

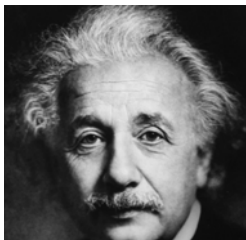
The Actuarial Profession
making financial sense of the future

Life Conference 2012
Jules Constantinou


Apps, Android and Apple New generation of insurance customers

March 2013

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**"It has become appalling obvious that
our technology has exceeded our
humanity"**
Albert Einstein



**"Information technology and
business are inextricably interwoven.
I don't think anybody can talk
meaningfully about one without the
other"**
Bill Gates

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Future Technology Trends Going To Affect Your Business



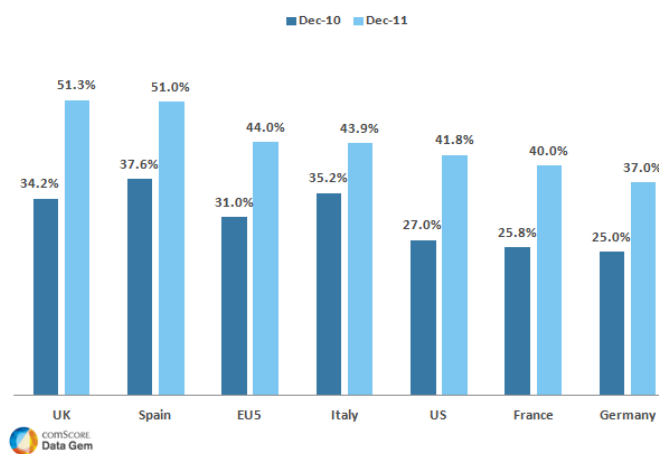
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Trend 1: Mobile Living

Smartphone Share of Total Mobile Audience

Source: comScore Mobiliens, 3 mon. avg. ending Dec-2011 vs. Dec-2010



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How we love our phones



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Trend 1: Mobile Living

1. Mobile commerce is predicted to grow by 500% in next 4 years

2. Credit cards will become obsolete

3. Online and offline shopping will merge

4. Mobile will be the battleground

5. Consumers will prefer mobile device



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Trend 1: Mobile Living

- 5.3 billion mobile phone subscribers
- 8 trillion text messages in 2011
- 300,000 mobile apps
- 10.9 billion apps downloaded
- ~billion will access financial services by phone in 2015

Percentage of searches that are via a mobile device	
Category	Proportion of searches that are mobile
Restaurants	29.6%
Automotive	16.8%
Consumer electronics	15.5%
Finance and insurance	15.4%
Beauty and personal	14.9%

Source: Internal Google Data (February 2011) via: mobiThinking



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Trend 1: Mobile Living

It is already changing the way we live. For example :

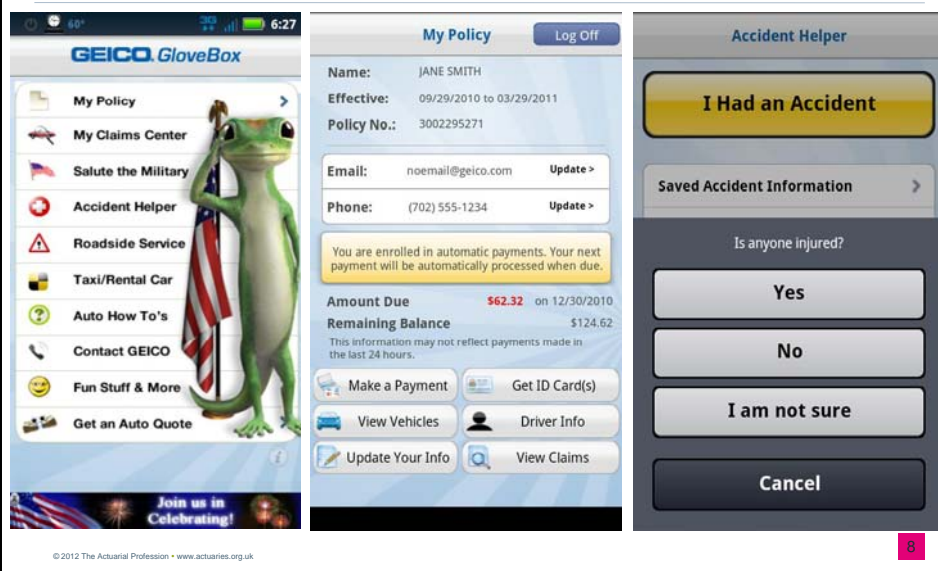
British Airways app

Information gathering



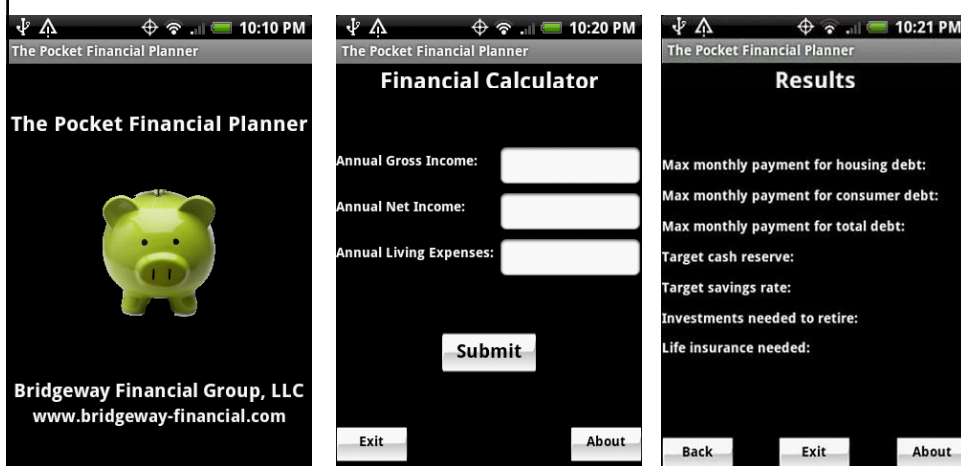
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Trend 1: GEICO Insurance Glovebox



8

Trend 1: Pocket Financial Planner



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Trend 1: Irish Life – Quotations

Irish Life		Irish Life	
Mortgage Protection		Whole of Life Cover	
Date of Birth	D 1 M 1 Y 1975	Date of Birth	D 1 M 1 Y 1975
Gender	<input type="radio"/> Male <input type="radio"/> Female	Gender	<input type="radio"/> Male <input type="radio"/> Female
Smoker	<input type="radio"/> Yes <input type="radio"/> No	Smoker	<input type="radio"/> Yes <input type="radio"/> No
Life Cover ①	<input type="text"/>	Life Cover ①	€ <input type="text"/>
Accelerated Specified Illness Cover ①	<input type="text"/>	Indexation ①	<input type="radio"/> Yes <input type="radio"/> No
Term of Cover ①	5 years		
Submit		Submit	

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Trend 2: End of Inefficiency

Smart shopping carts

Price matching in real time

LG/s ThinQ Smart fridge



Price Match Guarantee



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Trend3 : Gamification of Price

→ Application of gaming techniques to increase consumer engagement

→ Set your own price (e.g. Ebay; Groupon)

→ Price comparison (80% of web users have used a price comparison site in the last 12 months)

→ Notify me if



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Trend 4 : Quantified Self

Ability to monitor our own lives and strive for improvements

Examples:

Endomondo

Pedometers

Gaming



Gaming

→ Played 2 days, 11 hours, 26 minutes and 14 seconds

→ Kills 5520 of which 837 were headshots (15.16%)

→ 13.33% accuracy

→ Survived 193 Waves

CALL OF DUTY 4
MODERN WARFARE

CALL OF DUTY
MW3

Financial Services & These Trends

Trend 1 : Mobile living

→ Apps and engaging with your customers?

Trend 2 : End of Inefficiency

→ Price matching / price comparisons

comparethemarket.com™

Insurance Money Utilities Broadband & Phone Business Travel

Hi there.

Looking for a cracking deal on your insurance, or on the hunt for a credit card? Well then you're in luck, you're in exactly the right place!



Get up to six thrillsy meerkat toys*
Find out more



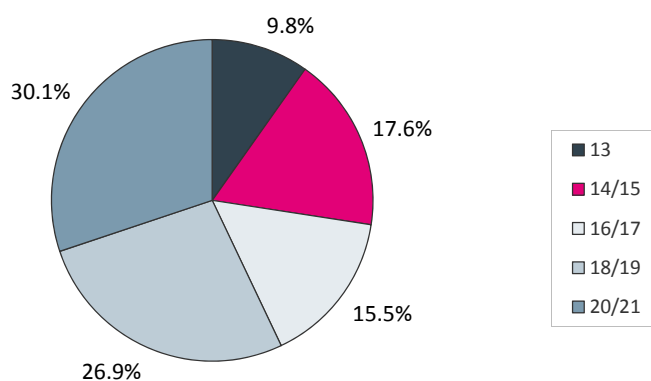
Why compare with us?

Younger generation survey



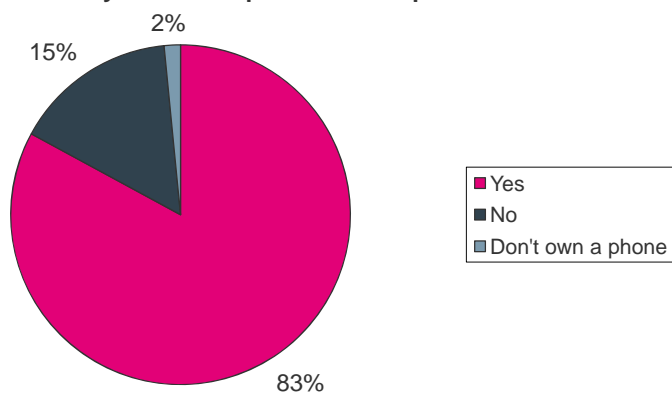
Age group

Which age group do you belong to?



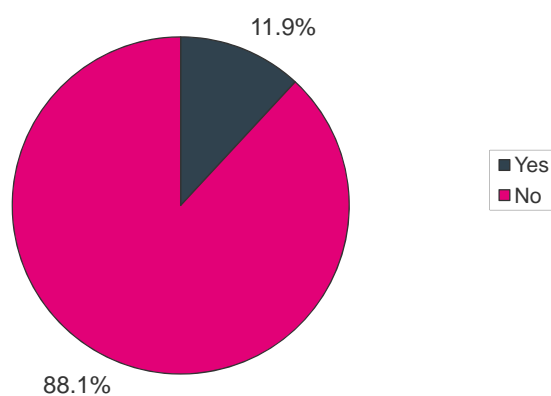
Mobile phone ownership

Is your mobile phone a Smartphone?



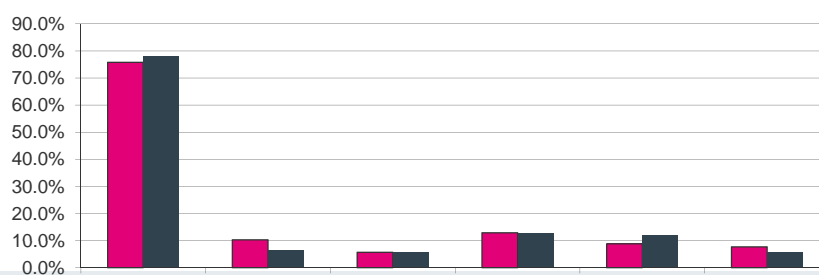
Owning tablet

Do you own a tablet?



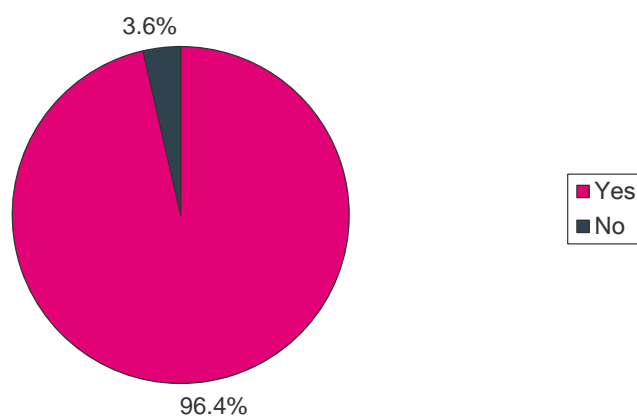
Using technology

Do you prefer reading a book:



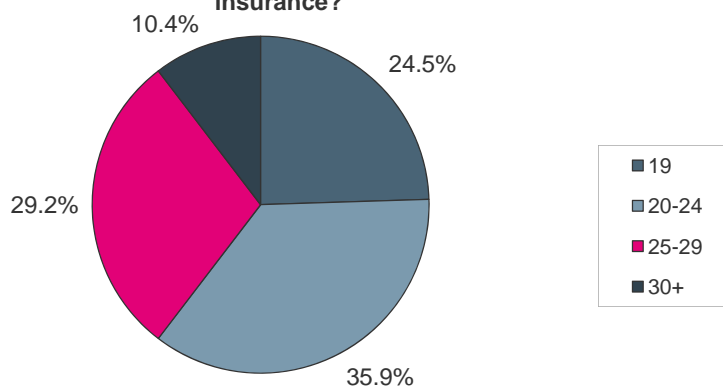
Awareness of life insurance

Do you know what life insurance is?



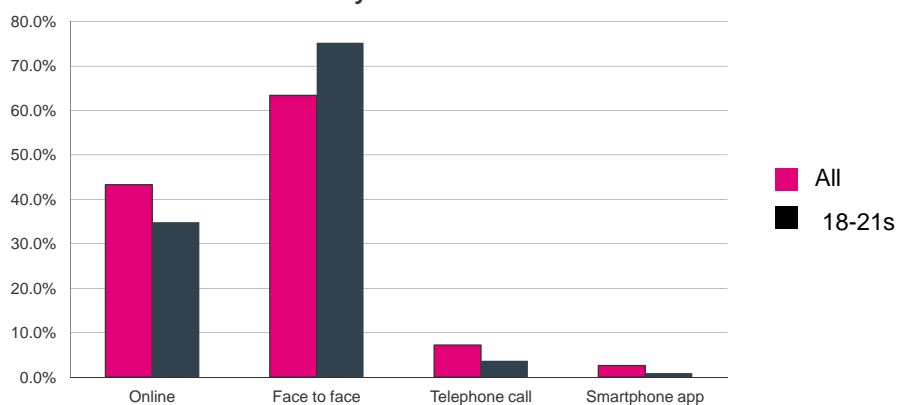
Buying life insurance

When do you think you will be old enough to buy life insurance?

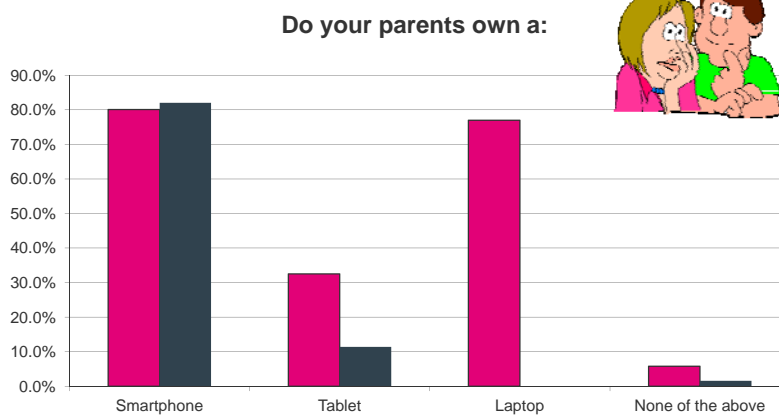


How will you buy?

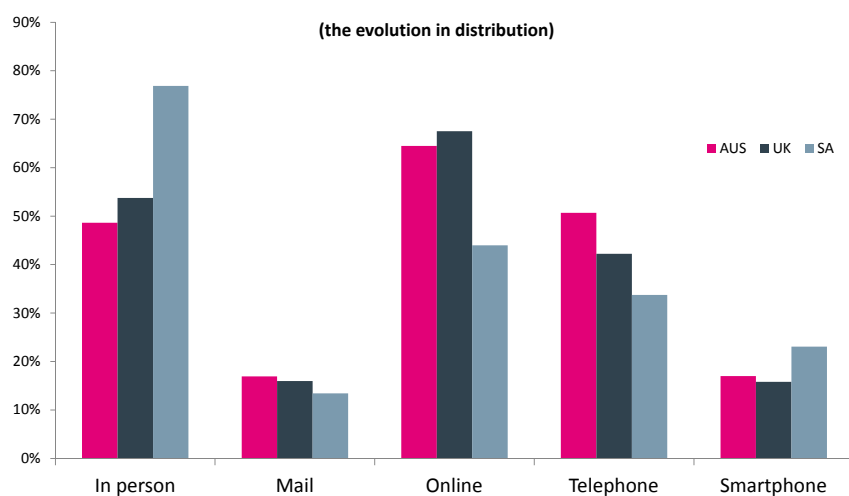
When you are ready to buy insurance, how do you think you will do it?



Is it only the future?

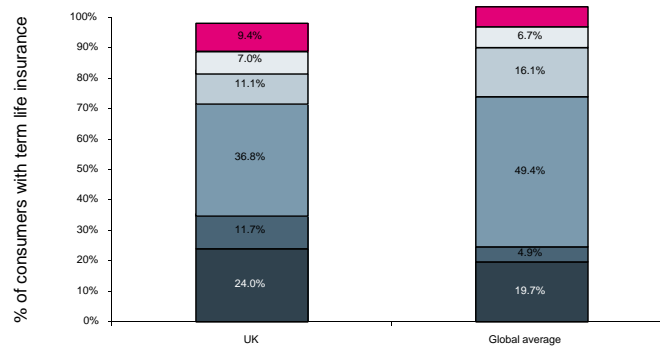


How are you most likely to complete the transaction?



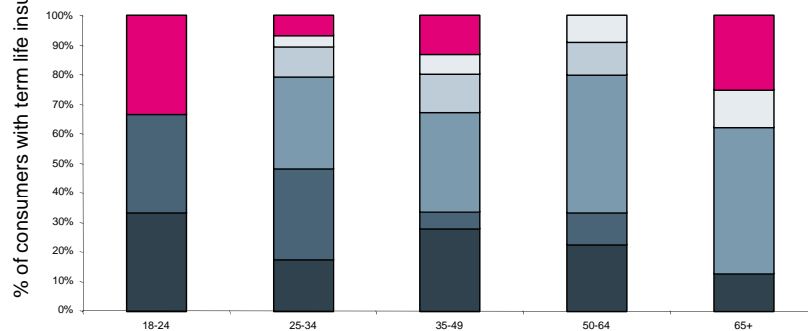
Broker channel remains dominant but online growing

■ Online directly from the company ■ Online through a price comparison site ■ Through a broker/financial advisor
 □ Through my bank □ Other ■ Don't know



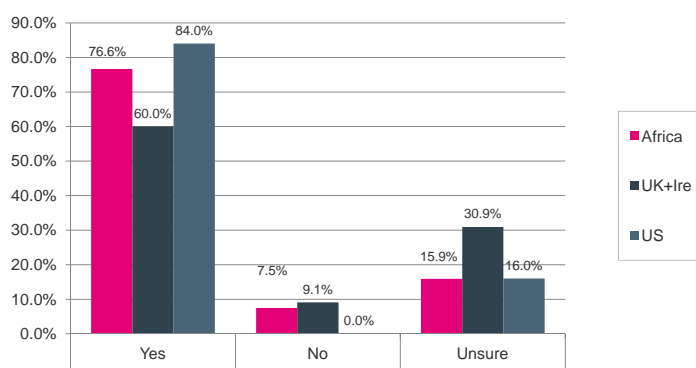
Younger age bands using price comparison sites

■ Online directly from the company ■ Online through a price comparison site
 ■ Through a broker/financial advisor □ Through my bank
 □ Other ■ Don't know



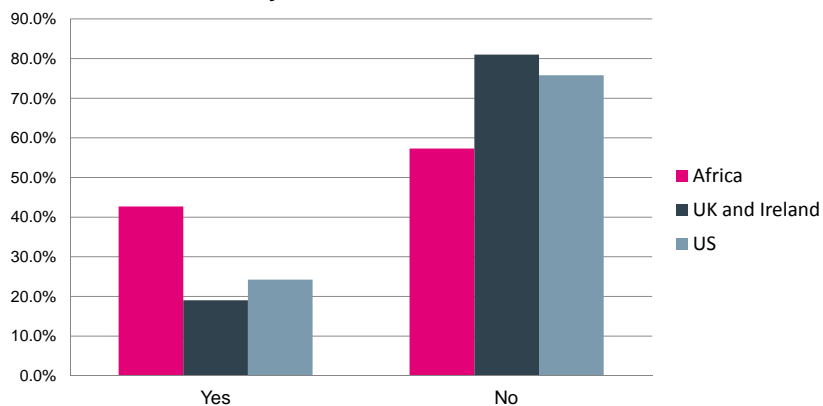
Some supplementary questions

Do your parents own a life insurance policy?



Can you name the insurer?

Do you know who the insurer is?



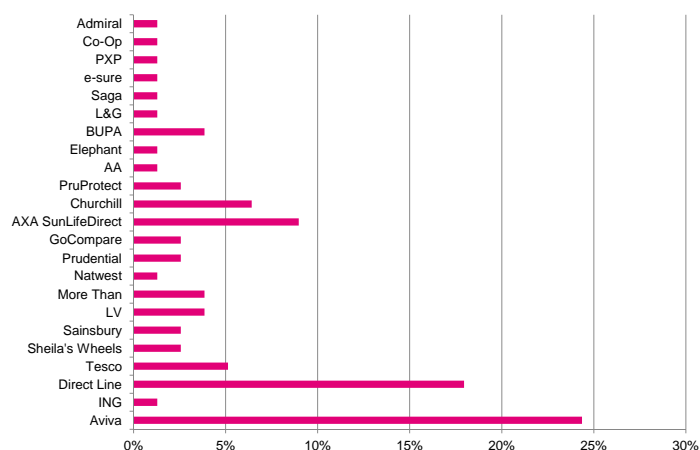
Who were they?



- Norwich Union
- CIS Insurance
- PruProtect
- Barclays
- Direct Line
- Liverpool Victoria



Can you name insurance companies



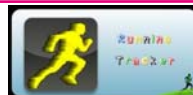
Are you ready for the future?



Are you ready for the future?

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One day...



- Mike has his MobileLife app installed on his iPhone 15.1
- In the morning it tracks his morning run
 - He has recently started running and because he has kept it up regularly this triggers a premium discount on his life insurance as well as HealthPoints on his medical scheme
- Mike drives to work
 - His MobileLife app notes that he rarely accelerates wildly and he avoids the peak rush hours and this earns him discounts on his life and motor cover
- Over lunch the app notes Mike is near a Kauai and it suggests that Mike tries Kauai as there is a discount available for him there.
- He is also tracked after work as he cycles on a mountain bike trail. If he keeps that up further discounts are in store for him.
- Mike can also share his mountain bike stats with Fred. They have a competition going on who can cycle the most km during August.

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- On Friday evening Mike is tracked at the international departure lounge. MyLife App offers him travel insurance and notifies him as to emergency procedures and numbers to dial in case he needs to claim for health insurance.
 - At the same time his home policy is updated with this information
 - His security service is notified to keep an extra eye on his house
- During his trip Mike is tracked at a quad biking course
 - He is notified that his policies doesn't cover quad biking and offered an extra premium to go ahead.



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In the Year 2041...



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Questions or comments?

Expressions of individual views by members of The Actuarial Profession and its staff are encouraged.

The views expressed in this presentation are those of the presenter.

