

Turning big data into big insights



L to R: Mr Neal Liu, Mr Samit Mandal, Mr Vincent Lepez, Mr Jörn Watzke and Dr Vishnuteja Nanduri.

The 4th Asia Conference on Big Data and Analytics for Insurance took place on 18 and 19 February 2019. Many industry leaders and experts on big data and analytics gathered to share cutting-edge insights on their future applications in insurance.

By Amir Sadiq



Technology is advancing at an unprecedented rate, and more companies are beginning to incorporate big data and analytics into their systems and operations. But many are not using these tools effectively. IBM leader, cloud private for data and conference chairman Samit Mandal highlighted some of the more important ideas when it comes to embracing these new technologies.

“The whole idea is: How do we make the best out of our data, monetise it, avoid fines and do the right thing,” said Mr Mandal. “The only way we can survive in the insurance sector is by analysing our data and monetising our data. These are the two things which, at the end of the day, will gauge our success.”



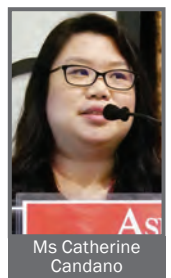
Mr Samit Mandal

Using big data and analytics

Google head, data platforms, SEA analytics 360 suite partnership and keynote speaker Catherine Candano shared Mr Mandal’s sentiments and posed some important questions that industry players need to ask themselves as they seek to leverage big data and AI: “What kind of business outcome can I expect to drive if I am responsible for a data science team? How do I use my data to drive as much efficiency as possible? How do we make sure the data creates value?”

Ms Candano said, “We live in a world of data abundance,” and emphasised the need for data science teams that ‘ask the right questions’ to turn all that data into actionable insights. She also spoke of the need to build nimble data science teams comprising individuals with business acumen. Instead of having dashboards with pointless data that no one looks at, these teams would be able to populate dashboards with useful insights.

“You need dashboards that answer specific questions, because that is the value that comes when a data science team has business acumen,” said Ms Candano.



Ms Catherine Candano

Gleaning insights and changing the role of insurers

ReMark and SCOR-Global Life Asia Pacific presented how they used their data to gain insights into their customers’ habits and lifestyle patterns, and how

they used those insights to create a programme that afforded them some form of real-time interaction with their customers.

ReMark chief actuary and data scientist Mandy Luo said that they had, “Developed a dynamic dashboard for anyone to be able to slice and dice the insights per market, customer and income level, for customised insights from focused markets and focused customer sectors.” The front page of the dashboard showed that it was populated by sampling countries that made up over 90% of the global insurance market.

The value of dashboards

As an example of market analysis, the dashboard was able to show that in growing markets, the proportion of people for whom life insurance was in their top three discretionary purchase was significantly higher than in mature markets. The dashboard was also able to show that people were much more willing to submit a selfie to be used for health assessment in 2017 (59%) than in 2018 (20%), while people who perceived themselves as healthier than average were much more likely to submit a selfie for health assessment than their counterparts who considered themselves less healthy than average (31% vs 7%).

One of the most important insights that could be gained from the dashboard was that people were willing to share data through wearables (65%) and supported a shift in insurer



Mr Vincent Lepez

focus to keeping people healthy (72%). SCOR-Global Life Asia Pacific deputy CEO Vincent Lepez explained that this shift in focus means that insurers will need to go beyond their traditional role of claims payers and start becoming health advisers.

“We want to change the way insurance is perceived,” said Mr Lepez. “As of now, insurance is still very much perceived as a provider of financial services. Tomorrow, we want to be perceived as a partner in life that would be helping you live a healthier life.”

Forward looking

Mr Lepez said that the shift from reactive focus to preventive focus

would require a commitment to health-focused solutions, and that a good way to do that was to provide platforms to engage consumers and share feedback.

SCOR was able to create the biological age model (BAM), a risk assessment algorithm which could monitor customer parameters such as physical activity, lifestyle data, location patterns, medical data, social media and, in the future, genetics/genomics.

ReMark business development director and SCOR GDS Asia managing director Vincent Shi talked about how BAM was used to create a programme within WeChat, which has over 1bn users in China that allowed people to check their policy details. Every week the app calculates how much younger a person is based on their BAM readings and adjusts their premiums accordingly.



Mr Vincent Shi

Rewards for healthy choices

“We are able to use that algorithm to make sure of the user’s activity data and work out their biological age,” said Mr Shi. “And the rule is very simple: If your biological age is younger than your real age, you will get some reward or benefit. We want to make the policy and rewards very tangible to the user so that even before they make a claim, they will see some benefits.”

Mr Shi said that turning data into actionable insights was important but not the endgame. “Asking consumers globally about their preference for insurance gives us useful insights but the real challenge is how to bring them to life,” he said.

Challenges adopting big data

Accelerating Insurance director Theresa Blissing spoke about the challenges of adopting big data and she opened with an anecdote on how she used to view the insurance industry as an ‘old gentleman’s club’. “Picture a wooden interior, big leather sofas, men sipping scotch and smoking cigars and talking about the good



Ms Theresa Blissing

old times while complaining about technology,” she said. Ms Blissing made it clear that things needed to change and chief among them was the need to modernise.

Data needs to be readily available and legacy systems and data silos need to be upgraded to handle the volume and velocity of big data.

There is also a need for people with skillsets specialising in data science and data engineering. These professions are among the most in-demand at the moment and insurance will have to compete with other industries to secure their services.

Ms Blissing also brought up the need for strong leaders who understand the value of big data. These leaders are needed to come up with a vision and holistic strategy to change the culture and mindset of their companies. She said that the insurance industry has traditionally been conservative and that it needs to be less risk averse. “A data-driven organisation needs leadership to develop a culture that embraces change,” said Ms Blissing. “That also means that the leaders of the company need to understand the concept of big data. They need to know what it can do in order to define their vision for the organisation.”

Data privacy and security laws

The issue of data privacy and security laws with regards to collecting data through wearables was also brought up and DWF partner Jonathan Goacher was on hand to assuage these concerns. Mr Goacher said that as long as the wearables do not diagnose, prevent, monitor or provide treatment for, or alleviation of, a disease, it would not fall under the category of medical devices - and consequently would not be subject to laws governing these devices in most places around the world.

With regards to data privacy issues, he urged insurers and reinsurers to abide by the EU’s General Data Protection Regulation (GDPR) that came into force in 2018. Mr Goacher said that doing so would ensure compliance with most data privacy laws around the world.▲



Mr Jonathan Goacher