

INSURTECHASIA
ASSOCIATION

Asia Insurtech Evolution

KOREA FINTECH WEEK 2023

Aug. 30th, 2023(Wed) – Sept. 1st, 2023(Fri) | Dongdaemun Design Plaza (DDP)



Financial Services
Commission



FINTECH CENTER
KOREA



INSURTECH ASIA ASSOCIATION





474 INSURTECHS IN ASIA
83% P&C – 17% LIFE

ASIA INSURTECH TRENDS

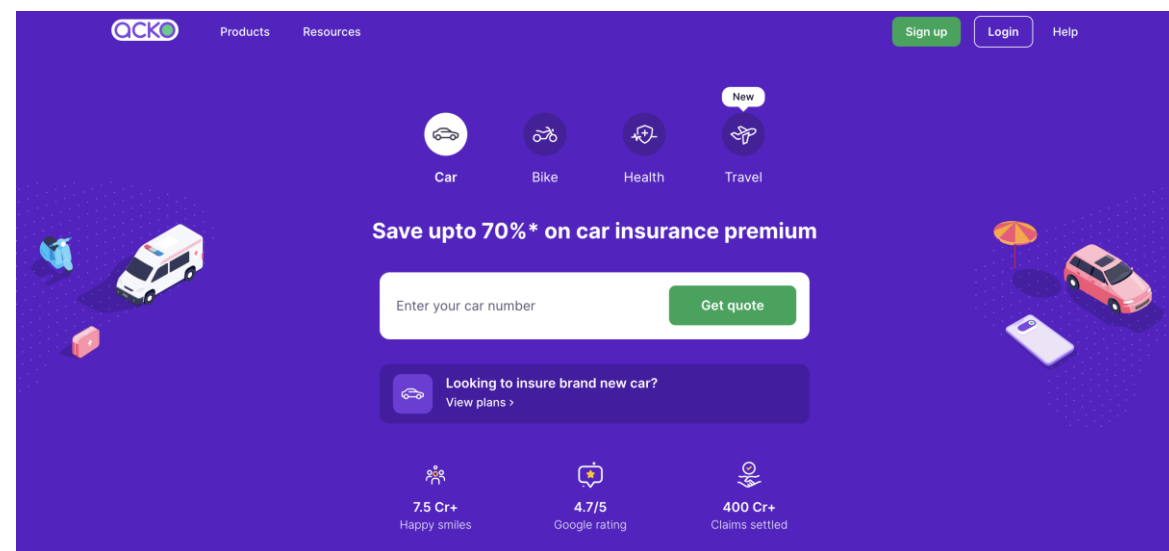


- B2B dominant model, collaborate with insurers rather than disrupt
- Distribution insurtech in large domestic markets (China, India, Indonesia)
- Embedded insurance and Omnichannel
- Startups starting to explore MGA models

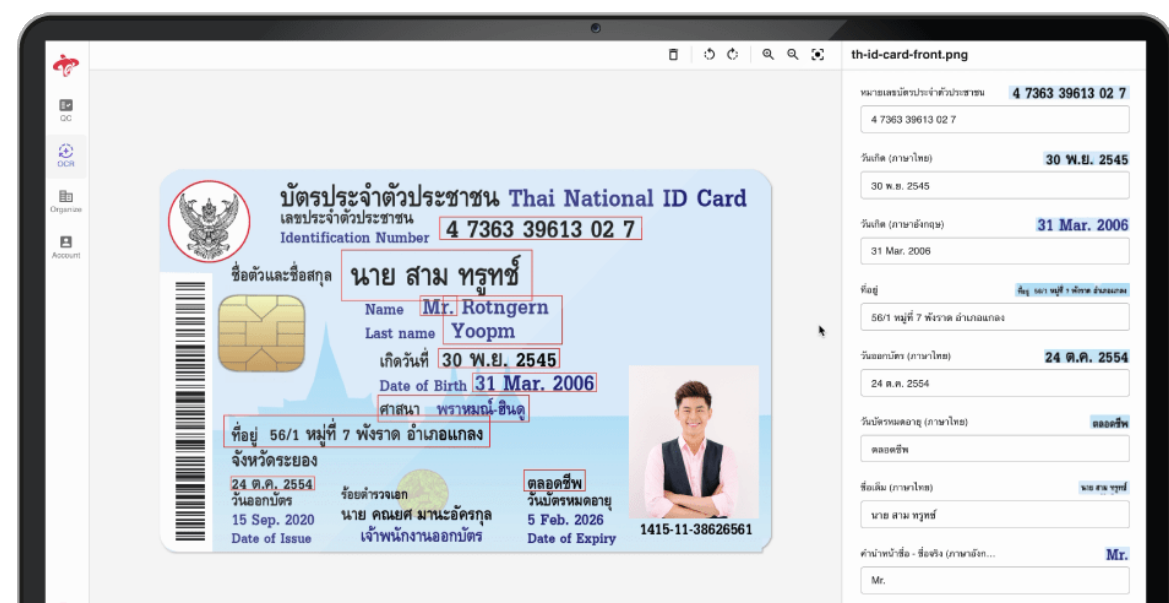
INNOVATIVE BUSINESS MODELS

DISTRIBUTION

Acko Online purchase (Car, Health, SME)

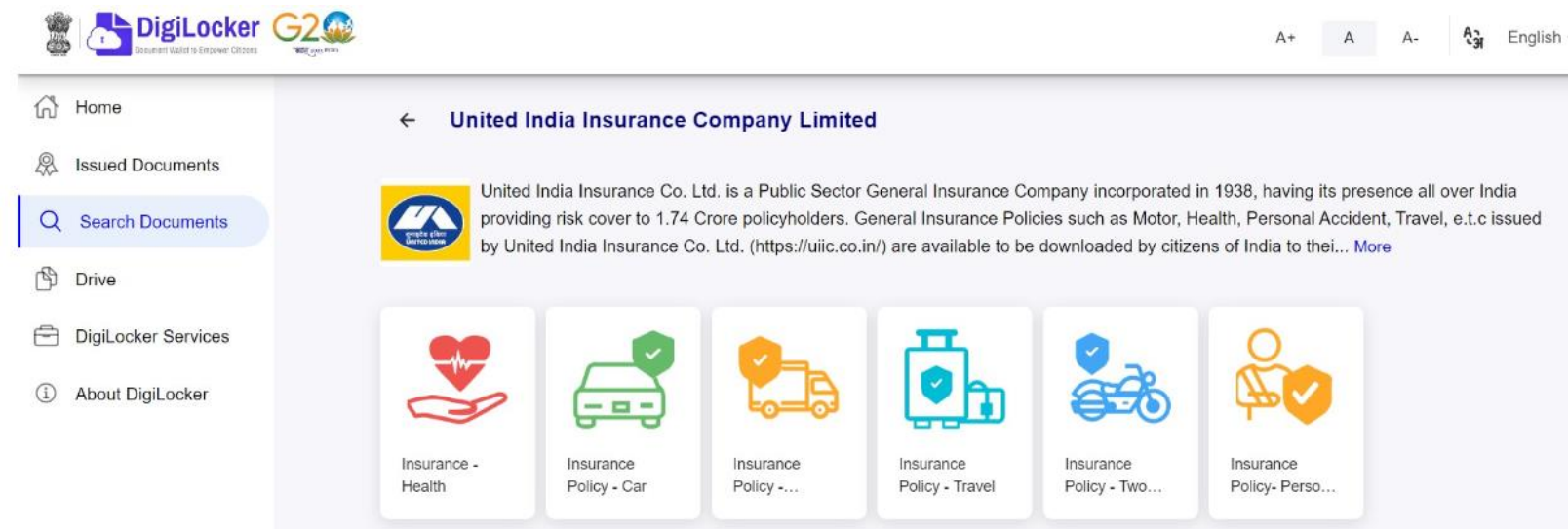


EKYC

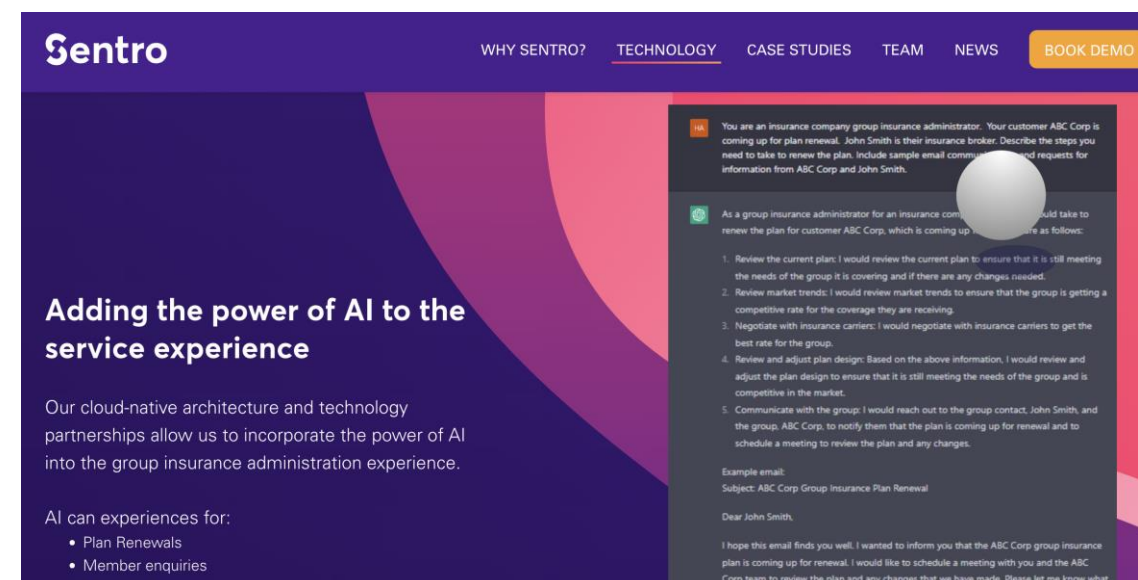


SERVICE

Digital Locker in India

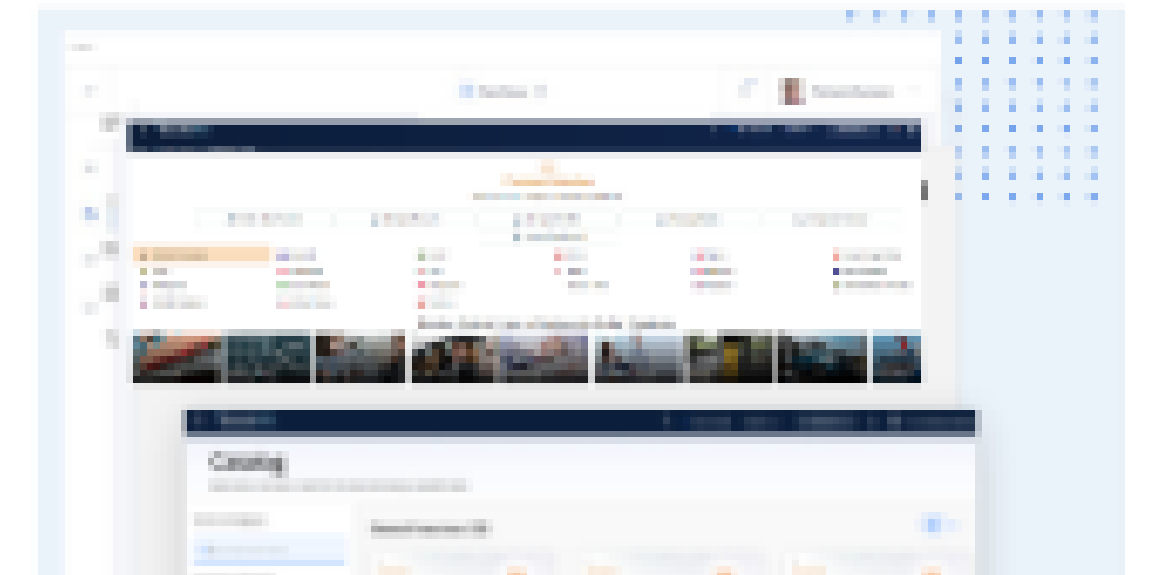


Insurtechs are building ChatGPT experienced for insurance

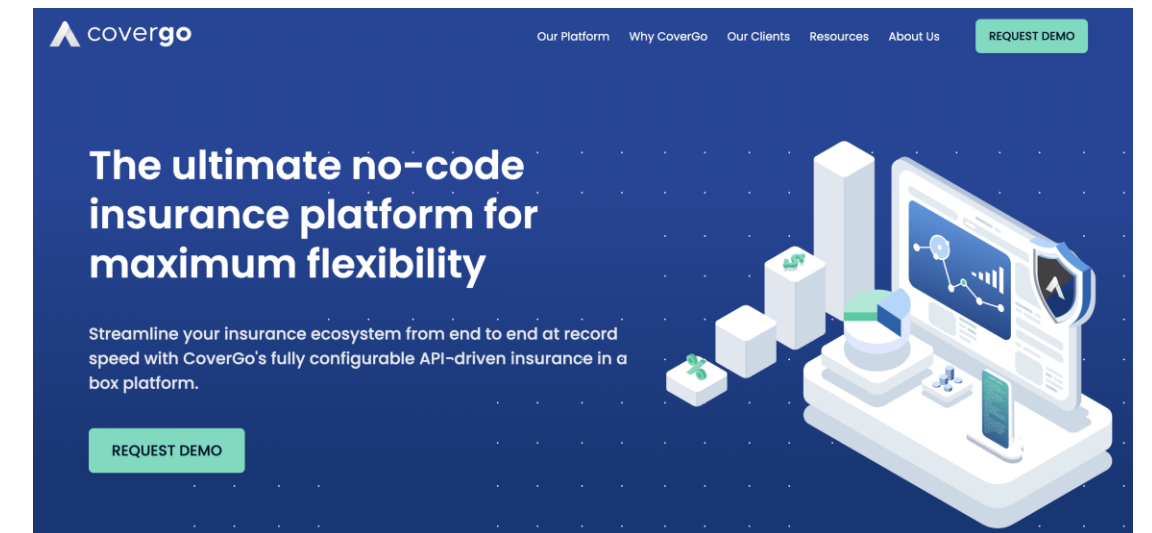


ENABLE

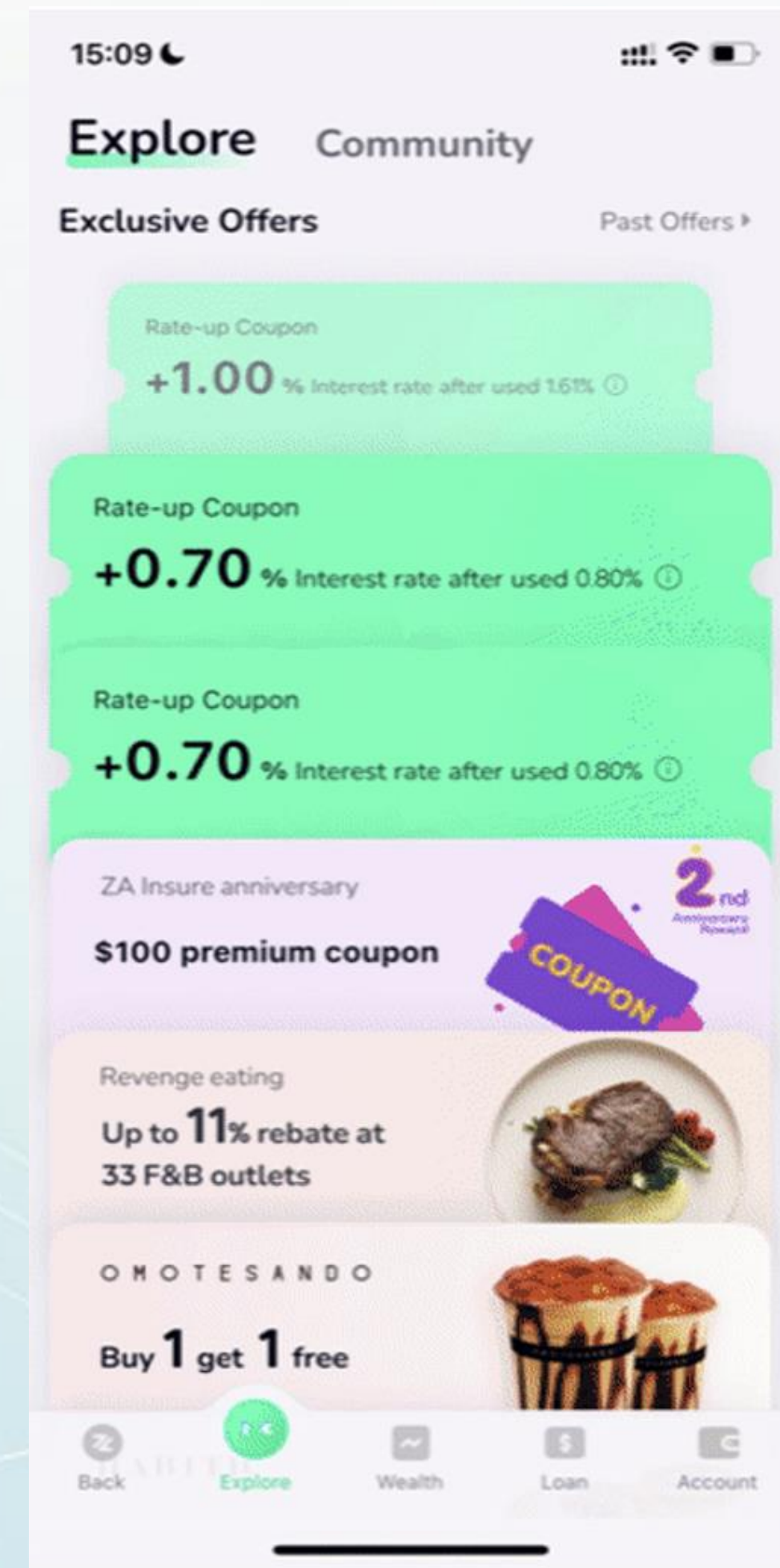
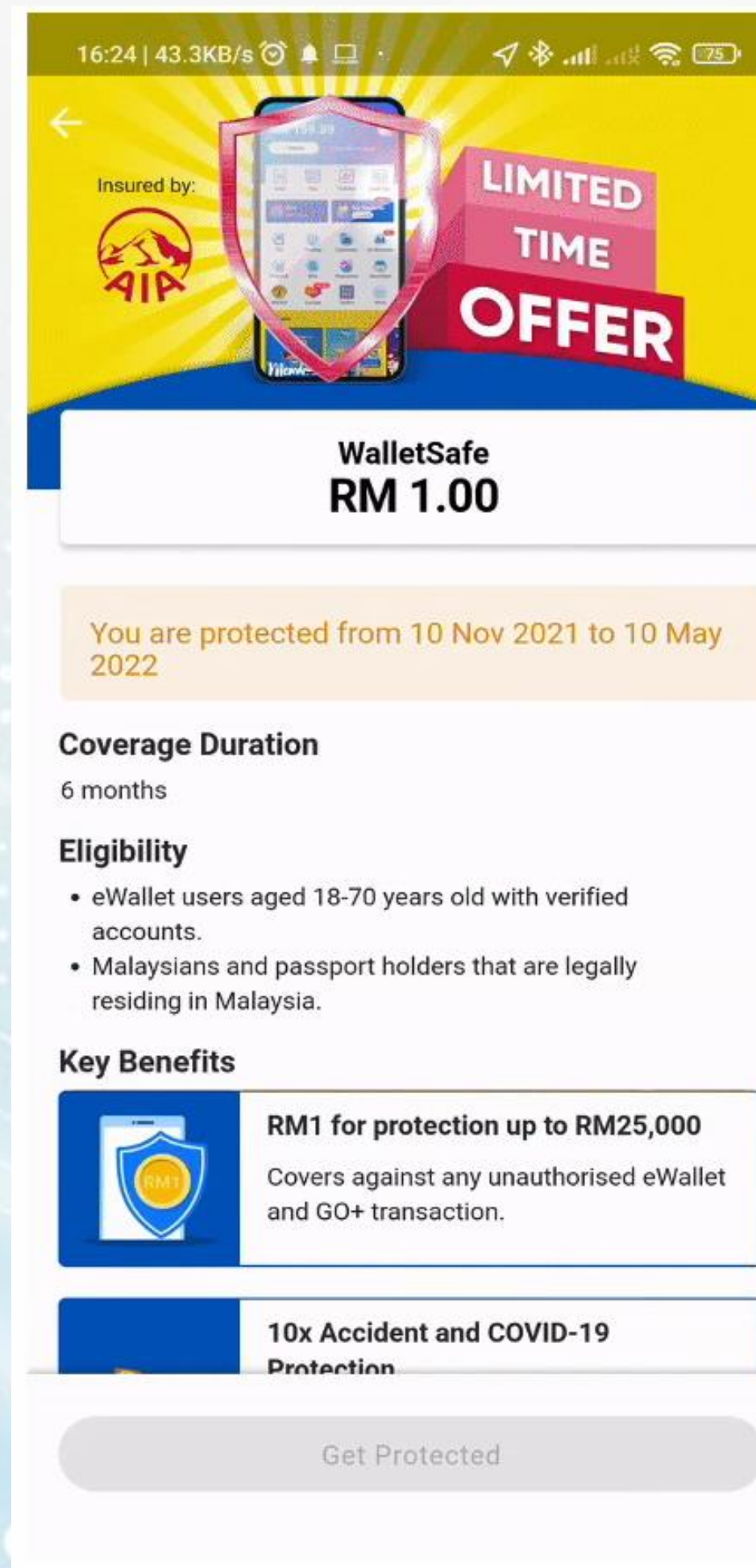
Middle Office SaaS



API platforms



EMBEDDED INSURANCE



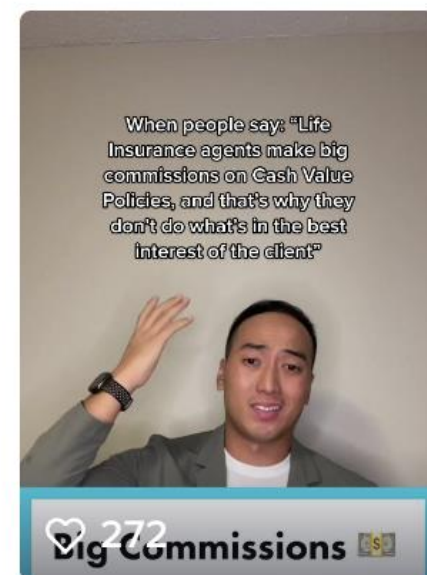
- Insurtech models are bringing a B2B2C models where insurance gets embedded within the larger digital ecosystems

OMNICHANNEL MODELS

life insurance agents

37.6M views

Discover short videos related to life insurance agents on TikTok.
Explore the latest videos from hashtags: #lifeinsuranceagents,
#lifeinsuranceagent, #lifeofinsuranceagents, [See more](#)



 **vinhfloresle** Vinh Le

It's easier to assume than it is to learn ¹⁰⁰ #moneytok...

272 Likes, 39 Comments. TikTok video...


6465 views |  original sound - Vinh Le



 **erikaaguilar88...** Erika Aguilar

What I do as a life insurance agent BUILDERS EDITION 💖

402 Likes, 9 Comments. TikTok video...

13.5K views |  Love You So - The King Kh...

- Insurtech models are bringing together online and offline to provide the hybrid approach
- Uniquely suitable for insurance due to its inherent complexity and need for trust
- Social media and messaging apps are a the most common origination channel
- Increasingly supplement digital-only channels with targeted tele-support

REGULATORY ENVIRONMENT

Risk-based approach

- Can launch new products and use new technologies without the need to first file or notify regulator
- Initial risk deemed low and relies on insurer's internal risk assessment
- Once size threshold of policies sold or premiums collected is reached, regulator notification starts to ensure sufficient controls in place to control the risks

Rules-based approach

- Need to file and/or notify regulator before launching new products and use new technologies
- Black and white rules of what can and cannot be done, typically interpreted by compliance professionals and lawyers in insurance

CHALLENGES AND LEARNINGS

Sandbox

For more complex business models where customisation is required to balance the risks and benefits of the experiment.

Sandbox Express

Fast-track approvals for activities where the risks are low and well understood by the market. Rely on disclosures and pre-determined rules.

Sandbox Plus

One-stop assistance in areas of regulatory support and financial grant.

- Each country has their own approach to regulation and licensing, therefore making it much slower and more expensive to scale
- Initiatives such as Sandbox while good in intent have had limited impact and most startups chose to get a full license when they were ready, fearing to get stuck in the experimental stage
- Express sandbox (approval in less than 28 days) did not significantly improve the outcomes

OPPORTUNITIES: PROACTIVE RISK MANAGEMENT AND MITIGATION

- Segments with existing data availability
- Or offer bundled solutions for non-insurable in-demand risks
- Incorporate data as a pricing factor
- Move into dynamic pricing, once enough historical data and losses collected



Cowbell SME Cyber Insurtech

FUTURE: AI + INSURANCE

GPT-3 supercharges several potential use cases in insurance

GPT-3 ability



Ability to **summarize text automatically**



Ability to **assist with writing of text or code**, based on limited input



Ability to enable **general machine learning on text and classify documents**



Ability to **answer questions automatically**

Use case in companies



Automatically **monitor and summarize news** relevant to clients



Assisted **contract writing** (e.g., link prices based on contract wording)



Improve **customer satisfaction** based on topic and document classification



Improve **quality of chatbots** in customer service and **reduce claims leakage**

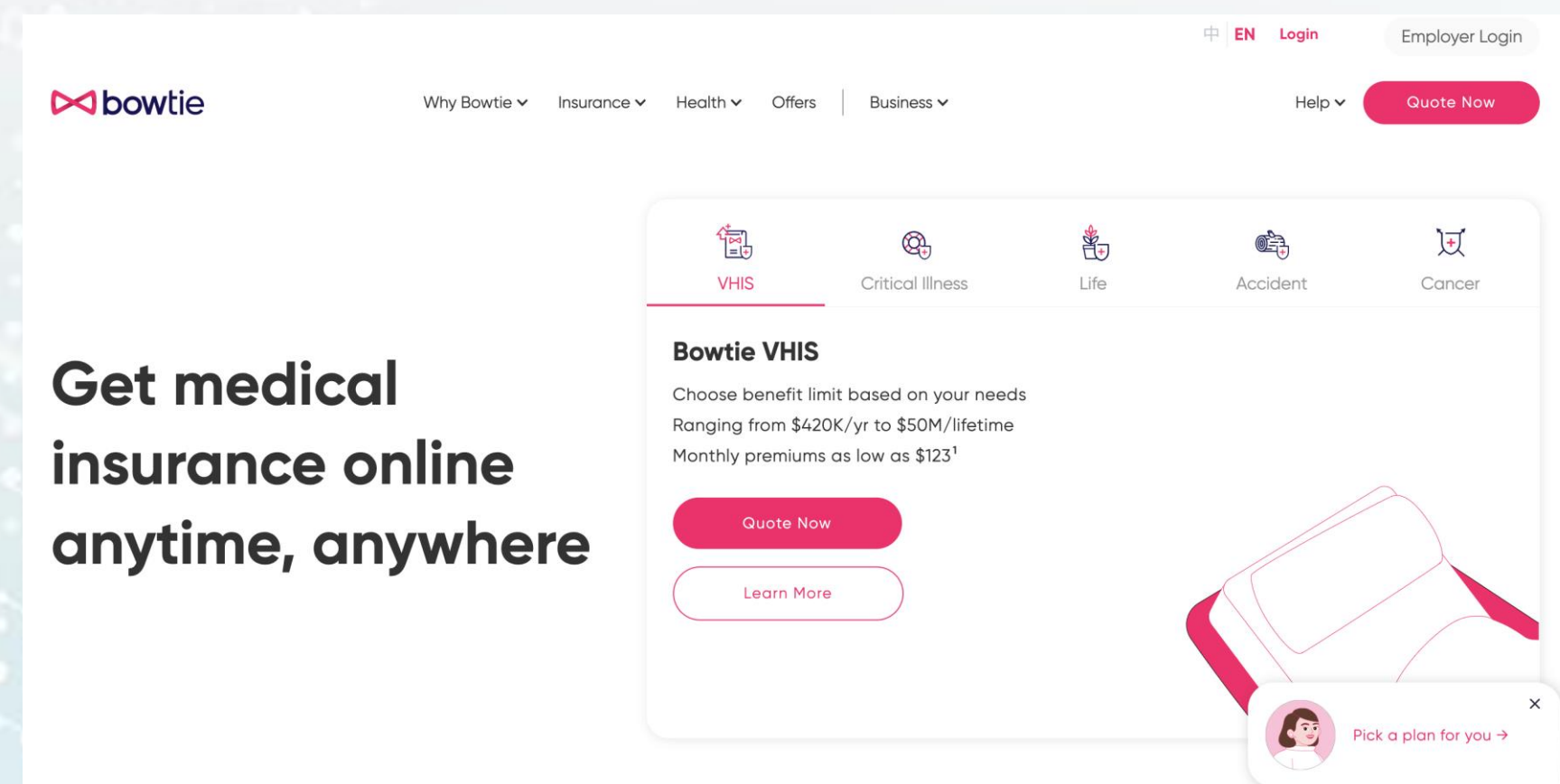
- Significant opportunity to improve efficiency and customer experience
- Need pay close attention to data privacy and develop innovation capabilities

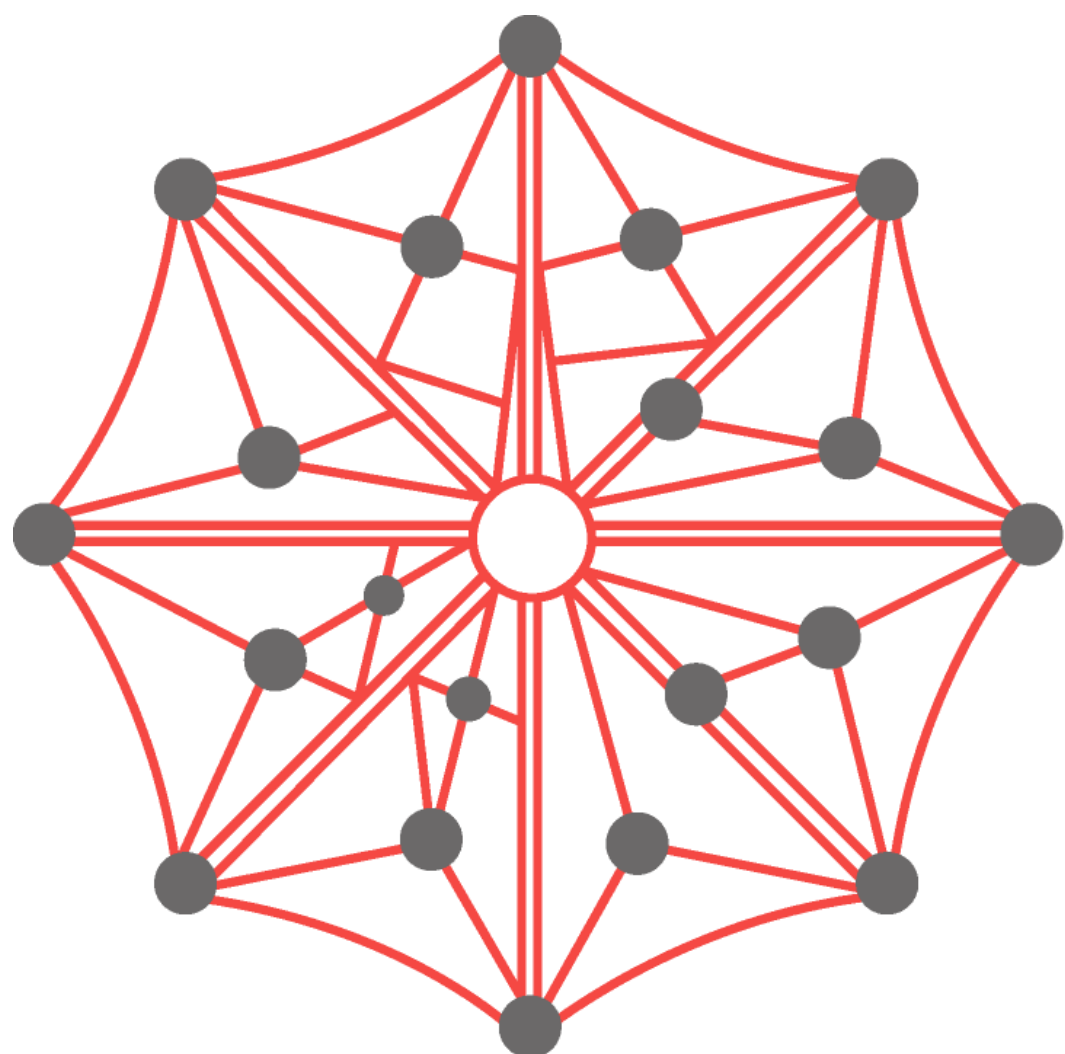
GPT-3 Use Cases

Source: BCG Consulting

IMPLICATIONS

- Insurtech needs new insurance products, risk-based regulation needs to support it
- Insurtech speed, funding, and international growth is important to success
- Next phase of insurtech will go deeper into using data, so a right balance between privacy, data safeguards, and innovation needs to be created





INSURTECH *ASIA*

A S S O C I A T I O N

SHAPING THE FUTURE OF INSURANCE