



MONToux

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# Global trends in personalisation

Klaas Stijnen

# > Welcome

## **Agenda**

1. Why personalisation?
2. Big Data
3. Internet of Things
4. Customer centricity
5. Real time
6. Distribution

> Personalisation  
is the next  
frontier

The most impactful force on life insurance:

*“Meeting changing customer needs  
with new offerings”*

- PWC Global FinTech Survey, 2016

> Why make the investment?



Lack of growth



Over commodification



High lapse rates

“As insurers struggle to adapt quickly enough to meet the changing needs of customers, nimble new entrants offering flexible and personalised solutions are emerging to address gaps in the market.”

- Start-up boot camp 2016



Big Data



Internet of things



Customer  
centricity



Real time



Distribution

# > Big Data

Personalisation based on complex data analytics

- What do our customers actually need?
- How do our customers behave?
- Where is the biggest value – for both them and us
- Where can we find potential growth?
- Artificial intelligence
- Machine learning
- Goal seek and optimisation

*Lemonade*<sup>TM</sup>





## > Internet of Things

- Wearable technology eg. smart watches and Fitbits
  - Incentives – gifts and lower premiums
  - Risk analysis
- Huge amount of data – privacy issue

# John Hancock

Introducing a whole new approach to  
life insurance that rewards **healthy living**

LEARN MORE

# > Customer Centricity

- Should be based on needs and wants - but limited by what the current tech allows for
- Enabler: customer centric valuation and pricing
- Enabler: customer data view

“Although historically effective, rigid actuarial systems can lead to inflexible underwriting, producing standardized products that lack personalization or adaptability for unique customer situations”

- FT Partners, 2016

# > Customer centered

- Car insurance just for women?



**its4women.co.uk**  
Online insurance for women

- Target younger, less profitable segments as they will increase in value over time....

## > Real time

Real time means both for you and your customer. For example:

- Instant response to claims
- Real time market data to underwrite and calculate premiums
- Change cover in real-time to changing needs

## > Distribution

- Mixture of direct and advised as desired by customer
- Tools for advisers that allow for personalisation
- Digital channels are starting to play a larger role
- 'On demand' insurance

> Digital  
channels

7/10

Australians would be confident in purchasing life and IP cover online without a financial adviser.



# > Haven Life

“We are the first place where you can buy a fully underwritten policy completely online. Customers can go to our web site and in 20 minutes see how much they need, apply for a policy online, get a decision and start coverage right away.”

- [Founder, Yaron Ben-Zvi](#)

> Questions?



# MONToux

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## New Business

[Summary](#)
[Male-Nonsmoker](#)
[Female-Nonsmoker](#)
[Male-Smoker](#)
[Female-Smoker](#)

Sum Assured (000)	Age (year)											
	<20	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+	Total
0-99	-159.8%	-134.4%	-197.4%	-109.6%	-85.5%	-76.7%	-56.2%	-44.8%	-27.6%	-38.5%	-31.1%	-49.4%
100-199	-115.8%	-108.6%	-70.7%	-25.9%	-24.1%	-21.0%	-10.8%	-2.9%	2.3%	-1.6%	-14.2%	-10.9%
200-249	-	-54.7%	-23.9%	-7.2%	2.5%	3.1%	8.4%	8.7%	9.9%	11.3%	-4.8%	5.2%
250-299	-38.9%	-23.9%	-6.2%	-7.1%	5.1%	6.3%	8.5%	10.2%	13.1%	6.8%	-1.4%	6.2%
300-349	-63.3%	-42.7%	-25.5%	-14.0%	-6.4%	7.5%	13.7%	12.6%	15.1%	6.9%	2.0%	6.9%
350-399	-	-72.4%	-51.6%	-22.9%	-7.3%	4.4%	12.9%	9.5%	16.8%	-	-	5.5%
400-499	-	-46.8%	-29.3%	-8.8%	0.2%	6.4%	11.9%	16.2%	16.1%	6.4%	-3.2%	9.1%
500-749	-66.5%	-42.3%	-27.1%	-4.6%	4.1%	11.9%	14.5%	15.0%	15.6%	9.5%	-1.2%	10.5%
750-999	-	-22.9%	-19.3%	-0.0%	12.0%	13.6%	17.5%	17.5%	16.5%	8.3%	-1.8%	14.2%
1,000-1,999	-	-26.9%	-3.2%	9.1%	14.6%	18.3%	19.9%	18.5%	18.8%	8.4%	-2.4%	17.1%
2,000+	-	-10.8%	-3.7%	13.4%	18.1%	22.5%	21.7%	20.0%	17.8%	12.3%	-0.4%	19.0%
Total	-80.0%	-43.5%	-23.5%	0.4%	10.1%	15.8%	17.3%	16.3%	15.3%	8.7%	-3.3%	13.5%

Show Data

■ Negative
 □ Zero
 ■ Positive

## > Real time

- Dynamic pricing
- Speed to market
- Flexibility
- Better collaboration