



**Session 3A, Purchasing and Maintaining Life & Health Insurance
Products in the Era of the Mecosystem**

Presenters:
Dirk Nieder, FSA, MBA

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SOCIETY OF
ACTUARIES®

Purchasing and Maintaining Life & Health Insurance Products in the Era of the MEcosystem

Dr. Dirk Nieder, Gen Re



The rise of Nomophobia

50% of young people
hold onto their phone
throughout the day

(YouGov.com, 2016)

71% of respondents are
sleeping with – or next to –
their mobile phones

(Bank of America, Trends in Consumer Mobility
Report, 2015)

54% say they experience fear
of losing signal, running out
of battery or losing sight of
their phone

(www.telegraph.co.uk, 2013)





Ecosystem



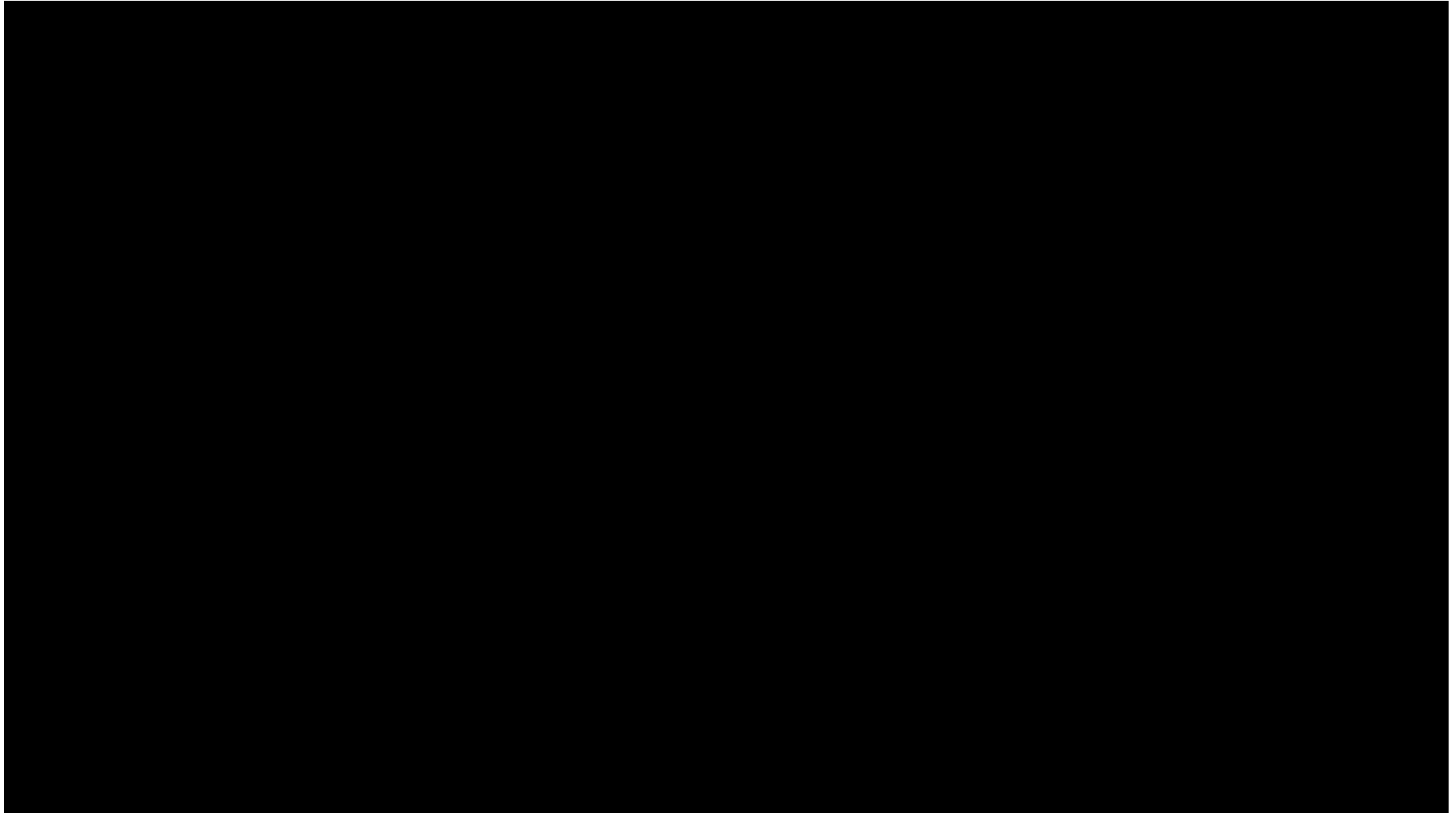
Complex network or interconnected system in which devices interact

MEcosystem



Puts the user at the centre and reorganizes experiences around him


The rise of the MEcosystem



MEcosystem in practice

Dirk's calendar entry

Sunday, 1 October 2017

10:00	
11:00	
12:00	
13:00	
14:00	
15:00	
16:00	
17:00	
18:00	
19:00	
20:00	
	1. FC Köln - RB Leipzig

Dirk's bank account statement



date	Description	Out	In	Balance
	BROUGHT FORWARD BALANCE			1,091.42
29-Jun	CARD PAYMENT	100.01		1,022.41
30-Jun	CARD PAYMENT	26.14		996.27
1-Jul	DIRECT DEBIT BANK LOAN	40.00		956.27
1-Jul	DIRECT DEBIT BANK LOAN	30.78		925.49
1-Jul	DIRECT DEBIT BANK LOAN	298.47		627.02
1-Jul	CARD PAYMENT	13.98		613.04
1-Jul	CARD PAYMENT	46.40		566.64
1-Jul	DIRECT DEBIT STORE CARD	15.04		551.60
1-Jul	CARD PAYMENT	21.31		530.29
1-Jul	DIRECT DEBIT STORE CARD	50.75		479.54
1-Jul	CARD PAYMENT	60.19		419.35
1-Jul	DIRECT DEBIT STORE CARD	60.19		359.16
1-Jul	CARD PAYMENT	10.99		348.17
1-Jul	DIRECT DEBIT BANK LOAN	50.07		298.10
1-Jul	CARD PAYMENT	9.99		288.11
1-Jul	DIRECT DEBIT BANK LOAN	30.90		257.21
1-Jul	CARD PAYMENT	9.99		247.22
1-Jul	DIRECT DEBIT STORE CARD	20.67		226.55
1-Jul	CARD PAYMENT	5.99		220.56
1-Jul	DIRECT DEBIT STORE CARD	22.76		197.80
1-Jul	CARD PAYMENT	40.88		156.92
1-Jul	CARD PAYMENT	13.99		142.93
1-Jul	DIRECT DEBIT BANK LOAN	36.40		106.53
1-Jul	CARD PAYMENT			106.53

Dirk's calendar entry

Saturday, 3 September 2016

5:00	EVENT: CLIMBING MT. FUJI WITH COLLEAGUES
6:00	
7:00	
8:00	
9:00	
10:00	Fujinomiya Trail 5 th station
11:00	



Science Fiction?

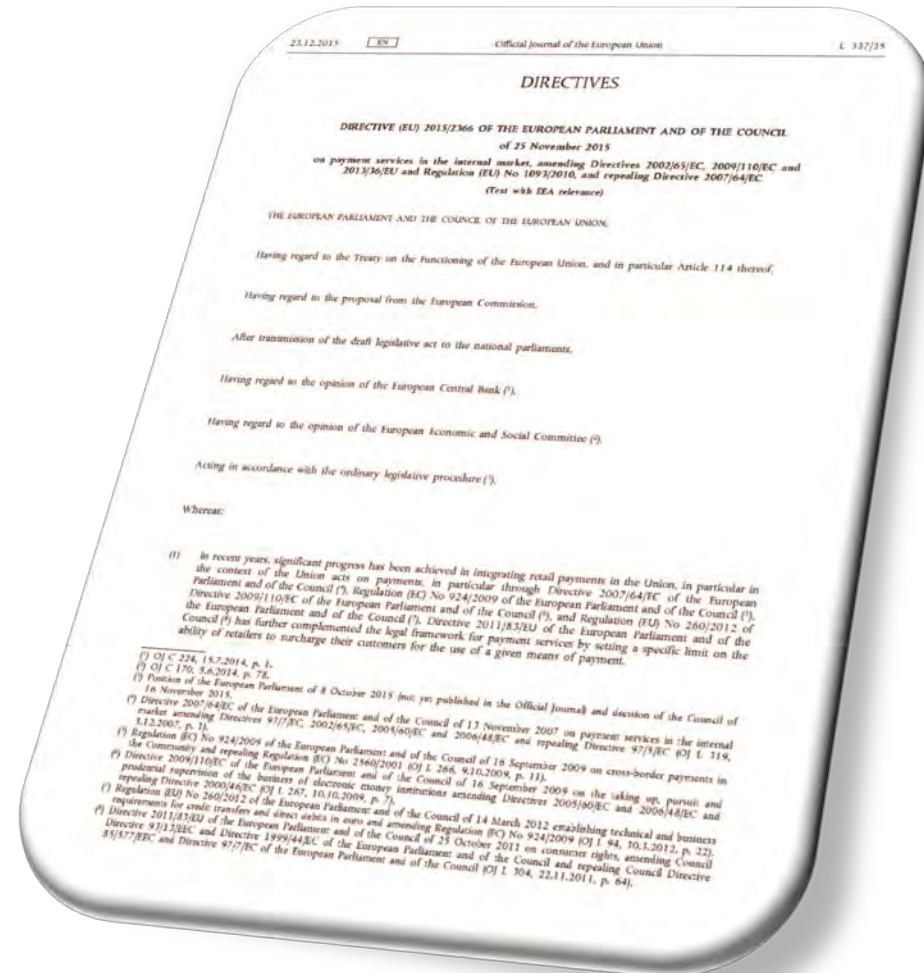
- Insurance for home and travel insurance, health insurance, accident insurance, etc. only when needed.
- For example:
 - Travel accident insurance
 - Insurance for children during school excursions
 - Insurance whilst watching a football match



Science Fiction?

Payment Services Directive (EU)

- Account Information Service Providers (AISP) have to be given access to account information by financial institutions (e.g. banks) when granted permission by the consumer
- Information transferred from the financial institution can then be used by the AISP to render its service such to consumers

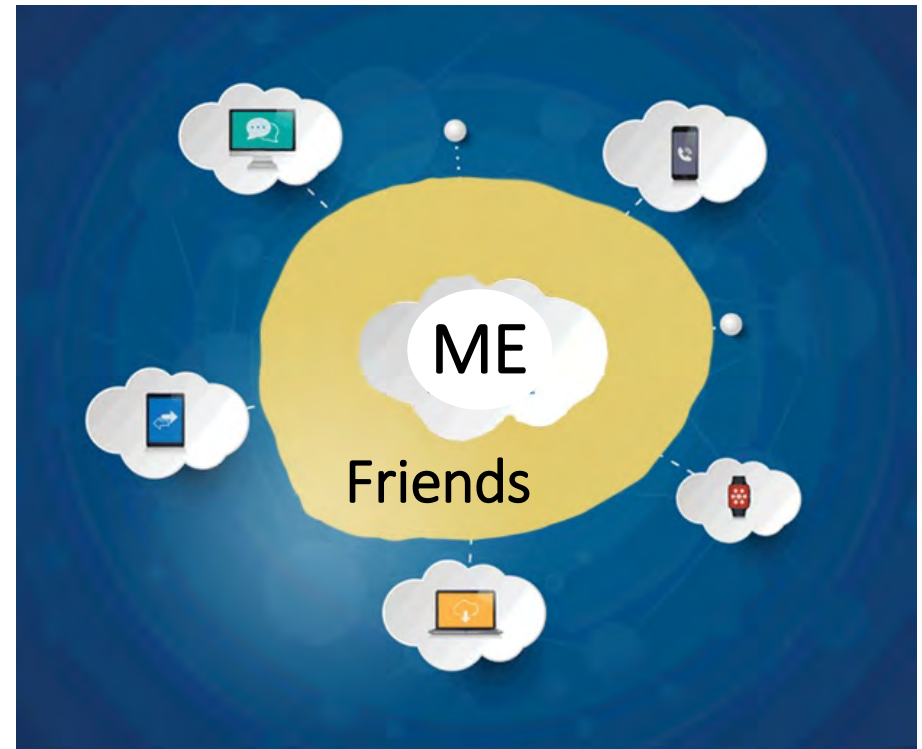


Directive 2015/2366/EU of the European Parliament on payment services (aka PSD2)

Characteristics of products in the world of a MEcosystem

- On demand or Pro-active
- Speed
- Personalised (at least perceived)
- Frequent contact points

It is not only
about ME



Social groups, Transparency and Fairness



© Thinkstock/Robert Churchill

Friendsurance

- Claims are shared with trusted group of friends only, resulting in a reduction of fraudulent claims
- Cash back of up to 40%

Bought by Many

- Use collective buying power to negotiate discounts and cash back for members
- Average saving is given with 19%

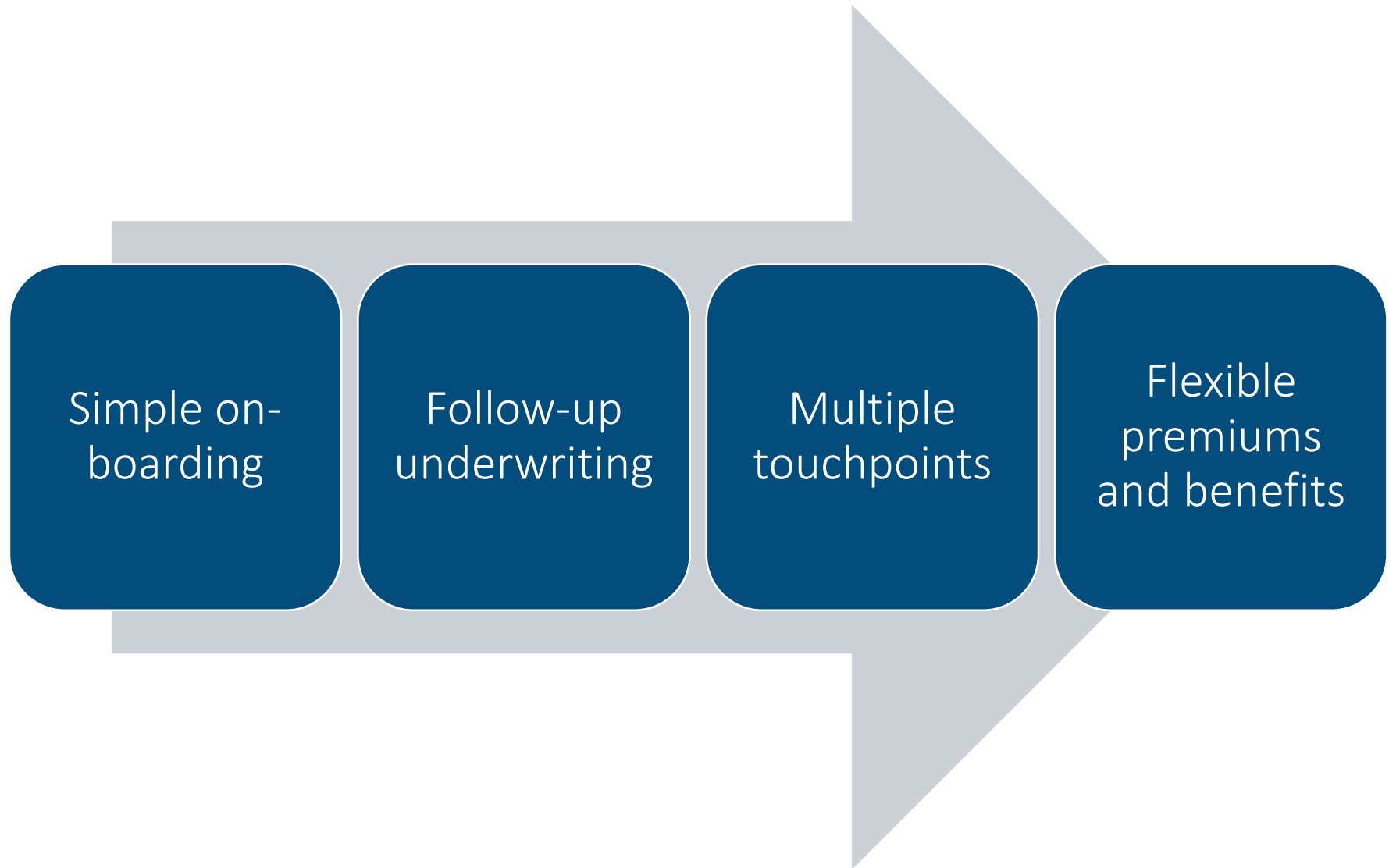
Lemonade

- Takes a flat fee, gives back what is left to social causes designated by policyholder

Social groups, Transparency and Fairness

- Monetary rewards and gains
- Social and symbolic motives
- Personal bonds to others / Network
- Fairness in claims handling

A vision of the future life insurance products



Simple on-boarding



Making conservative, but immediate offer based on

- Social Media access
 - Facebook
 - Linked-In
 - Instagram
- Facial recognition technologies
- Self-rated health status
- Predictive analytics

The use of predictive analytics for risk selection



Working overtime on weekends



Sleeping after 1am



Recent visit to hospital



Cigarette purchase

Using location data, app usage data and information from loyalty cards to assess risks based on lifestyle and habits

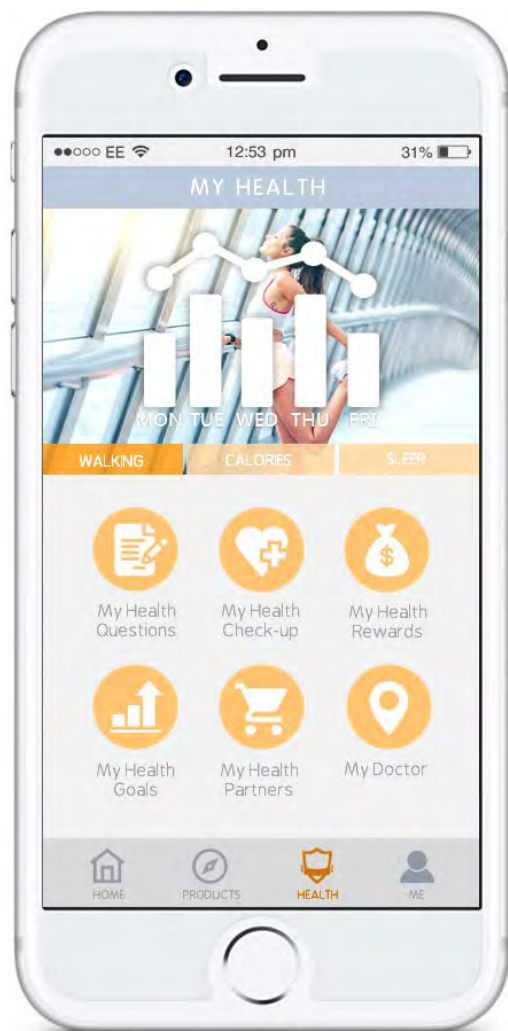
Follow-up underwriting

- Follow-up underwriting (more comprehensive questionnaire) within 3 months from on-boarding



Used for fine-tuning premiums,
e.g. discounts for healthy applicants

Multiple Touchpoints



1. Track health and fitness goals
2. Share results of regular health check-up or national screening programmes

Instant gratification for customers through rewards and benefits-in-kind

Flexible premiums and benefits



BMI



Smoker status

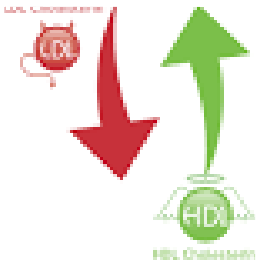
Blood
pressure



Liver
enzymes



Cholesterol



Urine protein

Disrupt or be disrupt?

Incumbent companies do need to respond to disruption if it's occurring, but they should not overreact by dismantling a still-profitable business. Instead, they should continue to strengthen relationships with core customers by investing in sustaining innovations.

(Source: „What is disruptive innovation?“ Clayton Christensen et al., Harvard Business Review, December 2015)



Thank You

Dr. Dirk Nieder
nieder@genre.com

Visit genre.com for more info.