NEW PARADIGMS IN INSURANCE

OLIVER WYMAN PRESENTATION
Insurance plays a vital role in society

- Pools risk across groups
- Signals inherent risk
- Provides credit intermediation
- Enables risk-taking
- Controls losses
The world is changing

Technology changes

- Genomics/Medical advantage
- Cloud Computing
- Big Data Analytics
- Internet of Things
- Automation

Socio-economic changes

- Constant Connectivity
- Quantified self
- Urbanization
- Changing Demographics
- Increasing Mobility
- Share economy
- Health Literacy
- Break in CV
- “Natural Best Friend”
- Customer Self-Service
- Changing Job Profiles
- Increasing Spread in Wealth

COLLISION OF TRENDS
New paradigms
For delivering peace of mind in a tailored and efficient way
From: Opaque risk/cash transfer

To: A more holistic value chain of risk

• Better understanding
• True recovery aid
From: Laggard

To: Front-runner in technology and socio-economic change

- An information business
- A people business
From: Owning

To: Orchestrating the value chain

• Strategic control points
• True profit pools
From: Numbers
To: Customer empathy

- From push to pull
- Not just about money
In order to get there, we need to reimagine the value chain

Deconstruct

Reconstruct

Traditional labels “insurer”, “broker”, “wholesaler”, “reinsurer” no longer apply
Insurance-in-an-app

How do I relate to 21st century customers?
P2P insurance – the new mutual

How do I make customers want to participate in insurance?

#ITC2016
Virtual insurer – full service but no balance sheet

Is my value proposition really my balance sheet?
Plugging into the online ecosystem – China InsureTech

Am I thinking radically enough? Am I moving fast enough?

Weekday
8:00 Hail car service to work
9:00 Order breakfast for delivery
11:30 Order fruit for delivery
12:00 Browse lunch options and pick a place
13:00 Online errands during lunch break

Weekend
21:00 Watch online TV
18:00 Do the laundry delivery
16:30 Reserve housekeeping

8:00 Hail car service to work
9:00 Order breakfast for delivery
11:30 Order fruit for delivery
12:00 Browse lunch options and pick a place
13:00 Online errands during lunch break

#ITC2016
Laser-like focus on three basic principles is key for value creation

1. Creation of a hassle-free customer experience
2. Elimination of inefficient cost structures
3. Offerings that truly provide “peace of mind”
Need for collaboration and partnerships

Incumbents

Entrepreneurs

Investors
Getting started on innovation: One approach
Why we are at **InsureTech Connect**?

**Entrepreneurs:** Race to materiality

**Investors:** Outsized returns

**Incumbents:** Onboard future capabilities in a flexible way

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