



THE MALAYSIAN
INSURANCE INSTITUTE



FortNynja

INSURANCE INNOVATION HACKATHON

31 March 2022 - 10 April 2022

**PROBLEM STATEMENTS
FROM GENERAL INDUSTRY**

Value Proposition	Problem Statements	Challenge Statements
<p>1. Inclusion</p> <p>Enhanced financial resilience of customers whose protection needs are currently not adequately served</p>	<p>The present life insurance distribution model are not built for B40.</p>	<p>Is there digital solutions/ partners that would enable us to verify the B40 identity on their current “do” example proxy ID via bank transaction, registered mobile number. A simplify solutions that the B40 is already familiar with.</p>
	<p>The cost to serve is high via agent channel while the premium size is low thus rendering this model ineffective</p>	<p>Is there an industry budget that can be set aside to educate the B40 on the import of life insurance?</p>
	<p>While cost per serve can be lower via digital channel the sign-up is low due to the limitation of digital channel in the ability to engage and convince the customer to purchase a life insurance online even if the premium is low. The needs for bigger digital marketing budget to interest, educate and convince the B40 who may be scattered across the country.</p>	<p>Is there possibilities to set up a ready pool of partners that are also serving the B40 segment to quicken the distribution. (enterprise tinder that match insurers to prospective partners)</p>
	<p>The readiness of B40 to complete the on boarding process which involved getting a selfies taken?</p>	
<p>2. Competition</p> <p>Introduction of more innovative solutions to cater to the diverse protection needs of consumers</p>	<p>Discouraging for consumer with healthy lifestyle to commit more health insurance as the ‘perception’ of paying the same cost of insurance despite no or minimal claim compare with less healthy policy holders.</p>	<p>How might ITOs innovate health insurance with robust COI for target healthy lifestyle segment & NCD over policy duration.</p>
	<p>Life stage / goal-based planning difficult to execute due to inflexibility of products, processes & effort involved (e.g. increase / reduce coverage at different life stages)</p>	<p>How might ITOs offer more ‘modular’ or ‘scalable’ products yet simple enough to self-implement without too much advisory or paperwork required eg. highly flexible Investment Linked Insurance Plan that cater to evolving life stages.</p>
	<p>Insurance is being sold and not bought. Thus limiting accessibility & reachability</p>	<p>How might ITOs challenge this notion & reverse it to ‘insurance can be bought and not merely sold’ - innovate product that is simple to understand & transparent ie. design, sales illustration and policy contract</p>

Value Proposition	Problem Statements	Challenge Statements
<p>3. Efficiency</p> <p>Frictionless consumer experience with greater cost savings</p>	<p>Digital onboarding process is not seamless for customers as wet signature is still required for the appointment of nominee (for trust-nomination).</p>	<p>How might ITOs work with regulator to review the current Electronic Commerce Act 2006, which does not apply to documents/transactions for the creation of trust?</p> <p>How might ITOs develop secure e-authentication platform to facilitate customers with a seamless onboarding and claims pay-out journey?</p>
	<p>Customer experience can be further simplified.</p>	<p>How might ITOs connect with healthcare ecosystem, leverage on available data/information to rule out pre-existing health conditions, for faster claims pay-out with mitigated fraud risks?</p>
	<p>Customer prefers a high level of customised and affiliative level of service and engagement. Centralised Payments & Collection Information</p>	<p>How might ITOs connect to customer's banking account (FI ecosystem) for auto premium deduction and pay out? This is to avoid policy lapsed, hard-earned money going into unclaimed money and reduced fraud from misappropriation of funds by intermediaries.</p>
	<p>Provide a one stop closed-loop community of affiliates and partners to provide the complete lifestyle solution and values to the customers</p>	<p>How might ITOs connect to their community of partners/ affiliates to provide the complete supply chain of solutions bundled with additional values to their policy holders?</p> <p>E.g. House holder policy holders can have access to discounted repair services like plumber and air-conditional servicing, purchasing of home appliances like electrical goods with extended warranty, etc.</p> <p>E.g. Medical card customers can have privilege to hospital discounted health screening services which also extended to their family members and free access to hospital talks.</p>

Value Proposition	Problem Statements	Challenge Statements
<p>3. Efficiency</p> <p>3.1 Frictionless consumer experience with greater cost savings</p> <p>3.2 Customer able to receive the sum insured automatically when the claim event happened.</p>	<p>Invest-Linked Insurance Product (ILP) intends to offer flexibility for insurance & investment needs but premium allocation & fluctuation in Total Investment Value (TIV) due to NAV price changes overtime resulting difficulty for policy holder to keep track.</p> <p>When an insured event happens, customer will need to file a claim to the insurance company and wait for claim decision. Some possible issues with this practice are:</p> <ul style="list-style-type: none"> • Customer may not realise that the insured event is covered, or simply forgot to claim • Claim process could be tedious • Claim reject as certain conditions are not met, eg. non-disclosure etc. 	<p>How might ITOs innovate an app-based insurance policies 'portfolio tracker' with weekly easy to understand diagrammatic illustration.</p> <p>How might ITO leverage on data and technology (eg. smart contract) to automate the end-to-end process of claim, starting from registration, assessment to decision?</p>
<p>4. Flexibility</p> <p>4.1 Introduction of more innovative solutions to cater to the diverse protection needs of consumers by providing the flexibility based on affordability and evolving lifestyle</p> <p>4.2 Creating holistic financial and risk profile of a customer to better understand and identify its needs.</p>	<p>Customers prefers to purchase insurance that address their holistic needs or evolving lifestyle.</p> <p>Customer can experience different ups and downs in their life journey. Situation like this can happen to anyone for a short period of time but they may eventually able to bounce back.</p> <p>No centralise system to store customer data such as Financial, AML, coverage etc. This results in a few limitations:</p> <ul style="list-style-type: none"> • Difficult to create a complete risk or financial profile • Every FI needs to incur cost to set up independent KYC system • Dependent of deceased may need to check with every insurer if protection exists with the company 	<p>How might ITOs leverage on data and emerging technology to offer the flexibility to restructure and provide options to customer self-service to reduce/increase their coverage and premium while keeping the policy alive?</p> <p>How can Fintech/Insuretech players help the government create a centralise database that all FIs should contribute to, and benefit from.</p>

Value Proposition	Problem Statements	Challenge Statements
<p>5. Market Penetration</p> <p>Reaching out to the right customer, creating the necessary awareness and commitment to acquire the protection need.</p>	<p>Generally customers are not self-motivated to ensure they receive adequate coverage, and requires constant follow up from the intermediary before committing to any purchase.</p>	<p>How might ITO identify the right segment, and create the necessary call-to-action?</p>