



Life Product of the Future

Young Goh

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Actuaries Summit.*

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Outline

- Introduction
- Laying the Foundation
- Innovation within the life insurance industry
- Innovations impacting life insurance
- Lessons from an industrial designer
- The consumer – yesterday, today and tomorrow
- The life product of the future
- Conclusion and discussion

It's the disruptors we worry about, says outgoing Telstra boss David Thodey



Telstra CEO David Thodey who is retiring from Telstra after six years in the job. Picture: Britta Campion
Source: News Corp Australia

Telstra's outgoing chief executive David Thodey has declared the company will not be threatened by the frenetic pace of consolidation gripping the \$40 billion-a-year sector, saying the real risks to the telco giant will come from disruptive technologies and innovative technology start-ups.

Introduction

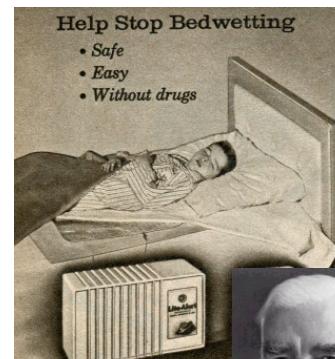
- The insurance industry's iPod moment



"We know from history that while promotion may win quarters, innovation wins decades"
~ Bob McDonald, retired Chairman, President and CEO, Procter and Gamble

Has the life industry innovated at all?

- Life in Australia in the '60's
- Life in the world in the '60's
- Life insurance 'back then' vs now



Laying the Foundation

- What is innovation?
- Types of innovation
- Challenges in innovation
- Innovating with 'CARE'



"The conservative reputation the industry enjoys has served to camouflage a tremendous track record of innovation."

~ Deloitte University Press

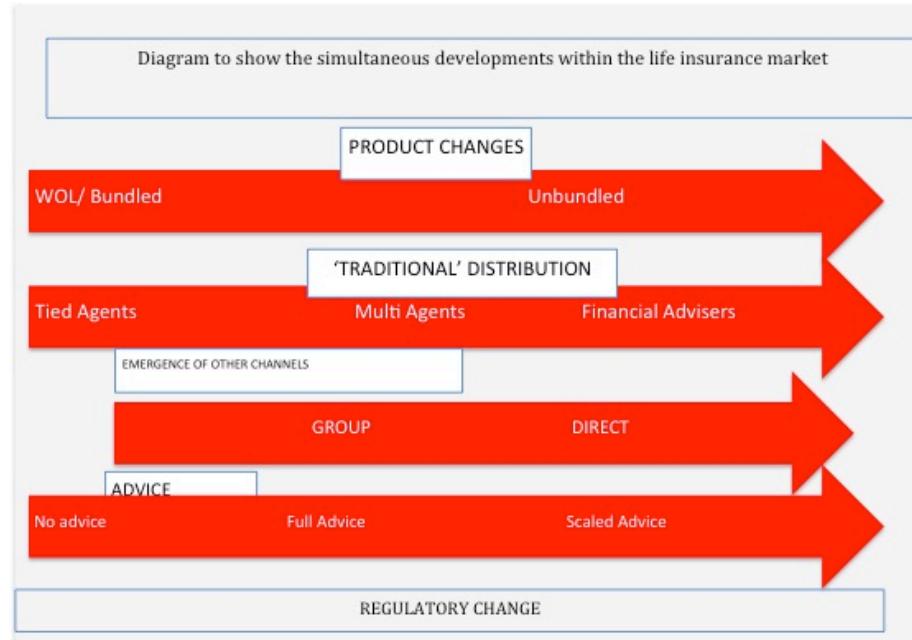
Harvard Business Review

How P&G Tripled Its Innovation Success Rate

Innovate with C.A.R.E. Profile

Innovation in insurance: The path to progress

Innovation in Life Insurance in Australia

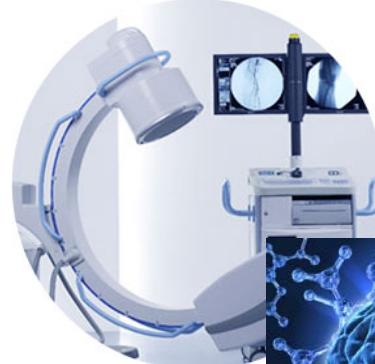


Source: Evolving Distribution Models in Life Insurance, Young Goh, Joint IACA, IAAHS and PBSS Colloquium in Hong Kong, May 2012



Innovations impacting insurance

- Advances in healthcare
- Advances in technology
- Advances in mental health



Lessons from an Industrial Designer

Dieter Rams and his 10 principles of good design

1. Is innovative
2. Makes a product useful
3. Is aesthetic
4. Makes a product understandable
5. Is unobtrusive
6. Is honest
7. Is long-lasting
8. Is thorough down to the last detail
9. Is environmentally friendly
10. Is as little design as possible



"You cannot understand good design if you do not understand people"

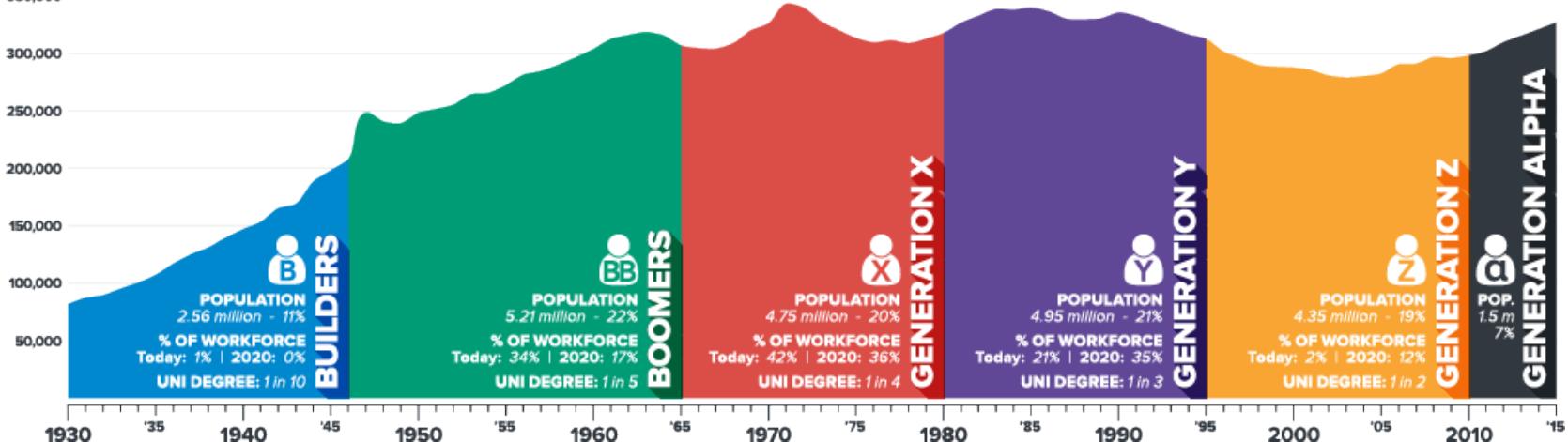
The 10 Principles Applied

Principle	Application
1. Innovative	We have certainly seen developments in product design (definitions) as well as technologically enabled innovations- such as reflexive electronic underwriting making the process simpler. Also Telematics in personal insurance. But are we doing enough?
2. Useful	How do we remind our customers of what they have before they have to claim? How do we become more present (without being obtrusive)?
3. Aesthetic	Can we introduce beauty into the 'user experience' (UX) e.g. our websites, PDS's etc.
4. Understandable	Have we done enough to make our products as easily understandable?
5. Unobtrusive	Needs to be balanced with 2. above. How do we avoid annoying our customers?
6. Honest	How do we create the utmost confidence in our clients that the product will pay in accordance with their expectations at their time of need?
7. Long-lasting	How do we design for robustness?
8. Thorough	Have we taken care of all the details to delivering the best customer experience?
9. Environmentally friendly	We are seeing this especially in group where through early engagement, we are becoming more proactive in returning claimants back to work. Also innovations such as AIA Vitality.
10. As little design as possible	To make the complex simple.

The consumer of tomorrow

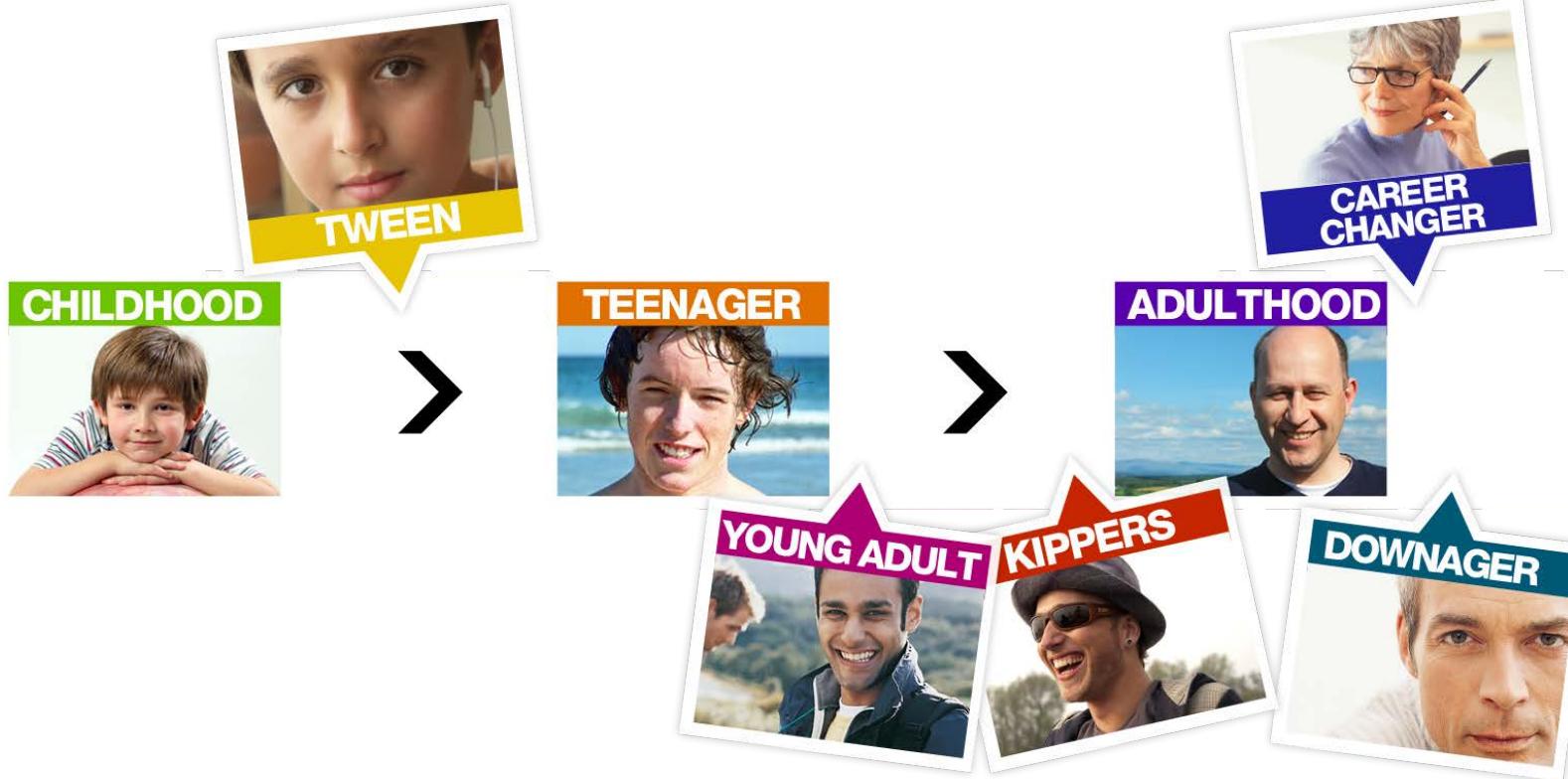


- The consumer of yesterday
- Of today
- Of tomorrow



..the balance of power has been shifting to the consumer as a result of the rapid adoption of smart mobile devices, the ubiquity of broadband and the proliferation of social media and aggregator websites" – "For Insurance Companies, the day of digital reckoning", BAIN & Co, 2013

Changing Pathway to Adulthood



The consumer of tomorrow

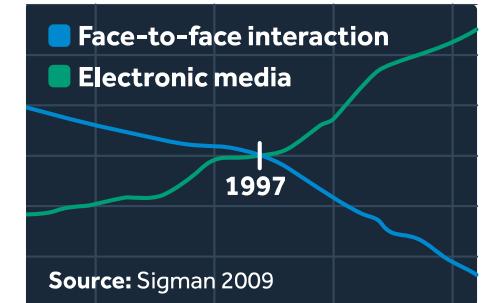


Top 10 Populations (000,000)

1		Facebook	1,400
2		China	1,360
3		India	1,240
4		Twitter	646
5		USA	318
6		Indonesia	247
7		Brazil	202
8		Pakistan	186
9		Nigeria	173
10		Instagram	152



POST LITERATE POST LINEAR POST LOGICAL



2.5 QUINTILLION (2,500,000,000,000,000)
BYTES OF DATA CREATED...EVERY DAY



"90% OF THE DATA IN THE WORLD TODAY HAS
BEEN CREATED IN THE LAST TWO YEARS ALONE."

IBM BIG DATA REPORT 2013



The Life Product of the Future

- Omni channel – to suit my **engagement preferences**
- Data-driven – I am “known”
- Mass-customization – **my choices**
- Aligns with **my values**
- **Says something about me**



Conclusion and discussion

- Innovate, or perish
- How shall we act?

Acknowledgements and Disclaimer

I wish to acknowledge the generosity and support of my company AIA Australia for me in undertaking this work.

I particularly wish to thank Mark McCrindle of mccrindle for generously allowing me to use their graphics on slides 10-12.

All views expressed within this presentation are my own and do not necessarily represent the views of AIA Australia.

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