Life Insurance Operations – 2025
Agenda

- Impact of changing eco system
- Current and future operating models
- Changing paradigm on customer acquisition
- Making Sense of Data
- Evolution of Talent
- Are we ready
Emerging Business Eco System

- Digital Platforms
- Data and Analytics Driven
- API / Microservices Based
- Event Driven
- Customer Life Style Changes
Changing Paradigm

**Past**
- In person interaction for sale
- Dependency on physical branches for service
- Communication though snail mail

**Present**
- Customers are moving towards self buying
- Service options increased call centre, whatsapp, portals, mobile apps
- Communication though mail, SMS, Twitter

**Future**
- Edge Computing
- Sale through embedded products
- Blockchain for smart contract management
- AI for real time intervention
- Monitor & intervene using IoT
Changing Operations Models

Yester-years Model
De-Centralised
- Basic Premise: Proximity to the Customer to enable quicker service
- Challenge: Cost / Standardised Service

Current Model: Combo
Decentralised & Centralised
- Basic Premise: Decentralise Simplicity
- Centralise Complexity
- Benefit: Optimum Model balancing the trade-offs between Cost & Quality on One hand and Speed on the other

Decentralised Ops Model
In 2025
- Basic Premise: Proximity to the Customer to enable instant gratification
- Enabled By: AI, RPA, API Platforms

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Mobile App Based Data Capture
- Enabled By: AI, RPA, API Platforms
- Cloud
- Customer / Distributor
- Mobile / Web Apps
- RPA
- API Platforms
- AI
Customer Acquisition
Insurance Distribution in 2025

- **Retailers**
  - Customized APIs
  - Underwriting
  - Incentives
  - Claims
  - Customer Service
  - Personalized campaigns

- **B2B Platform**
  - Telecom providers
  - Education providers

- **B2C Platform**
  - Insurance Carriers
    - Customized APIs
    - Underwriting
    - Incentives
    - Claims
    - Customer Service
    - Personalized campaigns

- **Fintech**
  - Customized APIs
  - Underwriting
  - Incentives
  - Claims
  - Customer Service
  - Personalized campaigns

- **Tele- sales**
  - Brokers
  - Agents

- **Traditional Channel**
  - Bancassurance
  - Captive sales
  - Fintech led channels

- **Voice**
  - Dominance of Platform Players
  - Revenue Fee Focus by Retailers
  - Sell / Service / Persistency / Claims by Distributors

- **Web**
  - Insurance Carriers will be backend tech companies –
    - Innovative products
    - Risk Management
    - High dependence on data analysis for next best offer
AI based Virtual Assistants are still experimental, and available in limited queries, requests and complaints being handled by the virtual assistant. Large part of the QRC still requires handling by the customer service staff.

In spite of initiatives to drive FTRs, leading to more and more STPs we do see existence of policy servicing team.

Omni Channel Experience is yet to be achieved.

Limited personalization; segment of one still continues to be distant away.
AI based virtual assistants will take over significant portion of customer service.

Most of the requests will be FTR by the service bot.

Limited service requests will require manual intervention of service staff.

Extending Customer Service options on Voice Bots, Bots of other ecommerce entities will be a norm.

Policy servicing team will be limited to a few.
New Business Underwriting 2025

New Business Processes managed by AI

- Scrutiny of supporting documents
- CFR Management (non medical)
- Welcome Calls
- PIVC Calls

Underwriting Processes based on AI and Data analysis

- Underwriting Decisions
- Consumption of IOT Data
- Risk Analysis and dynamic pricing for distributors
- Risk Portfolio Management
- Governance Compliance & Audits

OTC Products
POS UW and Issuance
Significant reduction in policy printing

Underwriters / Data Scientist
Focus on compliance by distributors
Larger participation in product design

Larger Participation in Innovative Product design
- IOT
- Connected Devices

Significant reduction in policy printing
### Branch Operations – 2025

#### Processes Becoming Defunct / Obsolete

- Physical Form Processing
- Scrutiny
- Branch Underwriting
- Receipting & Banking

#### Processes gaining focus

- Distributor Engagement
- Customer Service & Experience

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Consolidation of branch network in the offing.
### Claims & Maturity Payouts - 2025

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<thead>
<tr>
<th>Evolved eco system to support event based claims processing &amp; pay-outs</th>
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<tbody>
<tr>
<td>• API from Municipality Corporations to notify death</td>
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<tr>
<td>• API from hospital management system to notify deaths/accident/disability</td>
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<td>• API from regulators/insurance consortiums</td>
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<th>Shift of focus to prevention of claims</th>
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<tr>
<td>• API from health device manufacturers to track wellness</td>
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<tr>
<td>• API from wellness forums</td>
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<tr>
<td>• API from banks for bank account validation; loan prepayment notifications, new bank account opening</td>
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<td>• Evolved payment mechanisms</td>
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<th>Increased dependence on AI</th>
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<tr>
<td>• Increased use of cognitive capabilities of AI for claims decision making,</td>
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<td>• Increased use of AI in fraud prevention</td>
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<th>Expertise required for</th>
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<tr>
<td>• Monitoring and control of Claims Process</td>
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<tr>
<td>• Analysis of Claims Data to draw actionable insights for process control</td>
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<td>• Claims Litigations Management</td>
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<td>• Compliance</td>
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Making sense of Data

- Multiple data source and too much of data
- Data Maturity will be attained, which and how much of data is useful for what purpose
- Effective data management will be achieved where it can be used from frontline sales till maturity/claims
- Machine learning using NLP will attain maturity to intervene in various processes
- There will be no concept called MIS as AI will replace all the MIS and intervention triggers will be part of the process
Evolution of Talent

- Shit from specialist role to generalist role

Reduction in departmental silos, and larger participation of underwriters and claims in:
- Product definition
- Customer retention
- Customer data quality
- Cross sell and upsell

Analytics expertise and know how is a given

High level of awareness of emerging technology led innovations and their application in mainstream insurance process
- Capability of employees using technology will be enhanced by multi fold.
- Conventional training will be replaced by digital learning
- Data and analytics based decision making would be primary requirement
- Cognitive technology and edge computing will help distributed decision making.
- Efficiency will be hygiene and effectiveness will take over all other priorities.
Are we ready for 2025?

- Leadership that believes in Technology and Innovation
- Aligning People and Process to the new normal
- Effective Change Management
Thank You!