

» INSURANCE «

Why is it important for insurers to go digital?

Insurance Authority Presentation
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Michael Porter's 5 Forces Framework on Competition



Michael Porter's 5 Forces Framework on Competition



Difference in cost structure of online-only and traditional insurer

McKinsey Insurance 360 Benchmarking Survey –

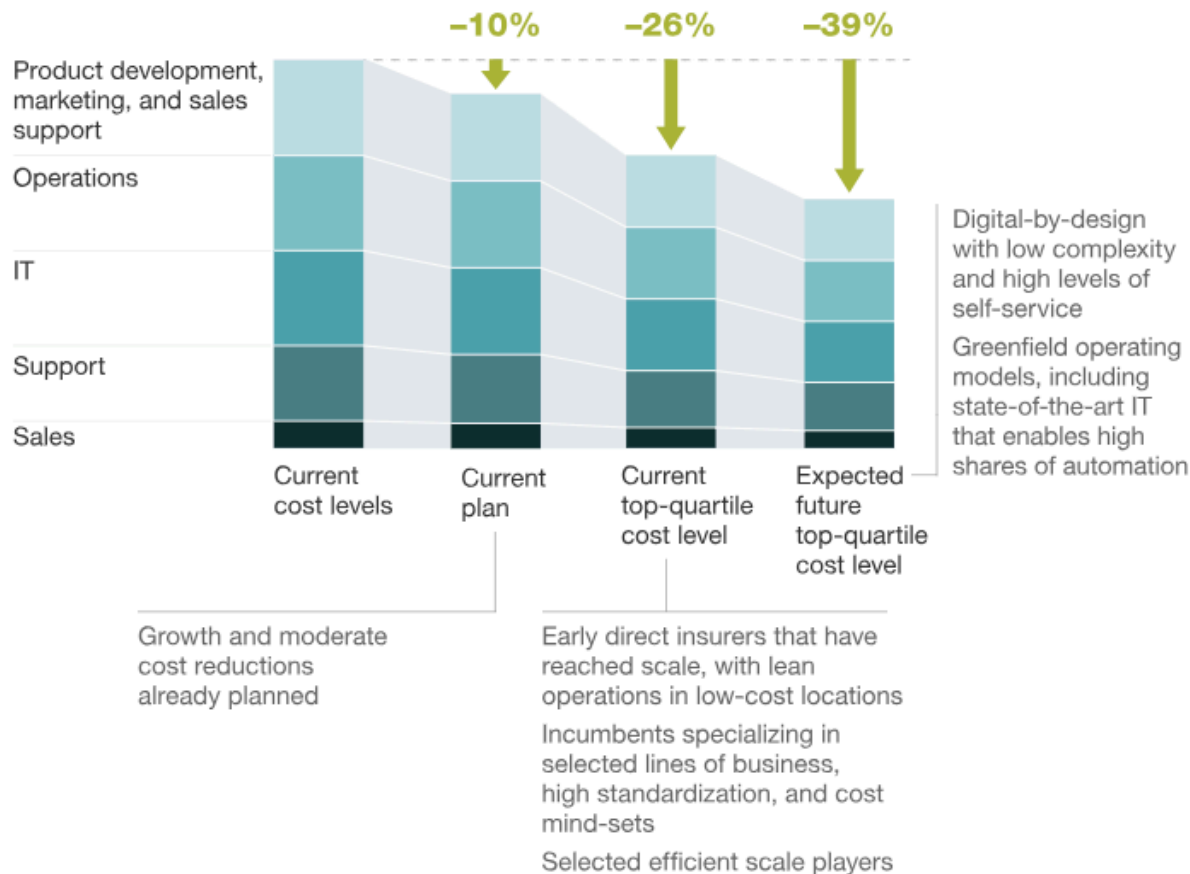
Administrative costs for greenfield insurer is average half of incumbents

- Absence of legacy systems
- Digital-by-design products and processes

Successful cost reductions are driven by operations, sales support, and support, which **IT costs have risen**

Source: <https://www.mckinsey.com/industries/financial-services/our-insights/evolving-insurance-cost-structures>

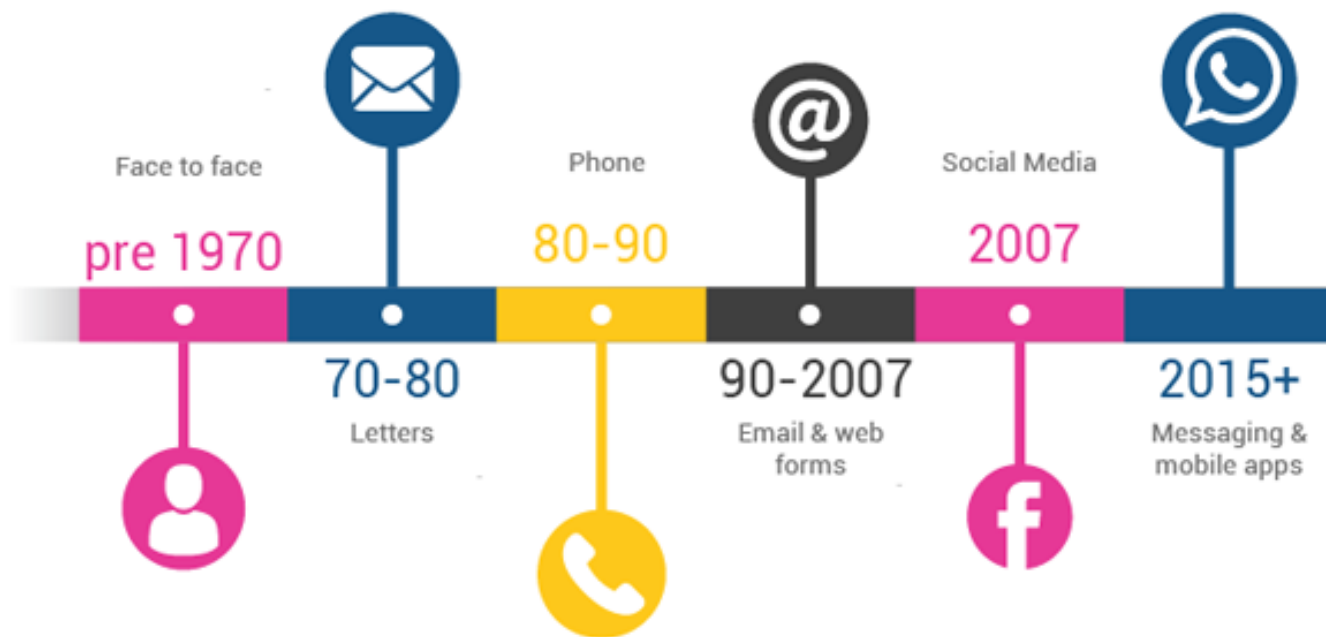
Costs per gross written premium, example



A person with a beard is seen from the side, wearing a grey sweater, sitting at a light-colored wooden table. They are using a tablet computer. On the table, next to the tablet, is a white cup of coffee on a saucer. The background is blurred, showing more of the table and some papers.

CUSTOMERS HAVE CHANGED, HAVE NEW EXPECTATIONS

70% of customers are through the buying cycle before they contact you. Customers are connected and in control – already informed on products, pricing, competitors, reviews.



Asia online customers are gold mines

	Financial Product purchase in last 12 months	Financial Product ownership
Traditional customers (prefer visit branch)	0.5 products	2.6
Digital customers	1.6 products (3.2x)	4.4 (+40%)

Source:

<https://www.scmp.com/business/companies/article/2141971/online-consumers-asia-buy-three-times-more-banking-products-less>

Customer satisfaction for digital channels remains low 30-40%

Source:

<https://www.scmp.com/business/companies/article/2141971/online-consumers-asia-buy-three-times-more-banking-products-less>

Digitally active customers are

- 1. uses more self-serve channels**
- 2. buy more products**
- 3. more profitable**

Source:

<https://www.scmp.com/business/companies/article/2141971/online-consumers-asia-buy-three-times-more-banking-products-less>



**Companies need to operate
in a *new way*
to fit customer expectations**

Benefits of being digital insurer

1. **Attract digitally-active users, which are more profitable**
 1. Need to provide better digital experience to policy holders
becomes a strong competitive advantage
 2. Need to attract customers via digital offerings, and the necessary infrastructure and transformation to enable that
2. **Cost competitive with existing competitors**

About Clare.AI

Asian Languages Focus

Support 10+ languages such as Cantonese, Mandarin, English, Bahasa, Tagalog, Japanese, etc.

The 3rd Generation of Digital Assistant

System Integration, Conversation Interface & Flexible Deployment, etc.

Proprietary Machine Learning Algorithm

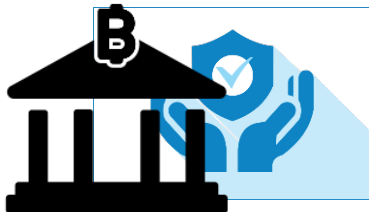
Natural Language Processing, Machine Comprehension & Automatic Speech Recognition, etc.

Recognition:

- ★ Won 1st Runner Up for Zurich InsurTech Challenge 2018
- ★ Won Silver for Citi Hong Kong Fintech Challenge 2017
- ★ Won 2nd place for HKUST Million Dollar Competition 2017
- ★ Won Bronze for Hong Kong ICT Fintech 2017



Clare.AI – Customer Portfolio



Bank / Insurance

We are working with various banks and insurance companies for external/internal customer support and commercial projects.



Real Estate

We are currently working with property developers that will implement chatbot for their commercial projects..



Government / NGO

We are working with various Government departments, education institutions and research centers for different projects to enhance efficiency.



Telco

We worked with telecommunication companies with their different services for FAQs, price plans, specific services Q&As etc.

21% of queries relate to asset consolidation



Personal Investing | MPF & ORSO

Top FAQs

- What is Default Investment Strategy ("DIS") and how does it impact my investments?
- How can I change the allocation of my current holdings and/or contributions?
- I have changed jobs a number of times and now have a few different MPF schemes. What options do I have and how can I manage them?
- What should I do if I prefer to retain my benefits in Fidelity MPF employment?
- How can I activate my internet services after the Fidelity MPF account transfer?
- How can I change my personal particulars, such as correspondence number and email address to have the updated MPF message sent to me?

Fidelity Chatbot Interaction 1:

Clare: Welcome to Fidelity. I'm Clare. Simply ask me question on MPF and I'll do my best to help.

User: Hi

Clare: i changed my job

Clare: When you change jobs, there are three options to manage your benefits:

- retain your MPF benefits in a personal account with your former scheme

Fidelity Chatbot Interaction 2:

Clare: 歡迎來到富達。我叫 Clare。如對強積金有疑問，可向我查詢，我會盡力解答您的問題。

User: 你好

Clare: 你電話個SYSTEM有咩咩 FUNCTION提供?

Clare: 您可查閱帳戶結餘、基金價格及索取表格等。詳情請參閱使用指引。

User: 這個答案有幫助嗎?

"Their chatbot has increase 8X more engagement vs website page visits and was able to answer 90% of user enquiries with suggested or direct answers." - Direct Contribution Director (MPF & ORSO)



Source: <https://www.fidelity.com.hk/investor/resource/faq?lang=en&category=mpf-orso>

End-to-end conversational AI

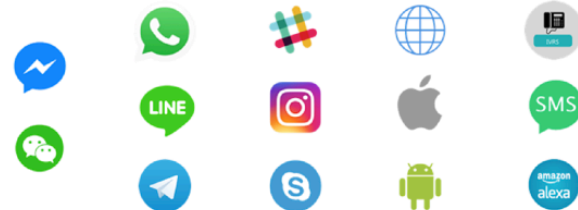
Multi-Channel



Asian NLP



Management



AI Training



Real-Time Analytics



Dialogue Flow



Knowledge Base




Live Chat



Dictionary

Mixed use of Cantonese & English Examples



Fidelity 富達

我們的基金
互惠基金、強積金、股票退休計劃


產品及服務
基金、服務、專家建議

常見問題

個人投資 強積金及股票退休計劃

最常見問題

基金池
我可以怎樣
我有多次
如何方能
離職後



Fidelity

歡迎來到富達。我叫 Clare。如對強積金有疑問，可向我查詢，我會盡力解答您的問題。

- 啟動我的網上戶口
- 忘記網上密碼
- 更改我的個人資料
- 整合現有的強積金帳戶
- 更改我的強積金投資組合

如何consolidate my MPF

Clare

成員需因應不同情況填寫寫不同的表格遞交轉移申請。請您提供現時的帳戶情況，我們會提供適當的表格給您。

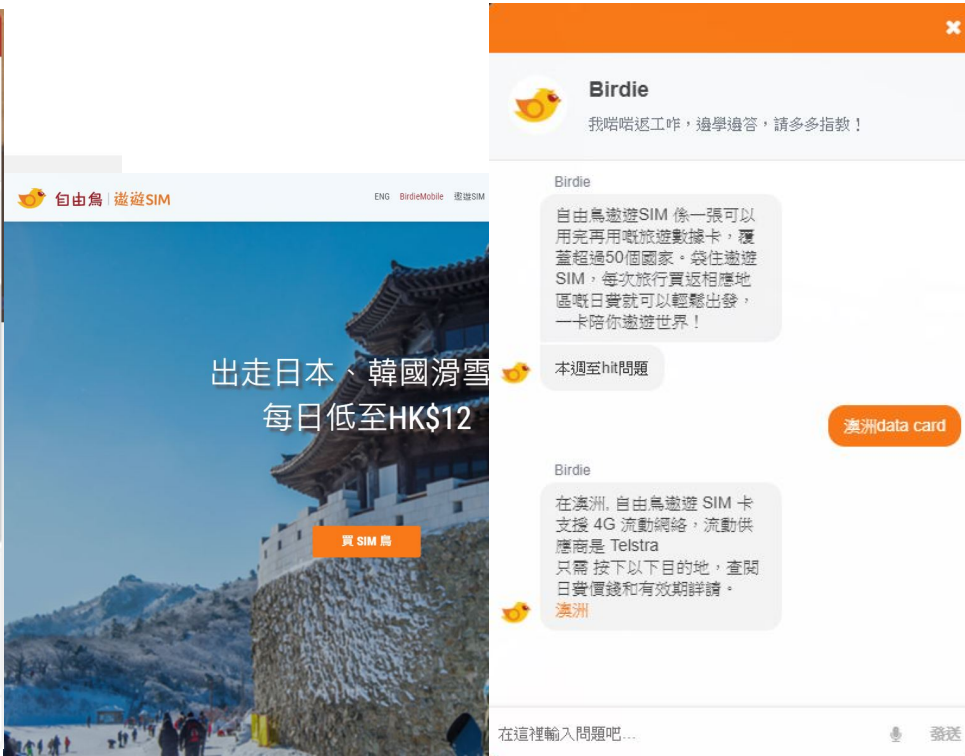
您是否仍在原有帳戶作出供款？(非富達強積金)

yes

Clare

請輸入問題...

發送



Birdie

我啱啱返工，邊學邊答，請多多指教！

Birdie

自由鳥遊遊SIM 係一張可以用完再用嘅旅遊數據卡，覆蓋超過50個國家。簽住遊遊SIM，每次旅行買返相應地區嘅日費就可以輕鬆出發，一卡陪你遊遊世界！

本週至hit問題

澳洲data card

Birdie

在澳洲，自由鳥遊遊SIM卡支援4G流動網絡，流動供應商是Telstra。只需按下以下目的地，查閱日費價錢和有效期詳請。

澳洲

在這裡輸入問題吧...

發送

System Integration is necessary to do more

DO BOTS NEED SYSTEMS INTEGRATION?

Giving your bot access to the most up-to-date information is important. It should be in the roadmap of your bot project, although we can build a compelling bot without integration.

CMS

CMS integration allows your bot to have access to the latest products, services and inventory information that the bot can relay to your clients.

CRM

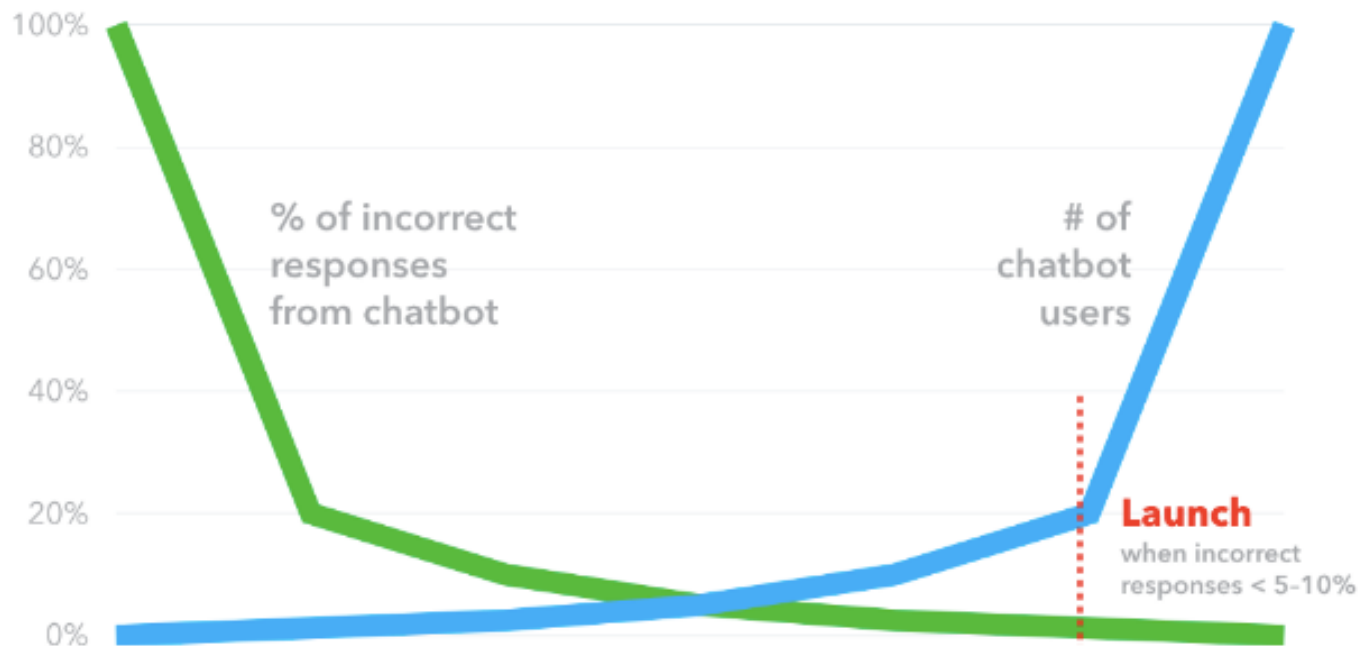
CRM integration enables your bot to push conversational analytics to your existing contacts and keeps things up to date.

ERP

ERP integration permits you to create a simple way for users to interact with your ERP. It helps simplifying complex backend processes.

The Oracle logo, featuring the word "ORACLE" in a bold, red, sans-serif font with a registered trademark symbol.The ActiveCampaign logo, with the text "ActiveCampaign" in white on a blue rectangular background, followed by a white right-pointing chevron.

Start TODAY





Connect with your users where they prefer

Scale distribution, operational model & reach

Potentially change the distribution model

Thank you

**Scale Your Business With Our Proprietary
NLP Technology**

