

# NEW BUSINESS MODELS FOR THE FUTURE

**James Kent**  
**Global CEO, Willis Re**





90% of insurance executives  
state they have a coherent,  
long-term plan for technology  
innovation in place

But what is the true  
value of technology?



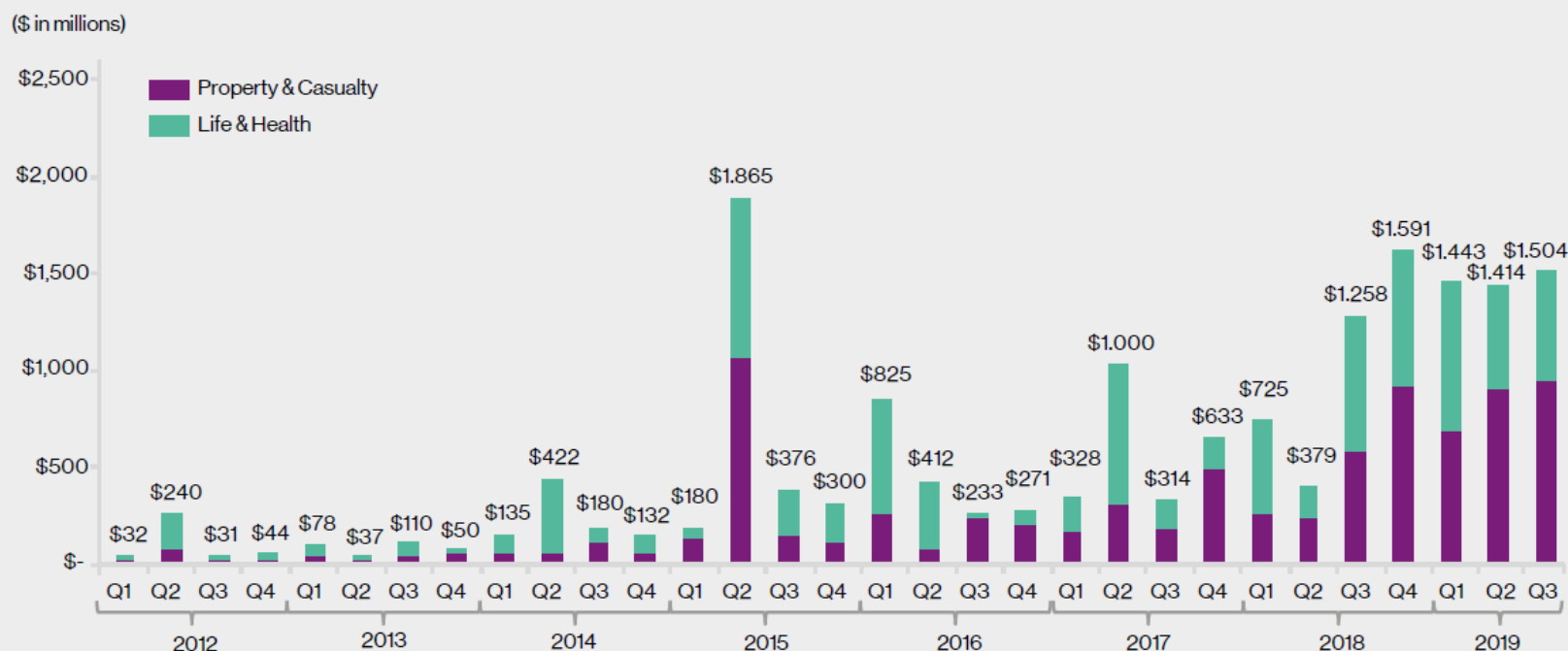
If it does not support and deliver a sound  
business model, it is almost valueless



# Setting the Scene

- Investment into InsurTech is on the minds of many already
- \$16.8 billion in the last 7 years

## Quarterly InsurTech funding volume – all stages

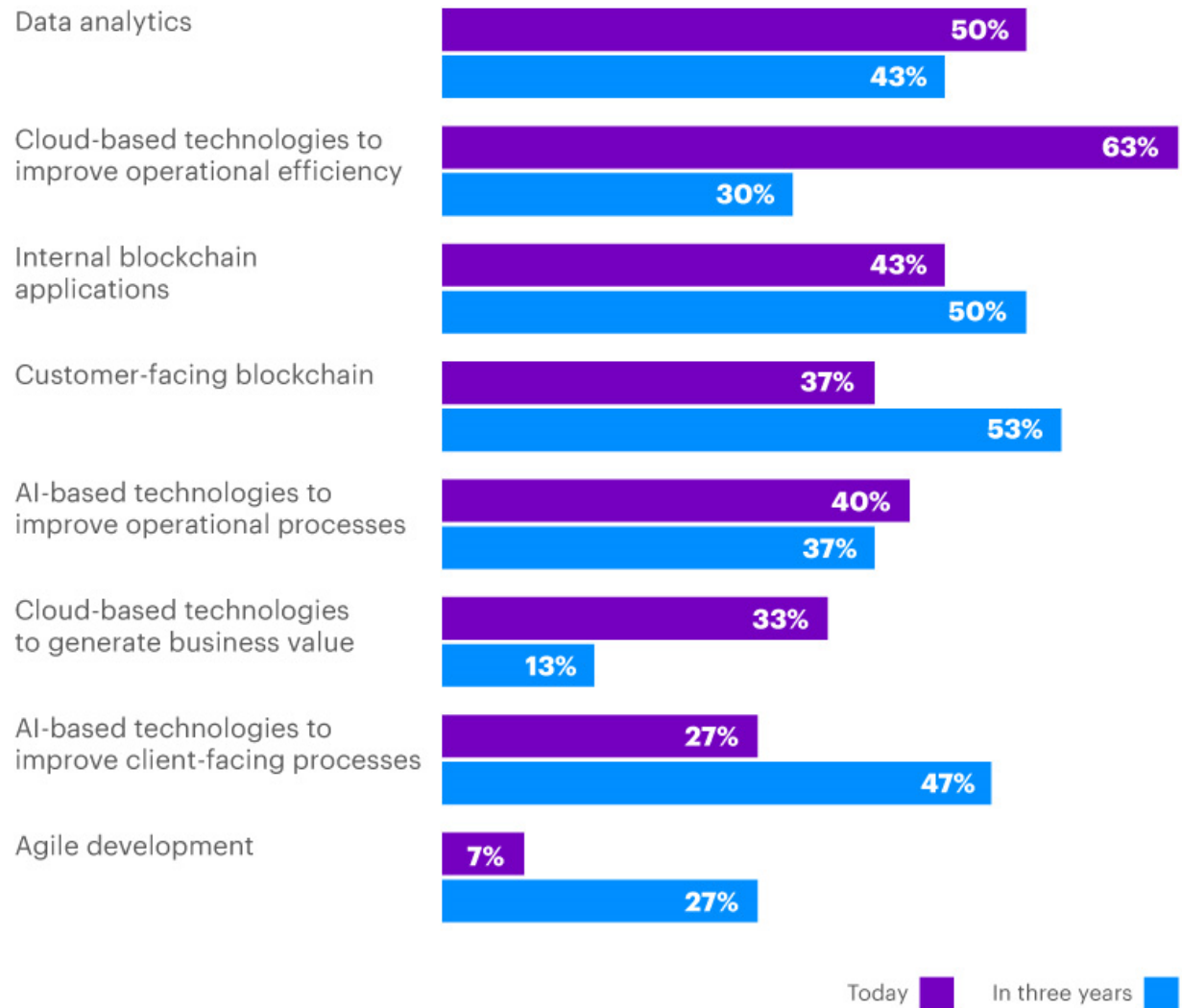


### Deal Count

P&C:	5	3	4	4	5	4	12	9	10	7	16	8	17	13	16	21	44	18	33	29	26	37	29	45	45	46	40	41	57	49	52
L&H:	8	6	7	9	15	8	9	4	9	15	14	15	11	19	15	20	16	17	6	13	17	32	21	11	23	27	17	23	30	20	31

# Planning for the future

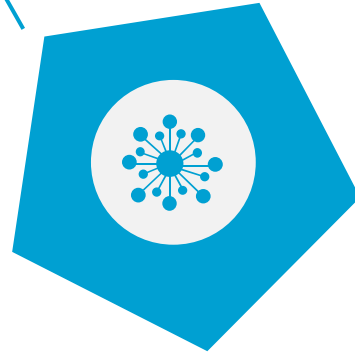
- Which technologies will have the most impact on insurance companies now and in three years?
- How can these technologies be applied most effectively to *your* business?



# Embracing Technology – the first four things to consider

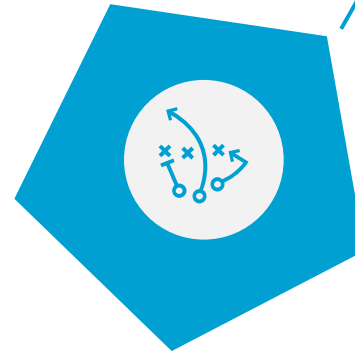
## FORTIFICATION

*How does embracing modern technology relate to my existing book of business?*



## GROWTH & DIVERSIFICATION

*How might embracing technology support my incumbent growth and diversification strategy?*



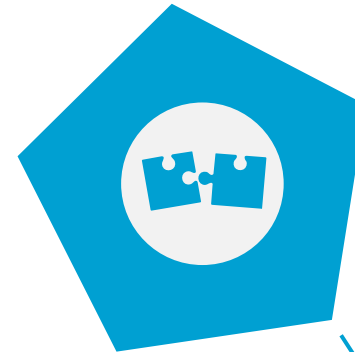
## KNOWN INEFFICIENCIES

*Is technology the answer to my known issues? Might something else explain poor performance?*



## OPPORTUNITY COST

*What is the cost of implementation and integration? What is the cost of doing nothing?*



# How well do you know the Market?

Global company population — By age



■ **Pre-Boomer**

■ **Boomer**

- Individualistic
- Loyal
- Career-focused

■ **Gen. X**

- Entrepreneurial
- Self-reliant
- Globally minded

■ **Gen. Y**

- Group-oriented
- Idealistic
- Socially conscious

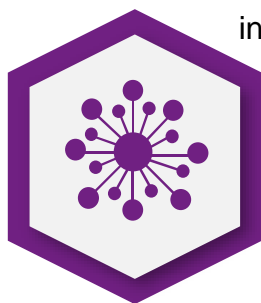
■ **Gen. Z**

- Realistic
- Aware
- Technology native

# How can our industry embrace digital transformation effectively?

## Facilitating Integration

Engaging with the right  
Technological approach requires  
The integration of modern software  
And systems that supports your  
business – the process of  
integration can be around your core  
mainframe or started anew



### Baseline Identification

Identify incumbent systems/  
Legacy systems and assess  
Off-the-shelf technology  
Solutions vs 'connected  
Specialised' tools.



### Evolving Transformation

Beginning the technological  
journey;

- Mobile apps
- Customer and Agent portals
  - Basic processing
- Integrating all systems

## Maturing Transformation

Conducting a 'bespoke' strategy  
based on a sound technology story  
– exploiting your own capabilities

- Big Data
- Predictive analytics
- Internet of Things
- Smart homes/businesses
  - Pay-as-you go



### Optimised Transformation

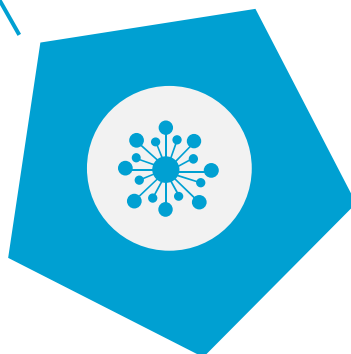
Perfecting a highly-tuned model

- Artificial Intelligence
- Machine Learning
- Product Development and pricing optimization from data
- P2P models – **mutual 2.0**

# Alignment Opportunities

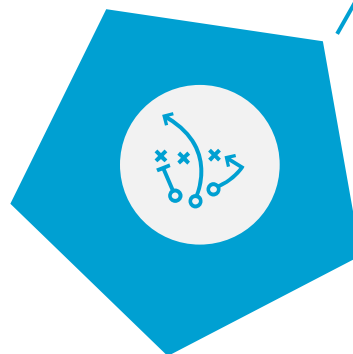
## INVESTMENT

*Investment potential for equity into burgeoning businesses*



## CAPACITY & FRONTING

*Capacity provision and fronting for MGA-type InsurTechs*



## TECHNOLOGY LICENSING

*Licensing of applicable technological functions, models, platforms and engines*



## BRANDING

*Strategic alignment of interests through partnership*

