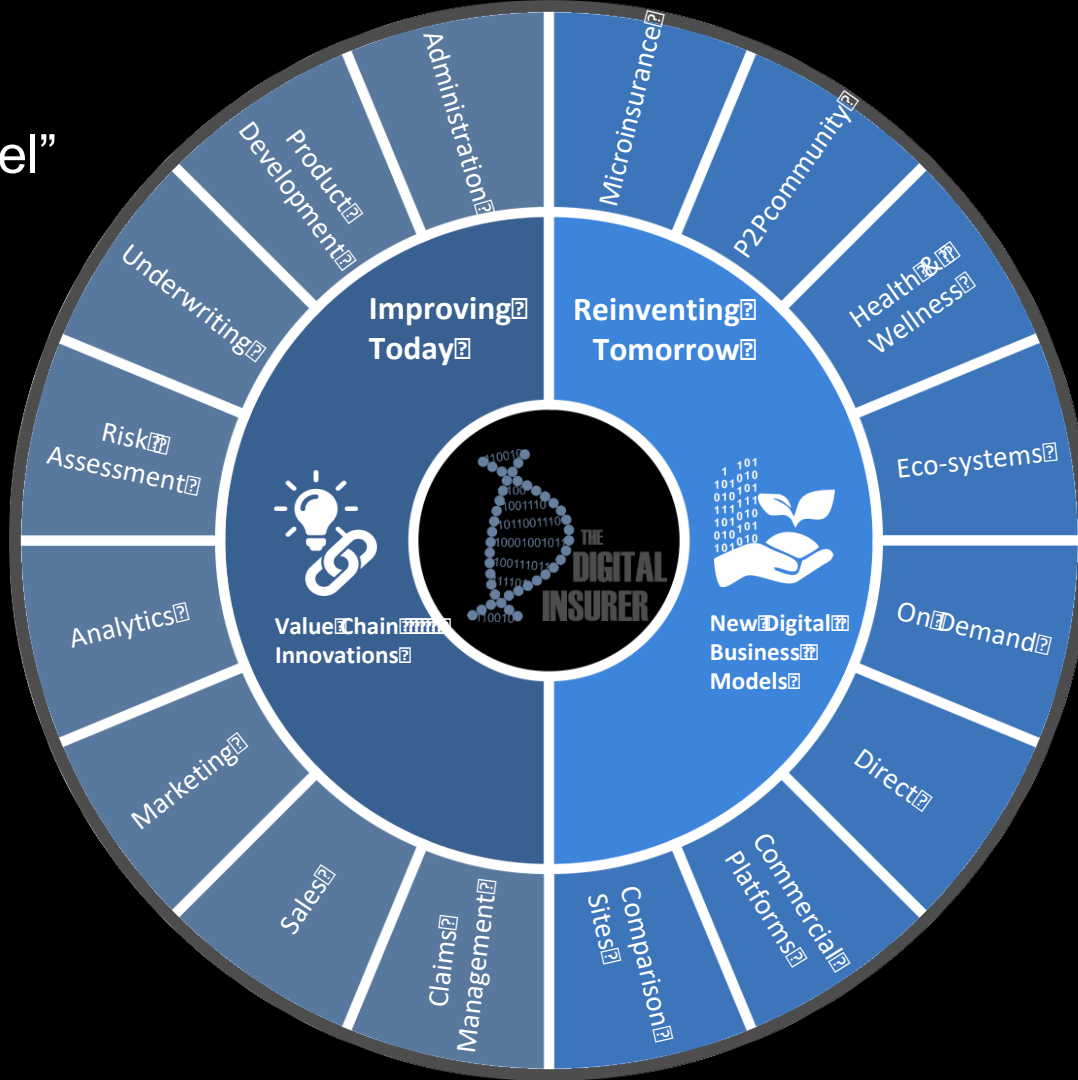
**Figure 32:** Customers who use ecosystem services give their life insurer the highest value ratings



Note: High-value space is the percentage of scores 8 or higher (on a scale of 10) across Elements of Value®; includes only countries where the sample sizes are greater than 50 for every data point  
Source: Bain/Research Now Insurance NPS Survey, 2018

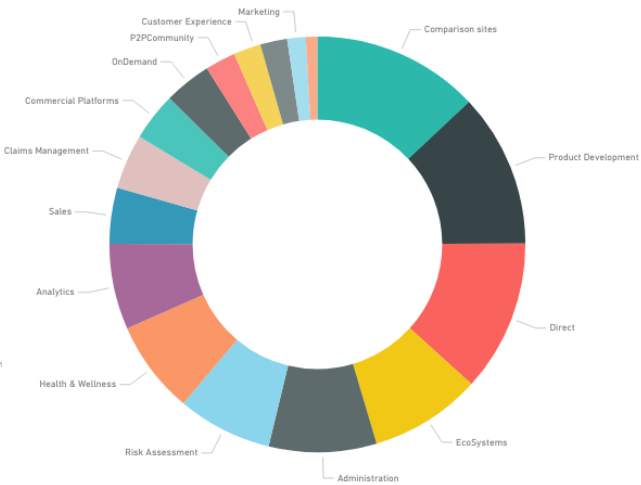
# TDI's

## "InsurTech Wheel"

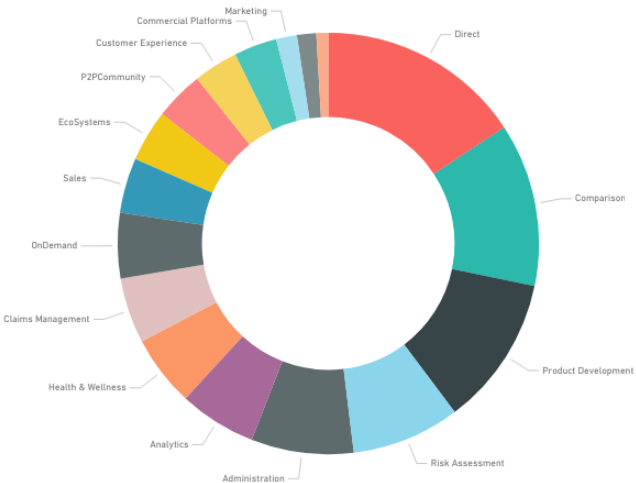


# InsurTech Landscape – Category view

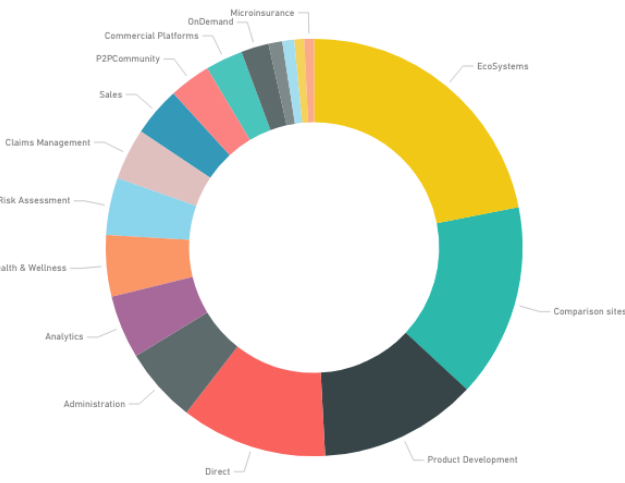
## Global



## Europe



## Asia





**Vas Ramunujam**

Head of insurance, Malaysia, Cover Genius



**COVER GENIUS**

We are an end-to-end B2B distribution platform enabling the **world's largest digital** companies to insure their **global customers**, at the point of sale or sign up.

# MALAYSIAN INSURANCE ECOSYSTEM

- **Vibrant Fintech Ecosystem**

- >200 Fintechs (2019)
- Malaysian Digital Economy Corporation (MDEC)
- Malaysian Global Innovation and Creativity Centre (MaGIC)
- Cradle

- **Progressive Regulator**

- Fintech Regulatory Sandbox
- Fintech Booster Program (with MDEC)

- **Notable Partnerships**

- Chubb <> Grab
- Great Eastern <> Boost
- Axa <> Digi
- Allianz <> Speedhome
- Policy Street <> Foodpanda
- Allianz <> BIMA
- Takaful Ikhlās <> GHL <> Senang

- **Massive Opportunity**

- 33m: Population
- 55%: Life Insurance
- 75%: Smartphone
- 50%: Mobile banking (5x from 2014-18')
- 86%: Internet

- **Investor Interests**

- Policy Street: \$1.8m (Series A)
- Qoala: 13.5m (Series A ID)
- PolicyPal (Acquired by AMTD sg)
- Lemonade: >\$4bn (IPO)\*
- Duck Creek: >\$5bn (IPO)\*

- **What to expect**

- Pandemic shift on Digital Consumer behaviours
- Operational shifts for insurers
- Increased ecosystem partnerships
- Realisation of “New-age” distribution models

## Value Chain Innovations

### Administration/Systems



### Sales

Jirnexu

### Claims Management

agiliux™

### Product Development



### Risk Assessment

KATSANA

## New Digital Business Models

### Ecosystems



### Comparison Sites



### On Demand & DIRECT



### P2P & Community



### MicroInsurance



### Health & Wellness



## InsurTech Supporters

### Knowledge



1337 VENTURES

TUAS CAPITAL PARTNERS

### Financing



### Hubs



### Industry / Govt Bodies



*“In 2019, Bain & Company projected that the number of digital consumers — anyone who has purchased a product or service online (excluding travel) in the past 12 months in Southeast Asia will reach around 310 million by 2025.”*

**That day will arrive by the end of 2020**

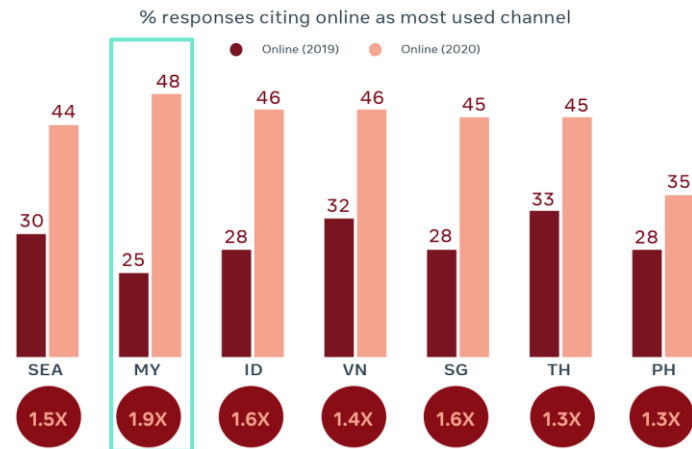


# PANDEMIC IMPACT

How has the pandemic shifted consumer behaviour in retail?



## Increased adoption of online as channel for shopping across markets



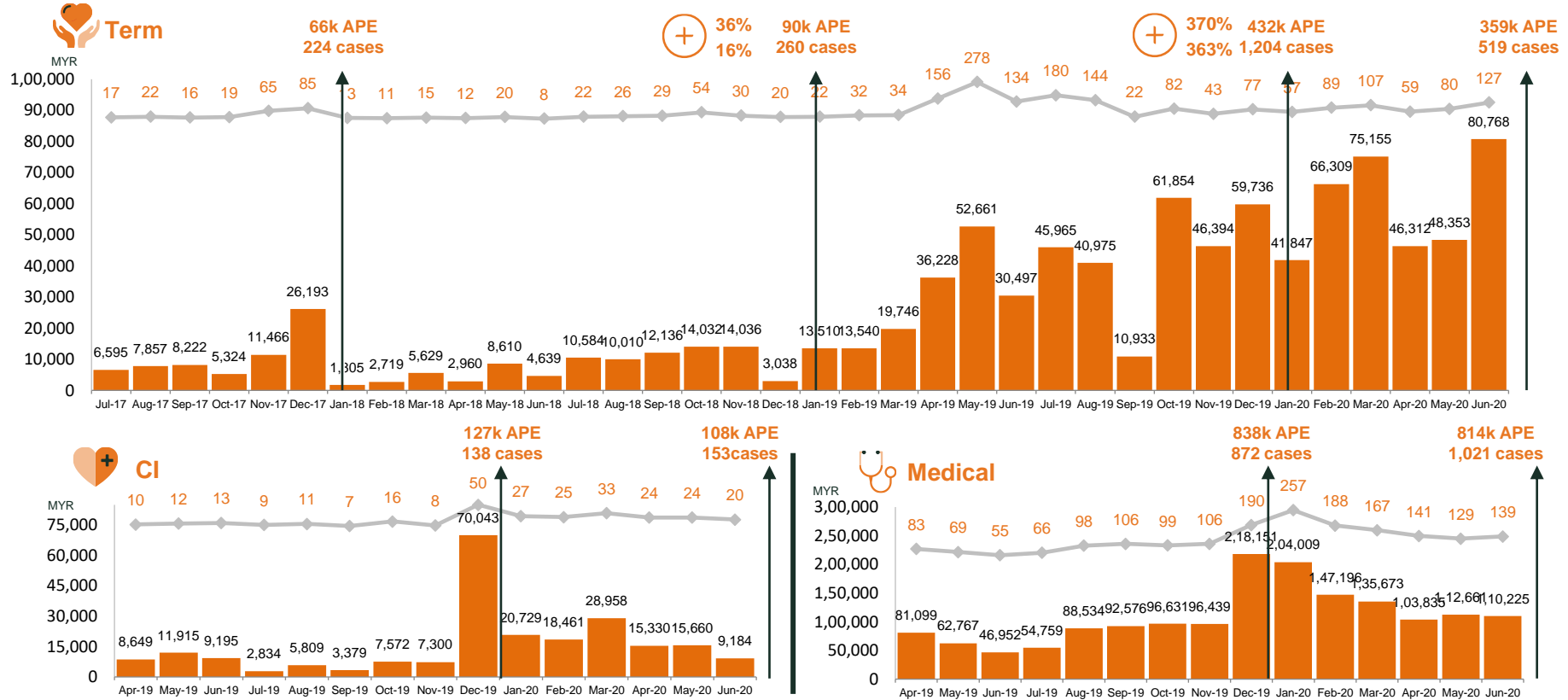


**Wan Najib**

Chief Strategy & Digital Distribution Officer, FWD



# Family Takaful | Direct Channel Evolution



# An Online Journey

Launched  
10 October 2019



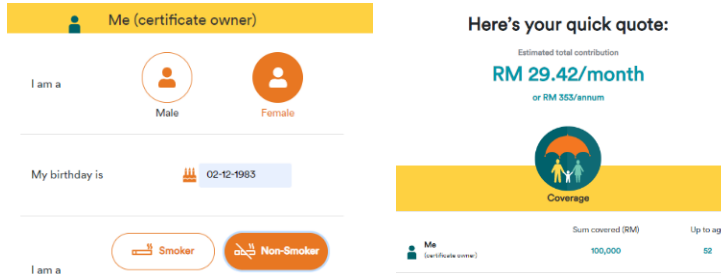
Launched  
5 December 2019



Launched  
3 April 2020



## Online Purchase Experience



## Online | Digital Policy



**Get your login ID in email**  
We will e-mail you your login ID for your MyPortal access, where you can download your certificate document and manage your plan easily. If you already had your login details, [log in](#) to MyPortal.

## Intelligent Underwriting

Powered by: **underwrite me**

Have you ever had or received medical advice or treatment for:

- ☐ Cancer or leukaemia
- ☐ Carcinoma in situ, pre-malignant changes or abnormal cells
- ☐ Tumour, lump or polyp

**RM 353**  
PER ANNUM

**RM 29.42**  
PER MONTH

NRIC:

Full name (as per NRIC):

## E-Payment



Cardholder Name

Credit Card No.

CVC/CW2



**Nominate a wasi or hibah online**  
Nominate an Executor or Beneficiary to receive benefits under your takaful plan!

[Start online nomination](#)

### 3 steps to nominate

- Step 1  
Nominate Executor/Beneficiary
- Step 2  
Choose a Witness
- Step 3  
SMS verification by Witness

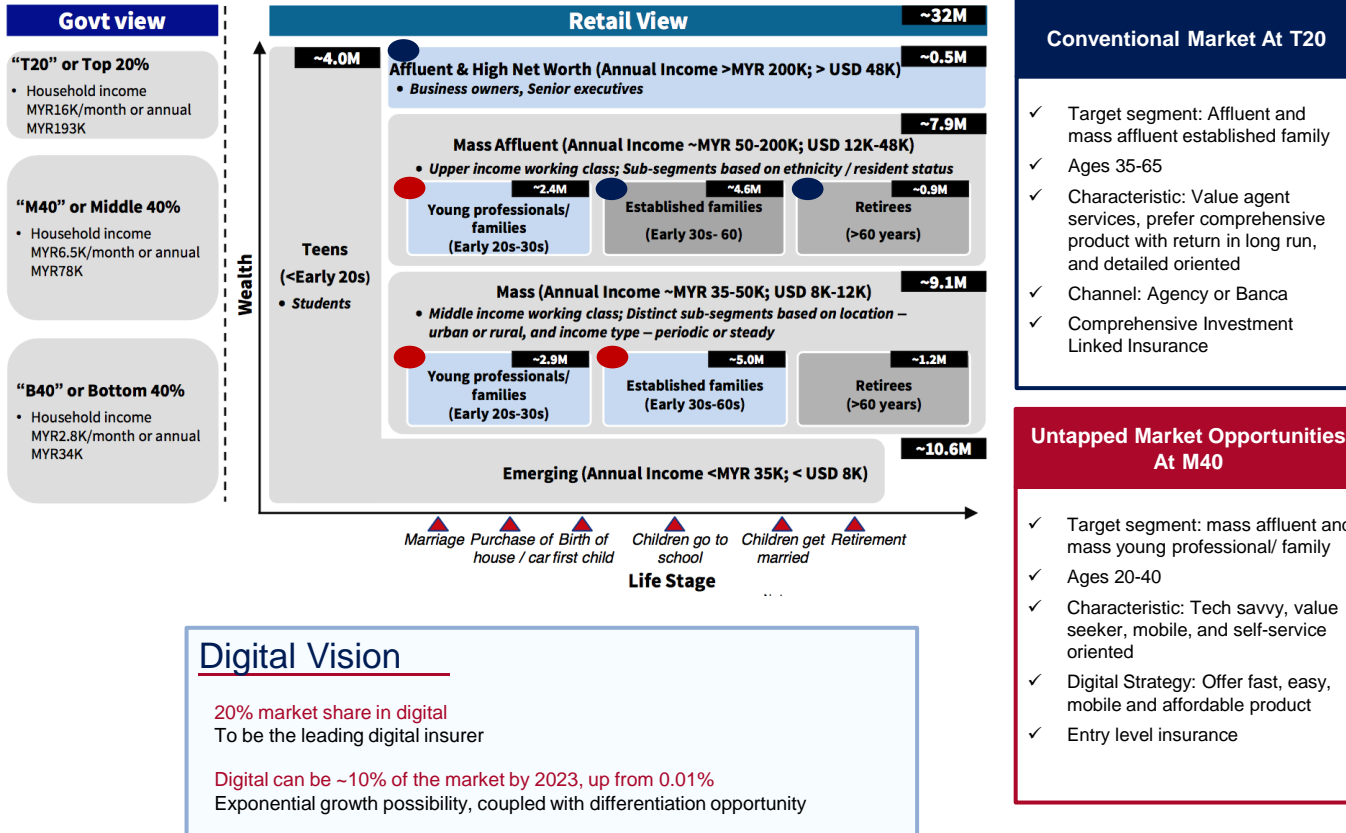
## Online Nomination



**Rohit Nambiar**  
CEO of Axa Affin - Life Insurance



# Untapped Market Opportunity for Digital



## Notes:

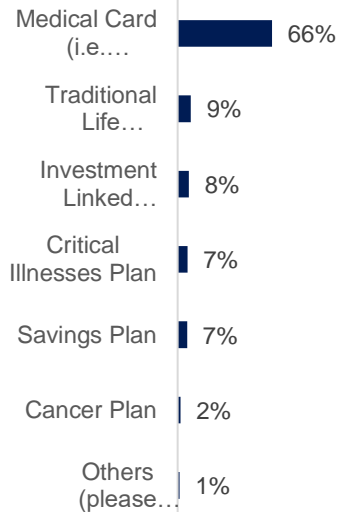
1. Household income data and population data are sourced from Department of Statistic Malaysia

# Digital Strategy based on Consumer Demand

- The AXA eMedic was launched out of market demand...

## Online Survey Result 2017:

*Could you please tell me which of the following is the MUST HAVE product?*



Survey Sample N=303

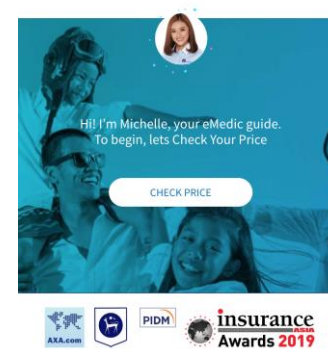
## Digital Strategy based on Consumer Survey

- ✓ In 2017, we conducted customer survey to understand the product needs
- ✓ Medical card is the utmost important product to the millennials customers only followed by term life
- ✓ Management take the decision to launch medical product in Dec 2017
- ✓ We conducted the focus group to understand customers

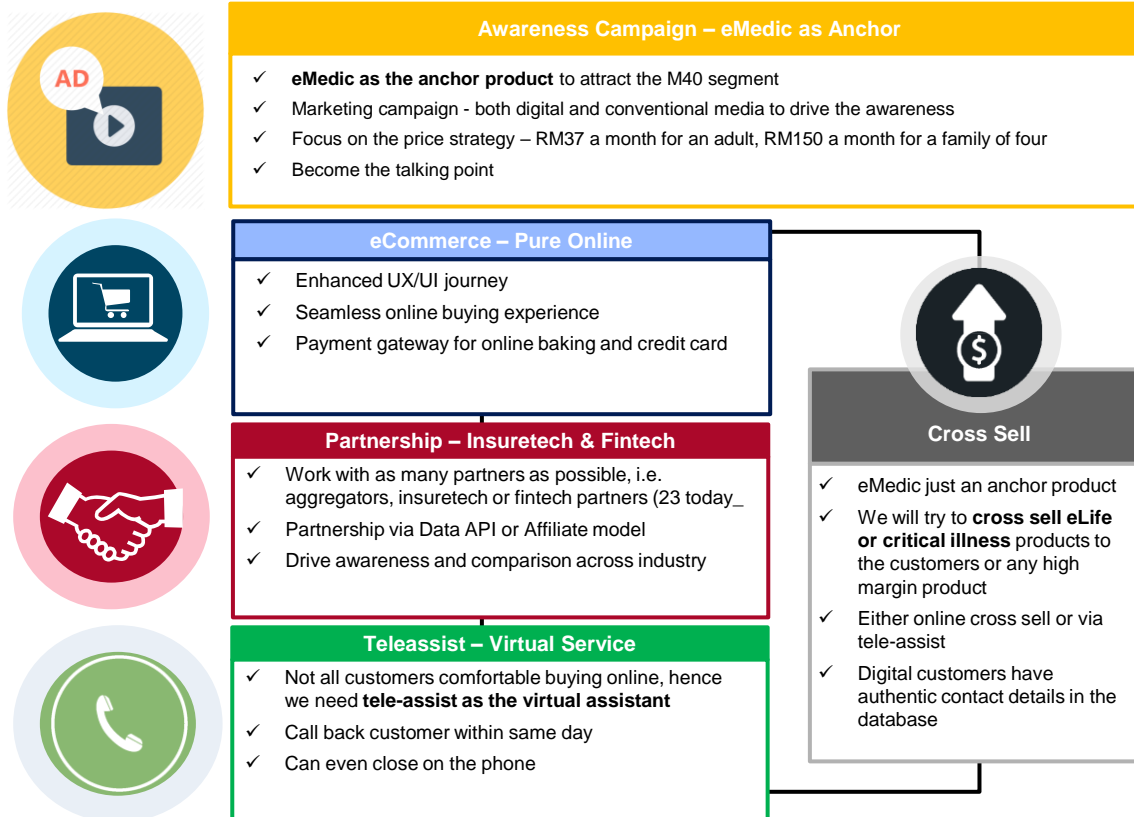


## Launch of AXA eMedic in Apr 2018

- ✓ Product market fit test shows positive result
- ✓ This product was launched out of market demands, not due to the regulatory requirement
- ✓ AXA eMedic: targeting 18-39 years old, millennials tech savvy market with annual limit up to RM100K and APE is about RM600

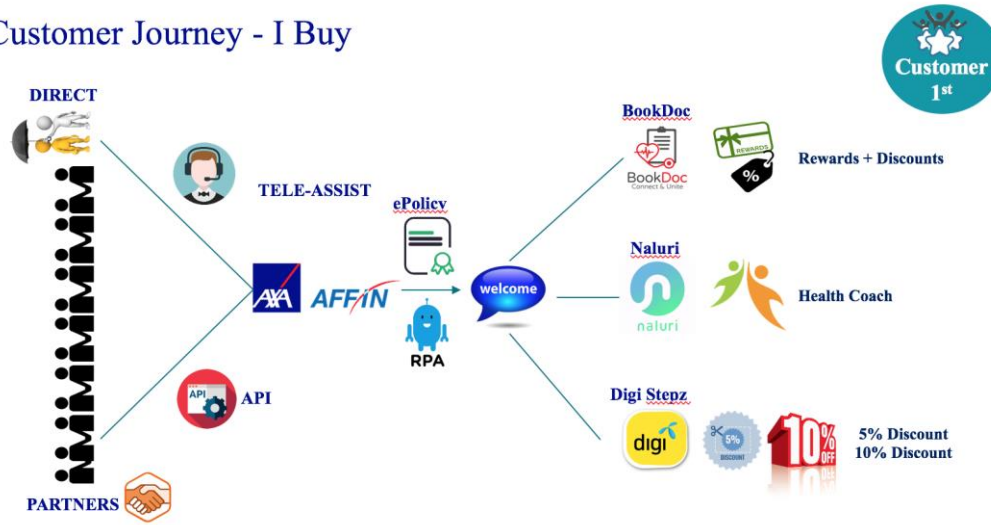


- eMedic as the anchor product to attract the mass market and cross sell is the profit contributor





## Customer Journey - I Buy



### e-Medic Interface



1. Get Quote



2. Choose your Plan



3. Answer Health Questions

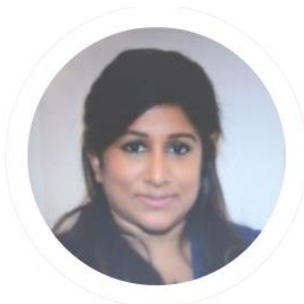


4. Make Payment



5. Done

# Panel Discussion



**Shalini Pavithran**

CEO, The Malaysian Insurance Institute



**Vas Ramunujam**

Head of insurance, Malaysia, Cover Genius



**Rohit Nambiar**

CEO of Axa Affin - Life Insurance



**Wan Najib**

Chief Strategy & Digital Distribution Officer,  
FWD



**Hugh Terry**

Founder, The Digital Insurer



**Simon Phipps**

Founder, The Digital Insurer

# Discussion Themes

1. **Speed:** Explore the move to online - why does it seem to be taking longer in Malaysia
2. **Ecosystems advantages:** Explore the advantages that new digital ecosystems players have over incumbents
3. **Partnerships:** Explore the importance of partnerships & how to create them . Are we going to see partnerships between P&C and life insurers to offer full service ? Should composites come back into fashion? What do insurers need to do to partner better with start-ups and vice versa?
4. **Product:** How important is product choice in digital ecosystems? And what are the new products
5. **Face-to Face:** What is the future role of the advisor in a digital world
6. **Regulations:** how can regulators support this transition to a digital world?
7. **People:** a The cultural / organizational challenges insurers face adopting digital

**What % of life and health business In Malaysia will be distributed via ecosystems by 2030?**

**Response options:**

- a) <10%
- b) 10-30%
- c) 30-50%
- d) >50%

**What % of general insurance will be “digital first” by 2030?**

**Response options:**

- a) <10%
- b) 10-30%
- c) 30-50%
- d) >50%



**Shalini Pavithran**  
CEO, The Malaysian Insurance Institute



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# Together Building A Future Ready Workforce



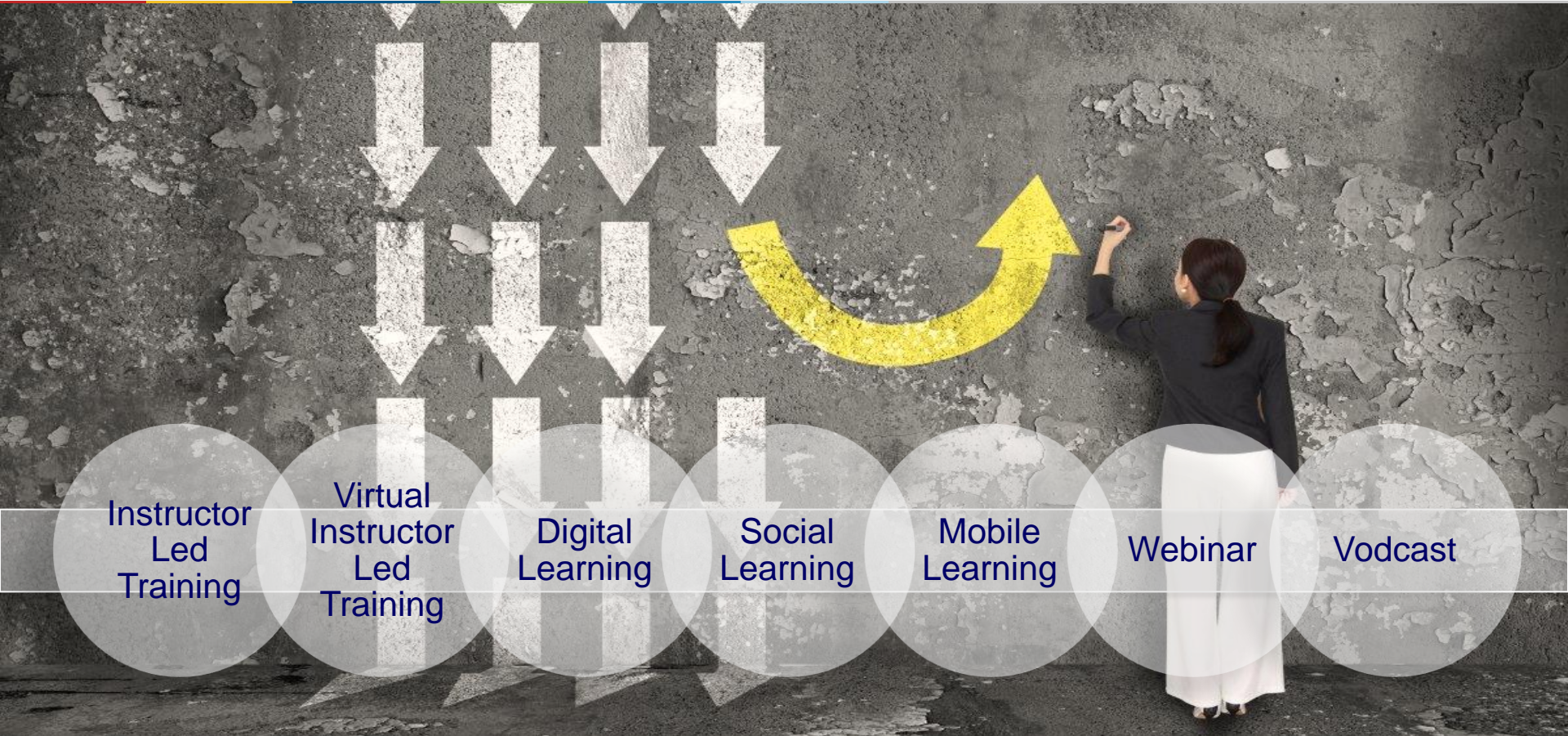
# New Skills For The New World



The greater reliance on technologies means that employees must be trained to operate them correctly and work alongside them efficiently

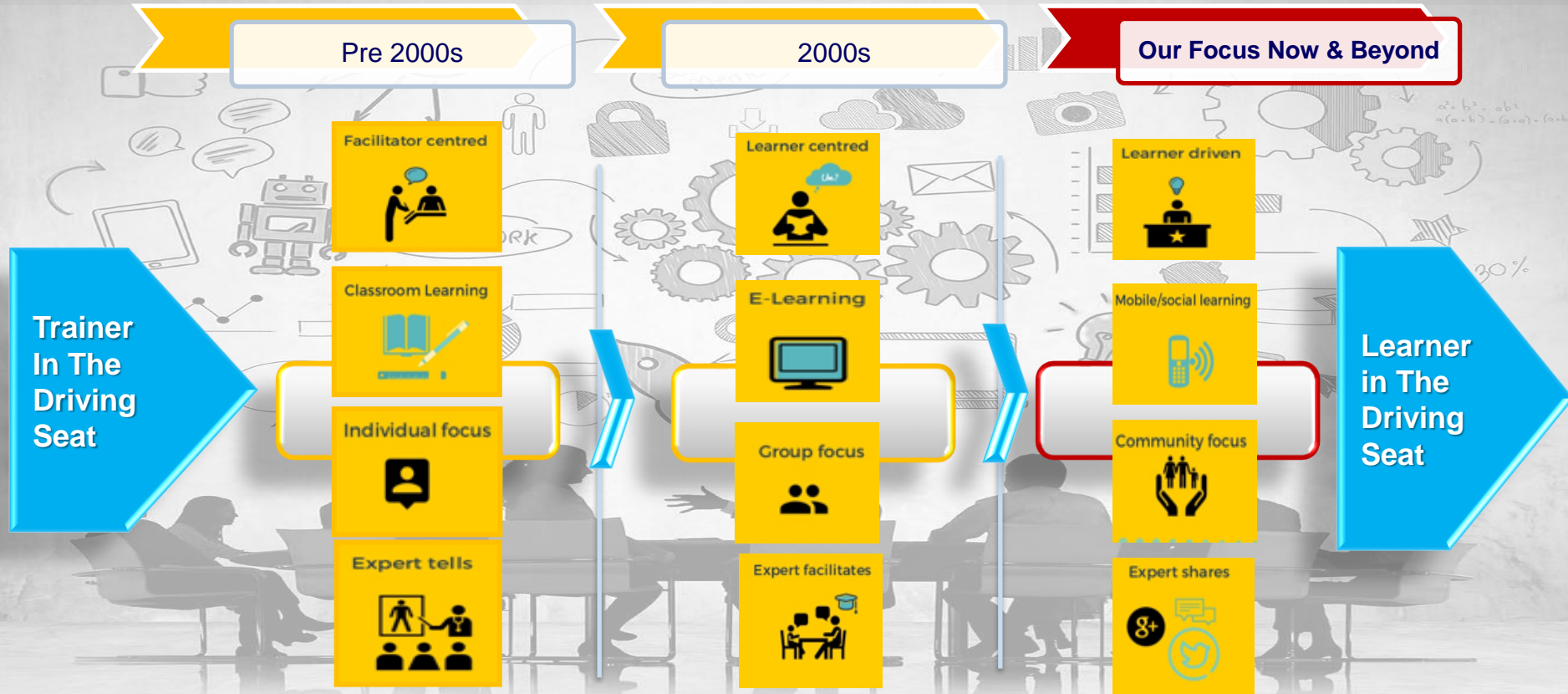


# Adapting Workplace Learning





# Transforming The Learning Experience



# Supporting Capacity Building



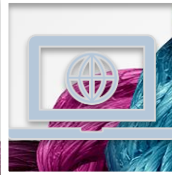
**Technical  
Programmes**  
> 100 programmes



**Board & C-Suite  
Programmes**  
> 50 programmes

1508

**Future Proofing  
Workforce**  
> 30 programmes



**Business  
Management**  
> 50 programmes



**Governance Risk  
Compliance (GRC)  
Programmes**  
> 70 programmes



**Personal  
Development**  
> 50 programmes

**Leadership  
Programmes**  
> 50 programmes



**Essential Skills**  
> 50 programmes



# TDI Updates

# About the TDI Academy

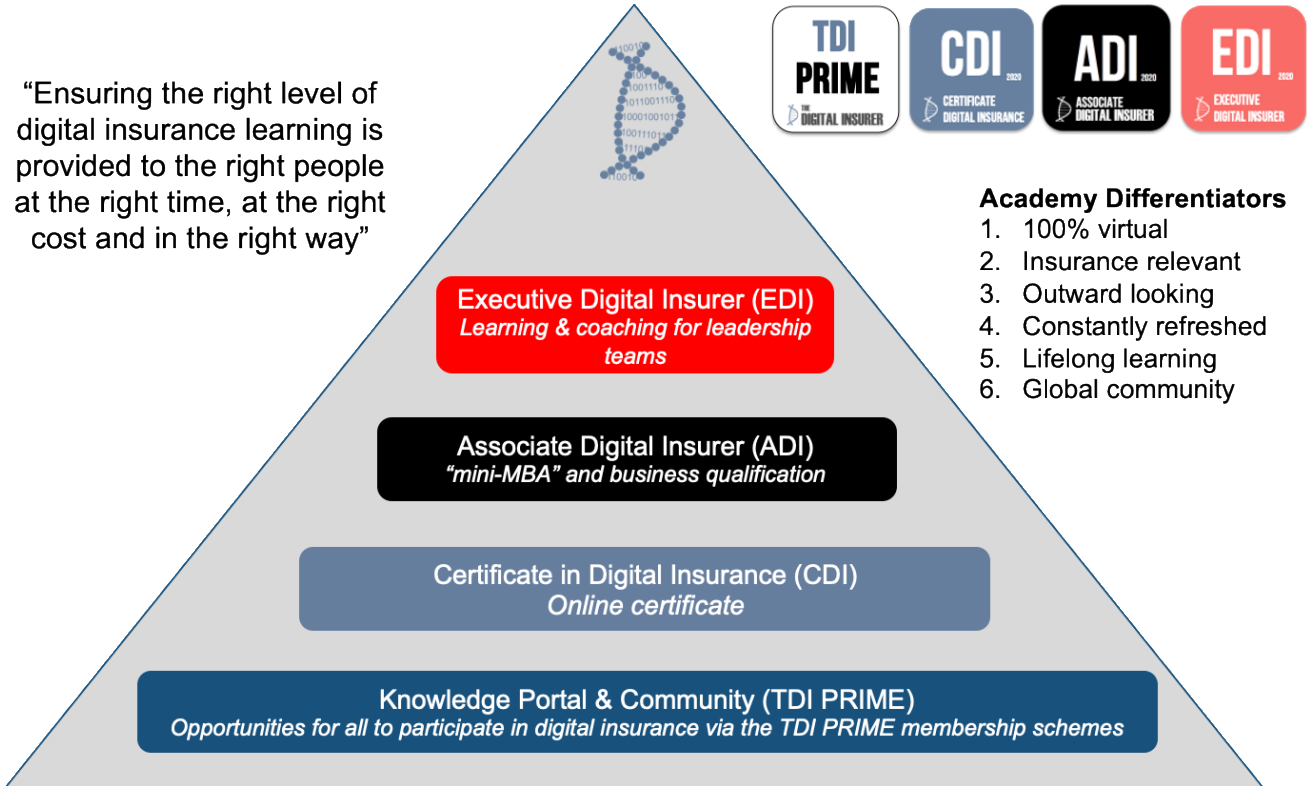


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[www.the-digital-insurer.com/tdi-academy/](http://www.the-digital-insurer.com/tdi-academy/)



# Common Core Curriculum



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[www.the-digital-insurer.com/tdi-academy/](http://www.the-digital-insurer.com/tdi-academy/)

## 1 OUR CHANGING WORLD

- 1.1 The 4th Industrial Revolution
- 1.2 Our connected world
- 1.3 The power of Social
- 1.4 Changing consumer behaviour
- 1.5 More change coming
- 1.6 Why data is King
- 1.7 Cloud crushes costs
- 1.8 Insurance Re-Booted

## 2 TECH ENABLERS

- 2.1 SMAC as a baseline
- 2.2 AI, Machine Learning & RPA
- 2.3 Blockchain
- 2.4 IoT
- 2.5 Chat & Voice
- 2.6 Immersive Technologies
- 2.7 APIs & Microservices
- 2.8 Tech Architecture best practices

## 3 DATA & ANALYTICS

- 3.1 The Power of Data
- 3.2 Python basics
- 3.3 Python intermediate
- 3.4 Data visualization & example tools
- 3.5 Machine learning (+ a little bit of deep learning)
- 3.6 D&A use cases in P&C
- 3.7 D&A use cases in Life & Health
- 3.8 Predictive Modelling

## 4 VALUE CHAIN INNOVATIONS

- 4.1 Sales tools for agents
- 4.2 Underwriting – Life & Health
- 4.3 Underwriting – P&C
- 4.4 Product Development
- 4.5 Service & Administration
- 4.6 Claims – Life & Health
- 4.7 Claims – P&C
- 4.8 implementing value chain innovations

## 5 NEW DIGITAL BUSINESS MODELS

- 5.1 Platforms & Ecosystems
- 5.2 Microinsurance
- 5.3 On-demand
- 5.4 Comparison Sites
- 5.5 Peer-to-Peer & Community
- 5.6 Health & Wellness
- 5.7 Commercial
- 5.8 Building new digital business models

## 6 MARKETING & CUSTOMER EXPERIENCE

- 6.1 Data-led marketing
- 6.2 Direct digital marketing
- 6.3 digital marketing for advisors (o2O)
- 6.4 Power of content
- 6.5 Omni sales & servicing
- 6.6 Customer lifetime value & customer advocacy
- 6.7 Customer experience
- 6.8 Out-of-industry use cases

## 7 STRATEGY & TRANSFORMATION

- 7.1 Why Strategy beats execution
- 7.2 Regulations and ethics in a digital world
- 7.3 Transforming the old vs building the new
- 7.4. Partnerships in a digital world
- 7.5 AGILE & LEAN basics
- 7.6 Change Management as a discipline
- 7.7 Cultural change for a digital world - Digital as DNA
- 7.8 How to succeed when most transformations fail

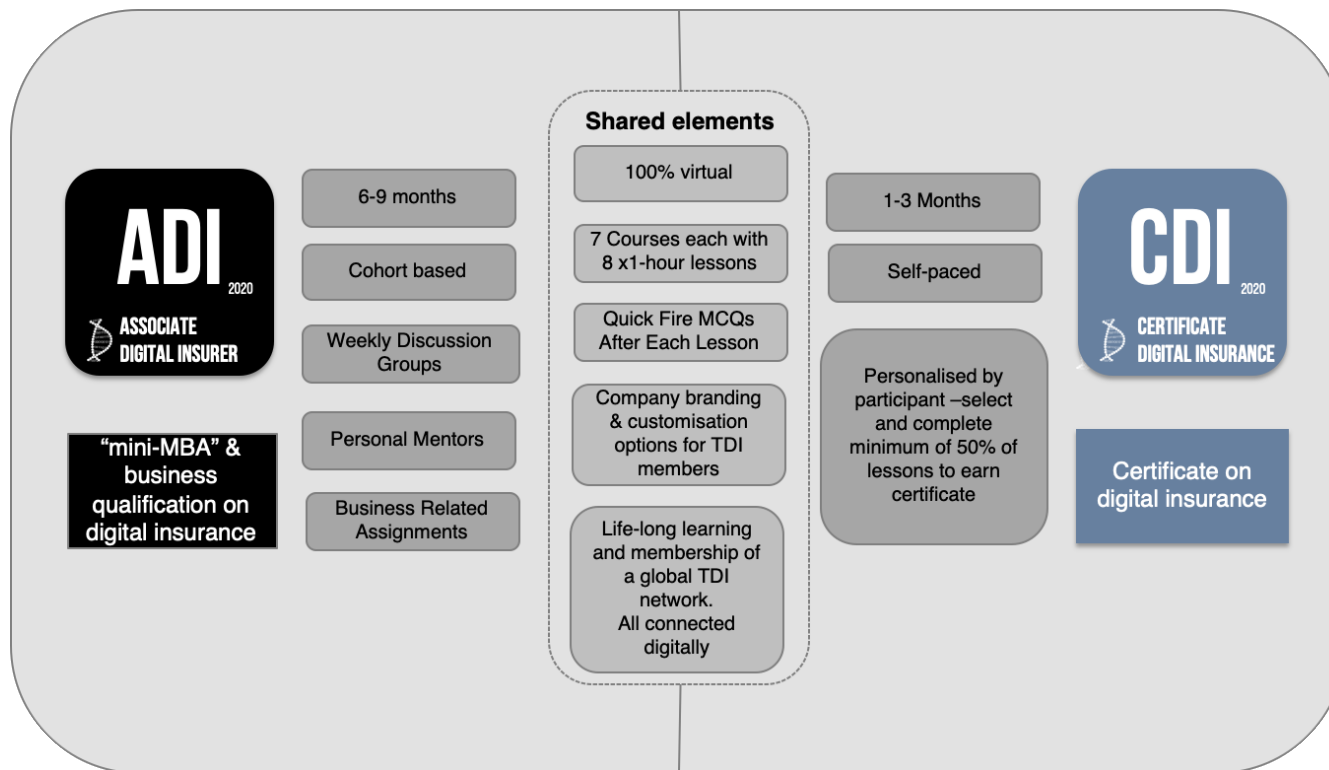
7 x 8 x 1hr lessons

100% Virtual

MCQs for each

Range of Industry  
Experts

# ADI & CDI compared



## Participant Feedback

NPS  
**+49%**  
Excellent

“the ADI course has fundamentally re-wired my brain, it is one of the best investments I ever made”

## Sponsor Feedback

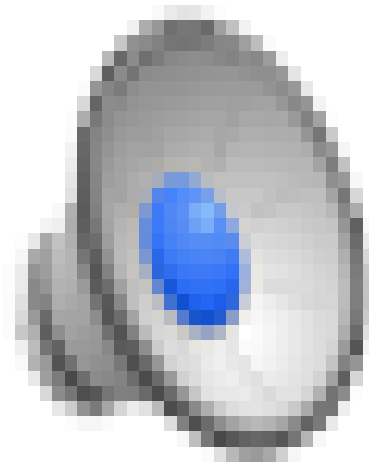
“I have to say, I’m most impressed. The feedback from our teams is overwhelmingly positive – you took on a mighty task to disrupt something that needs to be disrupted – and delivered. We’ll undoubtedly be putting more team-members through ADI... and are very interested in EDI and CDI too”

**Q. How interested are you in virtual learning & development programs on digital insurance?**

**Response options:**

- a) Yes - for me & my company
- b) Yes - for me
- c) Yes - for my company
- d) No - I think we know enough in this space





## Value Chain Innovations

### Administration/Systems



### Sales

Jirnexu

### Claims Management

agiliux™

### Product Development



### Risk Assessment

KATSANA

## New Digital Business Models

### Ecosystems



### Comparison Sites



### On Demand & DIRECT



### P2P & Community



### MicroInsurance



### Health & Wellness



## InsurTech Supporters

### Knowledge



1337 VENTURES

TUAS CAPITAL PARTNERS

### Financing



### Hubs



### Industry / Govt Bodies



**Would you like to volunteer to help to analyse InsurTechs?**

**Response options:**

- a) Yes, I'm interested
- b) Possibly, please send me more information
- c) Not at the moment

# Webinars Coming up



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EVENT TYPE **WEBINAR**

## **BLENDED LEARNING FOR THE INSURANCE INDUSTRY IN A DIGITAL WORLD**

-  **Date**  
Thursday, 27 August 2020
-  **Time**  
9:30 am SGT- 10:30 am SGT
-  **Location**  
Live webinar
-  **Organiser**  
The Digital Insurer / LIMRA

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# Insights to Solutions

## Series 2 coming soon



**THE**  
**— INSIGHTS TO SOLUTIONS —**  
**SERIES | FALL 2020**

**VIRTUAL EXPERIENCE**

**DIGITAL UNDERWRITING  
TRANSFORMATION**  
OCTOBER 7<sup>TH</sup> 2020

**DIGITAL CLAIMS  
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NOVEMBER 4<sup>TH</sup> 2020

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## Three ways

- At end of webinar using survey
- When you receive the recording link
- To TDI / MII individually

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**Thanks for your time!**  
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**18<sup>TH</sup> AUGUST, 2020**

