



RGAx Asia: Reimagine Insurance

The “next big thing” in insurance innovation – insurtech – is actually multiple things.

Insurtech describes a fusion of insurance, health and wellness, and technology.

It is an intersection on the innovation highway, a place where discoveries across multiple disciplines converge to enhance daily lives, even as they upend old business models. More than 500 start-up companies are crowding more established carriers on this road –all speeding towards the same destination: growth through an improved customer engagement and experience.

Success depends on how rapidly insurers can adapt to four insurtech trends currently transforming consumer behavior and expectations:



Georgio Mosis
Head of Innovation
Management, RGAx Asia

1. Small tech = Big impact.

Smaller and smarter technology is now mainstream, and these tiny devices are transforming the product design, the experience and engagement with the traditional insurance product. Consider the Usage-Based Insurance (UBI) model. First pioneered by auto insurers, UBI aligns observed behaviors with premium rates. Devices installed under dashboards send insurers information about driving performance in real-time, rewarding the careful.

In much the same way, implants installed on or in our bodies can enable patients to better manage chronic impairments while sharing streams of data. Diabetics, for example, can now surgically install a device that automates insulin injections and continually adjusts blood sugar levels. This type of digital disease management technology promises to radically improve medical outcomes, create financial incentives for engagement, prevent claims, and open new markets to carriers.

2. Data driven = Informed choices.

Web-enabled devices – the so-called Internet of Things – are now a part of our day-to-day routines and influence our personal habits and rituals. Therapeutic digital devices in our homes and workplaces collect medical and wellness diagnostics, and then suggest lifestyle choices to promote long-term health goals. Growing numbers of employers have launched insurance-linked wellness programs using wearable fitness trackers. Healthy behaviors are rewarded with financial and non-financial incentives, and the insurer collects rich experience data to better assess and manage the risk of populations.

This trend extends beyond wearables. Weight-loss smartphone applications now connect with home pedometers to track activity; online smoking cessation programs and electronic pill dispensers use the voices of loved ones to increase adherence; even electronic toothbrushes can now suggest ways to avoid cavities. The availability of biometric proxies (lifestyle and behavior data) are enabling medical and actuarial assessments and persuasive analytics to engage people in making informed lifestyle choices.

Still, however much insurers may love the idea of “Big Data,” carriers must also consider increasingly significant and explicit data privacy and discrimination concerns. The strategic importance to insurers of employing data appropriately will mean, for some time to come, a continued focus balancing the use of the data with obligations to respect consumers’ privacy and security.

3. Artificial intelligence + Intelligent Assistants.

Across industries, experts agree that in the next half century, artificial intelligence and machine learning will shape our experiences in interacting with products and services. In Japan, for example, a graying population and limited immigration have led to a severe nursing shortage. Robotics is filling the void; a wave of artificial therapeutic devices now enable the elderly, as well as individuals with chronic conditions, to remain independent and functioning longer. These devices record movement, retrieve objects, order groceries, and provide companionship – and they don’t have to look like C3PO. Consider K4Community, a tablet that enables the residents of retirement communities to automate their homes, report health performance to care providers, and even socialize with friends. As populations age and healthcare costs mount, more of us may need a little help from our robot friends. These devices will learn our daily routines, predict our behaviors and prescribe the best lifestyle programs to help reach our goals.

4. Experience bundling = Insurance product + Technology + Engagement Service.

At its base, insurance is nothing more than a protection product: It can be bundled with products and services like any warranty or care plan. Digital-savvy future generations are less likely to distinguish between insurance product categories. Convenience is king, and complexity is out. Making insurance as easy to buy and as simple to use as an AppleCare plan (when buying Apple hardware) will be key to penetrating under-served markets. The killer apps in insurtech, therefore, will likely offer seamless integration with engagement services – and be enabled by unobtrusive use of technology.

In so many ways, we are just at the beginning of this journey. Who could have imagined in 1980 the brick-sized cell phone would morph into the sleek supercomputer we call a smartphone? In many ways, insurtech is like that early cell phone – it may seem to be a breakthrough technology, but we can hardly imagine the possibilities ahead.