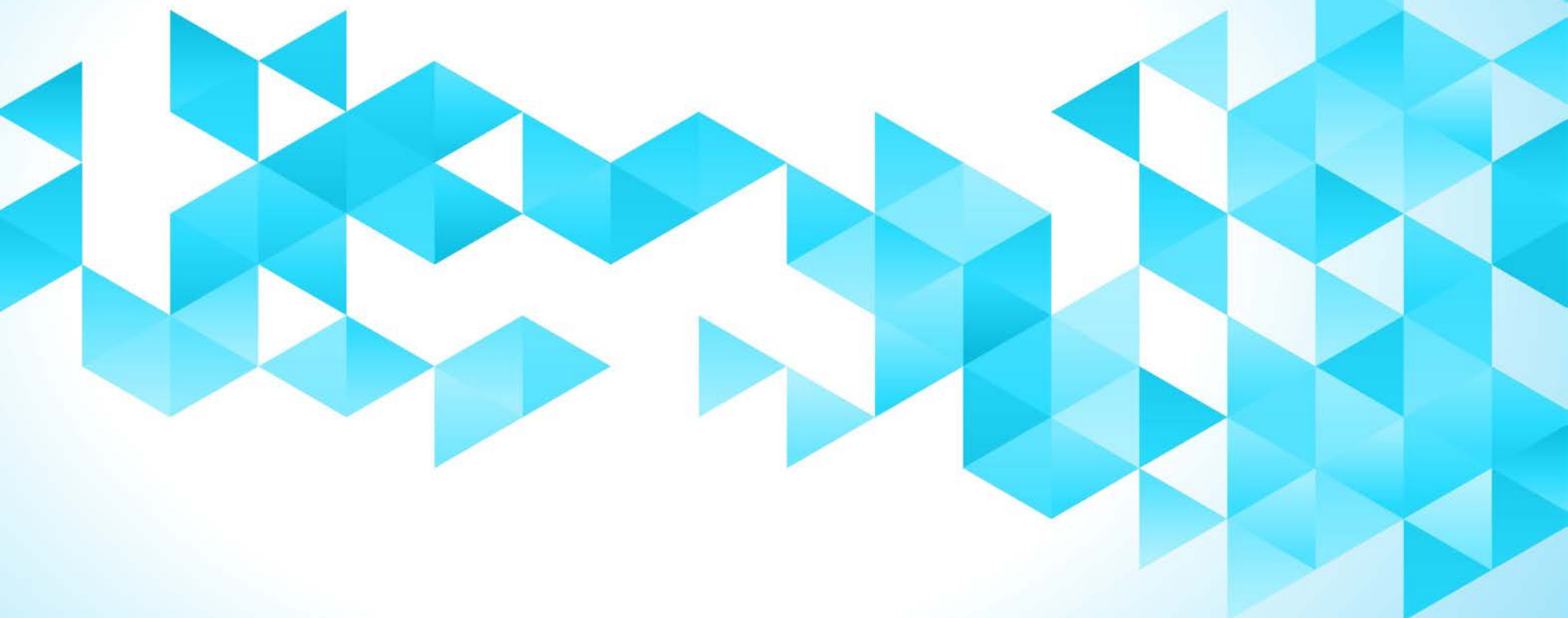




SOLUTIONS...DEFINED, DESIGNED, AND DELIVERED.



# Product Innovations in the Commercial Lines Business

# Modern Insurance Consumer – A VIRTUAL ALPHA

- Today Customer satisfaction expects a bespoke tailor-made experience
- Consumers are becoming more discerning, expecting an insurance experience on par with the consumer experience from leading online companies such as Amazon, Netflix, and Airbnb
- Cost optimization and customer retention are becoming critical parameters
- Competition in the insurance industry is intensifying as markets evolve, existing players strive to innovate, and new ones enter the market, including ones that distribute only online or through non-traditional channels

# Emerging Industry Trends

The evolution of **automobile industry** (a top consumer product in insurance) is seeing a disruption in the way consumers buy cars and travel

## The Ridesharing revolution

- Reducing the number of owned cars
- Increased ride sharing between customers

## Autonomous Vehicles

- Increase in the number of self driving cars
- Existing manufactures are investing in self-driving car systems in their vehicles

Uber

lyft



pony.ai

ZOOX

The above factors have led to a requirement of newer insurance alternatives in the industry which include –

- Requirement of Ride-Sharing insurance
- Insurance to safeguard accidents in case of self-driving cars where the fault falls on the manufacturer

# Emerging Industry Trends



**Machine learning and Automation** will drive towards higher efficiency by enabling –

- Automation for Product lifecycle from marketing through underwriting and claims processing and reimbursement
- Fraud detection, personalised customer interaction, data driven automated claims processing, real-time property assessment and reduction in TAT for management of complex processes

# Emerging Industry Trends



**Cyber Security** is another emerging trend in the insurance industry. There are multiple issues that exist as the insurers need to -

- Look at it from both the perspectives of a security provider and a client, since it affects them just as much, if not more, as their clients
- Manage Risk as they are custodians of an enormous amounts of sensitive personal information such as personal properties, health, etc



# Emerging Industry Trends

## Evolution of Insurance Distribution Channels

- Insurance companies are starting to leverage multiple parallel channels, often working hard to minimize channel conflicts. Some of the fastest growing channels are bancassurance, affinity and retail partners.
- Web and mobile channels are also growing in importance, although in most countries mostly for comparison shopping / information gathering.



# Emerging Industry Trends

**Blockchain** – the key to secured transactions and fast data processing in the insurance industry

Yes! The blockchain is one of the most powerful technology trends to revolutionize the insurance industry in the next couple of years.

Even if Bitcoin, Ethereum and Ripple don't become the standard currencies of the future, the ground breaking technology behind them is what the focus is on for the insurance companies.

They have already started employing blockchain in their existing workflow to avoid huge losses because of false claims and scams that happen daily in the industry.

The first area in the insurance industry, which the blockchaintechology could have a lasting effect on, is underwriting

# Emerging Industry Trends

## High Personalization of Insurance Premiums

More than 80% of insurance consumers look for personalised products that fit their needs due to them being adapted to a pre-existing personalisation mindset available in the every other industry. This customisation can be in the form of –

- Company Offering and recommendations
- Company Pricing

This customisation can be / is made possible through a solid foundation of data and understanding customer behavioural insights which provide deeper consumer insights





# Emerging Industry Trends

## **Automated, self-service and quick to pay** customer experience in insurance claims settlement

- By using blockchain all the necessary information needed for claims verification can quickly be processed. Insurers can track the usage of an asset by using the data available in the blockchain without tampering any information.
- When a good portion of the minor cases are handled and reviewed autonomously instant payouts can easily be achieved and only in a matter of hours the customer can have his money by creation of web-portals.
- By cutting the time needed for a reply, customer satisfaction should also rise. Only after someone fails an autonomous review would human interference be needed.

# Emerging Industry Trends



## **All-in-One(Package) Insurance Policy**

An emerging trend is the customised all round insurance policies which is made available to the customer in a hassle free manner when the insurer has details about the customer's cars, home, health, travel, pets, possessions etc. which can be made available to them at a fair price with flexible adjustment of cover as needed

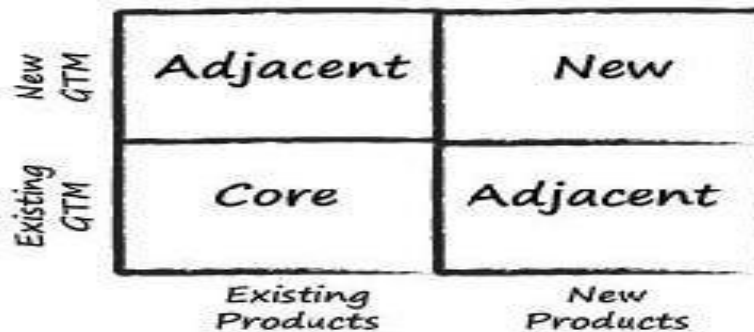
# Emerging Industry Trends

- **Automation to dethrone human effort across the insurance industry's value chain**
- While the emerging trend of automation is not unique to the insurance industry, it will certainly have lasting effects on it, because much of it still operates via pre-Internet methods, which are wildly outdated in today's world.
- Another reason is the fact that many personal lines are being automated. Small parcels of insurance protection cannot be packaged and sold using only human effort and remain cost-effective.

# Innovative Insurance Products

1. Cyber security insurance
3. Crime Insurance
4. Artificial intelligence/robotics liability insurance
5. Wellness/ Health Insurance
6. Customized Home Insurance Package
7. Innovative Auto Insurance
8. Affinity Insurance B2B2C & B2B2E models for health, grey goods & white goods
9. Travel Insurance
10. Wallet Insurance
11. Driverless car liability insurance

## Adjacent Innovation –A winning strategy



GTM = Go To Market (channel, customer, demand generation, etc)

- Adjacent innovations keep one area stable, like the product or service, while focusing on creating a new and innovative go-to-market.
- By minimizing the number of completely new areas for a program, insurers can focus on creating value in one area by leveraging existing assets.
- Adjacent innovations also tend to scale faster because you are not creating everything from scratch, meaning it is a low-risk, high-value innovation.
- This allows you to rapidly create a minimum viable product (MVP) that shows quick impact and value .
- This type of innovation will ultimately change the culture of your organization for future innovation projects.
- The sooner you can show value and generate internal PR and executive buy-in, the quicker you can scale
- This allows you to rapidly create a minimum viable product (MVP) that shows quick impact and value .



## Insure Tech

- Enter insurtechs. Rather than seeking to completely transform commercial lines, most insurtechs are focused on enabling or extending the insurance value chain. In personal insurance, insurtechs have played the role of digital attackers and captured market share at specific points in the value chain.
- Lacking the scale and expertise needed to excel in commercial, insurtechs can be viewed by executives not as competitors to be feared, but as potential partners that could accelerate their digitization efforts.

# Marsh Group

## Global Leader in Insurance Broking and Risk Management

Marsh 2018 Global revenue \$6.9billion;  
~45% of total MMC revenue



### 130 COUNTRIES

Extensive global footprint with operations in more than 130 countries



### 30,000 EMPLOYEES

Over 30,000 colleagues in almost 500 offices worldwide



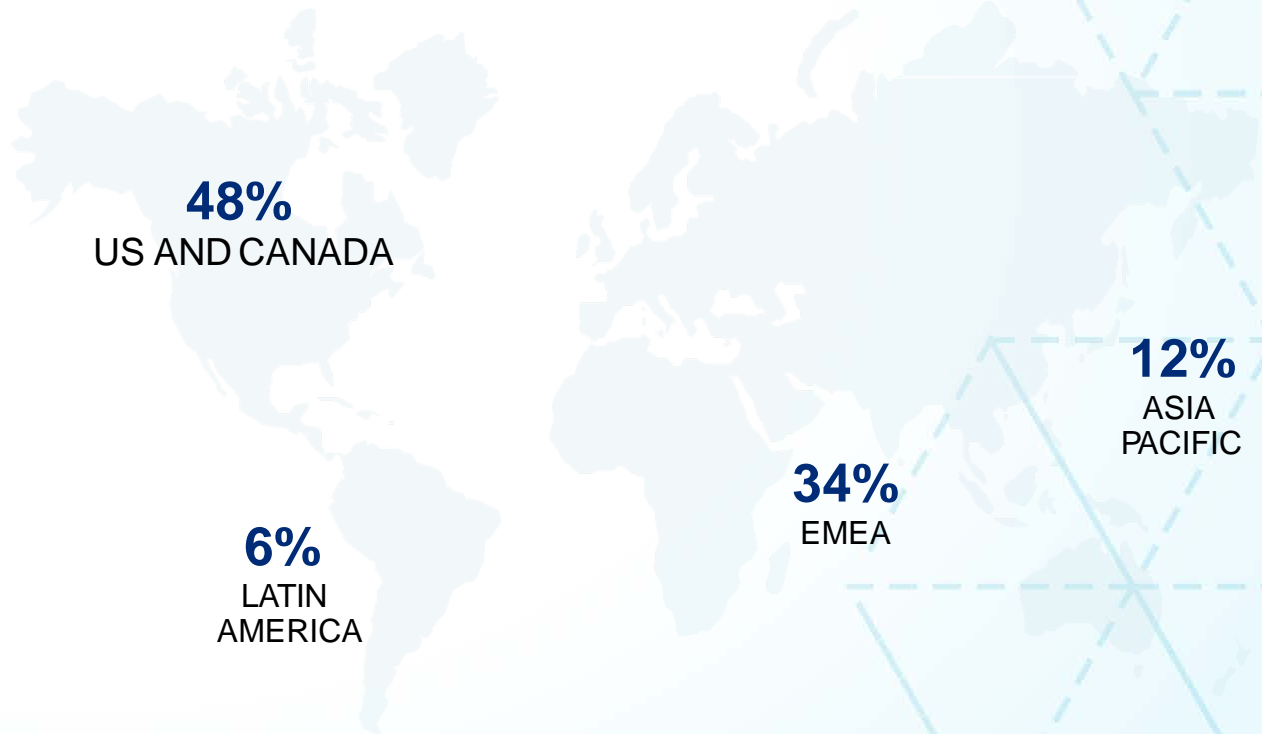
### \$47 BILLION IN PREMIUM

In excess of \$47 billion in premium placed annually



### 87% OF GLOBAL 500

Marsh serves 87% of the Fortune Global 500



# Marsh India

## Leading Multinational Broker

**16+ Years**

Dedicated service to our clients

**18 offices in 17 cities**

Strong presence in all metro cities

**600+ Employees**

Our People, our strength

**INR 5,400+ Crores in premium**

Our market leverage is unrivalled

**~4,000 Clients**

Advisors to top Indian & MNC clients



**First licensed composite foreign broker in India**

*\*\* Figures above pertain to Financial Year 2018-19*



**THANK -YOU**

