

Rethinking motor insurance



The motor insurance industry must increasingly adopt digital to stay relevant and navigate the impact of the ongoing COVID-19 pandemic, said speakers at the two-day virtual motor insurance conference with the theme 'Rethinking Motor Insurance for the Next Generation of Mobility' organised by *Asia Insurance Review* in August.

By Jimmy John



In his opening address, Hannover Re head of Asia InsurTech partnership/innovation solutions/personal lines Dominique Roudaut said that designing a customer experience for the next normal was critical for insurers.

Mentioning that the number of road deaths in Asia is higher than in Europe, he said that insurers can help in making driving safer and also ensure that customers get something from their insurance product every day and not once every few years.

"Whenever there is engagement, it leads to a delightful experience and a net promoter score," he said.

He highlighted the need for insurers to work on prevention and emerging behaviours to stay profitable and relevant. Hannover Re has developed an app which is mobility-centric, through which it educates and empowers its end users through constant engagement.

"We regularly communicate with our end users through this app and



Mr Dominique Roudaut

update them on road safety and weather conditions," he said.

Growth of digital claims portals

Speaking on the new claims experience, Merimen country director, Singapore and regional business manager, APAC Sebastian Tan said that insurers in Asia are enabling digital touchless customer claims.

"Digital claims portals are achieving fast registration and reserving and freeing up traditional channels," he said.

Insurers today have outsourced the document-upload function to the customers directly, which has allowed these insurers to automate the document process according to the type, thus saving considerable time and costs.

"Digital touchless customer claims can be achieved with new tools and technology for better customer engagement," he said. To be successful insurers must change their legacy mindsets and begin small.

In his presentation on the future



Mr Sebastian Tan

of claims amidst the COVID-19 pandemic, EY Consulting, business consulting – insurance senior manager Thomas Sam said that in future claims must be customer-experience driven, technology and data powered and partnership enabled.



Mr Thomas Sam

COVID-19 has accelerated the need for a digital claims ecosystem which has minimal in-person interaction. “A touchless claims operating model is one in which a majority of the claims are processed in a paperless environment enabled by intelligent automation, AI, analytics and InsurTech with zero touch point,” he said.

AI and telematics to drive motor

A panel discussion on the next generation of motor insurance highlighted the critical role of AI and telematics in driving the segment in the future.

Fairfax Asia consultant Sanjeev Jha said that customer retention is critical for insurers who are still grappling with the area of consumer behaviour and technology has been a game changer as leakages have been addressed.

“Motor has generated investment returns for most companies but the problems that keep them back are reluctance to use data, overcoming the tyranny of averages, value of switching and the curse of the innovator,” he said.

CamCom co-founder and CEO Mahesh Subramanian said that insurers have understood the need for digital transformation and AI can give them objective results. “AI and telematics can help to a great extent in understanding driver behaviour,” he said.

Zensung founder and CEO Amod Dixit said that customer expectations are changing rapidly and hence there is a need to attract good risks with attractive pricing. “Highly automated processes are a win-win for all stakeholders, including for customers,” he said.

Ernst & Young Consulting partner, MENA insurance leader Jonathan Matchett said that there is tremendous amount of innovation in



Top: Messrs Amod Dixit Dominique Roudaut and Jonathan Matchett
Bottom: Mr Mahesh Subramanian and Dr Sanjeev Jha

the UAE motor market and this was evolving all the time and insurers must seize the opportunities through partnerships.

Discounts need a balanced approach

Finmaal.com founder and CEO Muhammad Ashfaq-Ur-Rehman said that insurers cannot carry on giving massive discounts to their customers nor should customers expect this, as it could put them in jeopardy and hence a balance approach is needed.



Mr Muhammad Ashfaq-Ur-Rehman

“User-based insurance is a possible solution to this but it is expensive and insurers will need back up technology to support it,” he said.

He believes that telematics can help in this area. He suggested that insurers should incentivise good drivers and also map out future discount expectations while creating a buffer by retaining a portion of the profits.

“Exploit ICT for a better portfolio management and focus on the customer experience,” he said.

COVID impact on insurance fraud

Speaking of rising cases of fraud since the commencement of the pandemic, Sedgwick Singapore CEO – Asia James Ong mentioned the Forbes adviser report of January 2021 which highlighted that insurance



Mr James Ong

fraud normally costs the industry up to \$40bn a year has more or less doubled during the pandemic.

He talked about the major fraud trends during the pandemic, which included staged accidents, vehicle thefts, inflated bills and fake accidents at home. Moreover, insurers adaptation to the pandemic may have contributed to the increase in fraud, as remote working results in lesser physical survey of losses.

“Insurers need to embrace proactive fraud management and fraud detecting software and be bold enough to take on the fraudsters,” he said.

Going digital with robotic process automation

AppMan co-founder Amarit Franssen said that the COVID-19 pandemic has accelerated the digitalisation of customer interactions by several years.



Mr Amarit Franssen

He highlighted a McKinsey survey in which respondents said that there was an 80% increase in their digital transactions over the past year in comparison to previous years.

“Companies need to oversee the digital ecosystem and how other industries apply and use technology to innovate on their own, though the process can be daunting,” he said.

He believes that robotic process automation (RPA) will be one of the drivers of digital transformation in the future. “RPA can empower an organisation and drive efficiency to new boundaries and help serve customers,” he said.