



The motor industry is getting turbocharged by technology and in Asia's fast-growing markets, insurance has had to shift gears to keep pace. At the 7th Asia Motor Insurance and Claims Management Conference, the best and brightest converged to discuss how the industry can stay in pole position, and not burn out.

By Amir Sadiq



The introduction of electric cars will be the single biggest change to the motor industry in the near future, said VenturesOne Asia CEO Anthony Hobrow, who chaired the 7th Asia Motor Insurance and Claims Management Conference.

"It is forecast that with the dominance of electric cars, oil demand will drop by 58m barrels a day," he said while delivering his opening address. He added that the electric cars which have been sold to date alone are saving 350,000 barrels of oil a day.

"My feeling is that electric cars will become the norm and will be the only socially accepted transport vehicle," said Mr Hobrow.

He also said that the use of electric cars in the future will give rise to autonomous ride-sharing fleets and commercial trucking.



Mr Anthony Hobrow

Asia – the growing motor powerhouse

In his welcome address, Thai General Insurance Association executive director Kheedej Anansiriprapha talked about how much Asian markets have changed in the last decade or so and how the region has taken a large portion of market share when it comes to car sales and production.

He added that Asia has surpassed Europe in car sales and is now responsible for more than 50% of global car production.

Mr Anansiriprapha also touched on autonomous vehicles (AV). Despite reports claiming that AVs are generally safer than human driven vehicles, he suggested that the results would vary by region.

He said that AVs would run into far more problems when attempting to navigate traffic in some Asian countries like Thailand compared to the US or Europe.



Mr Kheedej Anansiriprapha

Mr Anansiriprapha also spoke of some other challenges facing the Asian motor insurance industry.

Many Asian countries will face, or are already facing, the issue of an ageing population. He said that eventually, motor insurance will need to take into account the number of elderly drivers on the road.

He also talked about the need to address insurance fraud in order to stem the tide of shrinking profitability in motor insurance.

Digitising claims management

One method of minimising losses that has been gaining traction over the last few years has been the use of AI in claims processing.

Merimen Technologies director of Thailand operations Bussakorn Thonglop said the use of AI, in addition to digitising the entire claims process, could speed things up, reduce customer complaints and lower operational costs.



Ms Bussakorn Thonglop

She said that traditional methods of claims management require steps like the surveyor going on-site to assess the damages of an incident. She added that this is very time consuming and could be costly, particularly in cities like Bangkok, where traffic congestion is commonplace.

Mirroring this, Ms Thonglop talked about how the use of remote access video and photos to assess the situation in real time could save time and cost as the surveyor would not need to battle through traffic.

She also said that most manual methods can be unreliable. These manual systems rely on people and because everyone is different, there will inevitably be a lack of consistency. She added that it was important to digitise systems because people come and go, but the system can stay in place.

A difficult timeline to predict

While the idea of using AI in automated claims is promising, it is difficult to predict when it will take off fully, said Merimen Group CEO Trevor Lok during a panel session.

“Image processing and image recognition are very active areas of research for many companies,” he said. However, he also said that there are at the moment no significant breakthroughs when it comes to assessing more complicated damages.

He said that most superficial damage to cars right now can be handled using automated claims processes but internal damage – like damage to the engine block – are much more difficult to assess using image processing and recognition alone.

Mr Lok added that it would be very hard to put a date on when this will become possible, but progress is being made.

He also said that the transition from humans to AI in claims management will not be an instant switch, and it will also not involve a complete flip from humans to AI, suggesting that there will be a significant phase where humans will be working alongside AI to handle claims processes.

Saving money while saving lives

The importance of education when it comes to road safety and motor-related risks was also on the agenda.

Reducing the incidence and severity of motor accidents could increase GDP growth, according to International Federation of Red Cross and Red Crescent Societies, Global Road Safety Partnership, Asia Pacific programme manager Blaise Murphet.

During his keynote address, Mr Murphet said that road crashes are the number one cause of death globally for youths between the ages of five to 29.

While loss of life is always tragic, the loss of life of young people due to road crash deaths arguably takes away a greater number of potentially productive years which could ultimately affect GDP growth.



Mr Trevor Lok

Mr Murphet went on to emphasise the need for proper education at a young age to make people more aware of the risks involved when being on the road.

He said that the power of technology, alongside public-private partnerships would be essential in educating communities on the importance of understanding and managing these risks.

Preparing for the future

The theme of the conference was ‘The Bread and Butter of Motor Insurance – From the Old World to the New Era’ and eBaoTech president and CEO Dr Woody Mo addressed the need for businesses to future proof themselves.



Dr Woody Mo

He first acknowledged that there have been many scary stories going around about how disruption could change the insurance industry. However, he said that it is impossible for anyone to forecast exactly how things will change.

In light of this, he proceeded to quote Amazon CEO Jeff Bezos, and said that it was more important to focus on what is not going to change in the next 10 years, rather than on what could possibly change.

According to Dr Mo, it is important for insurers to build a strategy that will guarantee success regardless of the changes that come, and he made it clear that the one thing that would not change in the next 10 years is the need to focus on the customer.

He said that the priority in doing so is making sure a product is valuable to customers by reducing unnecessary costs and increasing the percentage of the premium that goes back to the customer when a claim gets paid out.

“The product is always the foundation. If your product is not good, it is very hard to do anything else,” he said.

The two day conference, organised by *Asia Insurance Review*, took place from 26-27 June at SO Sofitel in Bangkok and was sponsored by Merimen. ■