



The Actuarial Profession
making financial sense of the future®

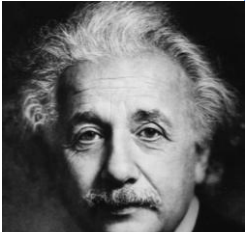
Life Conference 2012
Peter Temple and Jules Constantinou

Apps, Android and Apple


New generation of insurance customers

November 2012

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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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1

Future Technology Trends Going To Affect Your Business



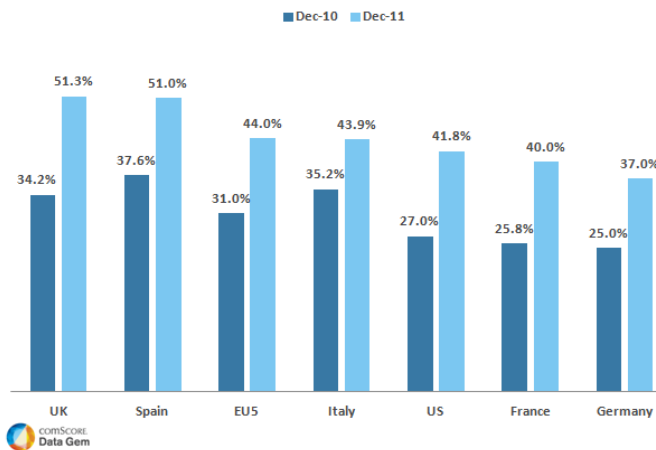
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2

Trend 1: Mobile Living

Smartphone Share of Total Mobile Audience

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



3

How we love our phones



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4

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 devices



5

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

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



6

Trend 1: Mobile Living

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

British Airways app

Information gathering



7

Trend 1: GEICO Insurance Glovebox

The screenshot displays the GEICO Glovebox mobile application. The 'My Policy' screen shows user information for Jane Smith, policy details, and payment status. The 'Accident Helper' screen provides options for reporting an accident and answering questions about injuries.

My Policy Log Off

Name: JANE SMITH
Effective: 09/29/2010 to 03/29/2011
Policy No.: 3002295271

Email: noemail@geico.com Update >
Phone: (702) 555-1234 Update >

You are enrolled in automatic payments. Your next payment will be automatically processed when due.

Amount Due **\$62.32** on 12/30/2010
Remaining Balance \$124.62
This information may not reflect payments made in the last 24 hours.

Make a Payment Get ID Card(s)
View Vehicles Driver Info
Update Your Info View Claims

Accident Helper

I Had an Accident

Saved Accident Information >

Is anyone injured?

Yes
No
I am not sure
Cancel

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Trend 1: Pocket Financial Planner

The screenshot displays the Pocket Financial Planner mobile application. The main menu shows a piggy bank icon and the app's name. The 'Financial Calculator' screen allows users to input annual income, net income, and living expenses. The 'Results' screen displays calculated values for housing debt, consumer debt, total debt, cash reserve, savings rate, retirement investments, and life insurance needs.

The Pocket Financial Planner

The Pocket Financial Planner

Bridgeway Financial Group, LLC
www.bridgeway-financial.com

Financial Calculator

Annual Gross Income:
Annual Net Income:
Annual Living Expenses:

Submit

Exit About

Results

Max monthly payment for housing debt:
Max monthly payment for consumer debt:
Max monthly payment for total debt:
Target cash reserve:
Target savings rate:
Investments needed to retire:
Life insurance needed:

Back Exit About

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Trend 1: Irish Life – Quotations

[Back](#) **Irish Life**

Mortgage Protection

Date of Birth D 1 ▼ M 1 ▼ Y 1975 ▼

Gender ☐ Male ☐ Female

Smoker ☐ Yes ☐ No

Life Cover ⓘ ☐

Accelerated Specified Illness Cover ⓘ

Term of Cover ⓘ 5 years ▼

[Submit](#)

[Back](#) **Irish Life**

Whole of Life Cover

Date of Birth D 1 ▼ M 1 ▼ Y 1975 ▼

Gender ☐ Male ☐ Female

Smoker ☐ Yes ☐ No

Life Cover ⓘ €

Indexation ⓘ ☐ Yes ☐ No

[Submit](#)

Life Cover ⓘ

Life Cover provides a lump sum if you die during the term of your plan. The value of cover decreases by 6% annually.

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10

Trend 2: End of Inefficiency

Smart shopping carts

Price matching in real time

LG/s ThinQ Smart fridge



11

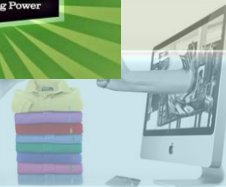
Trend3 : Gamification of Price

- 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



12

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



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!



Car Insurance



Home Insurance



Life Insurance



Energy



Credit Cards



Travel Insurance



Pet Insurance



Retrieve a quote

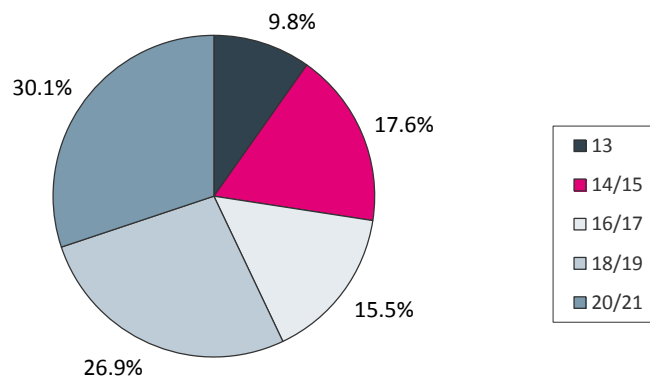
Why compare with us?

Younger generation survey



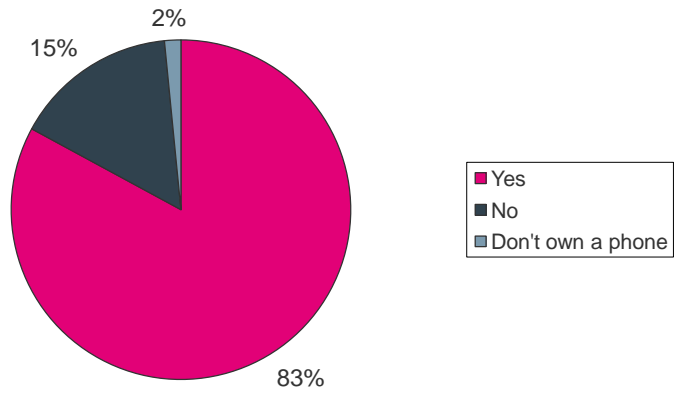
Age group

Which age group do you belong to?



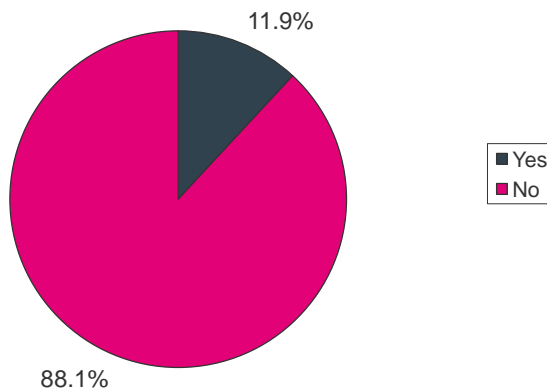
Mobile phone ownership

Is your mobile phone a Smartphone?



Owning tablet

Do you own a tablet?



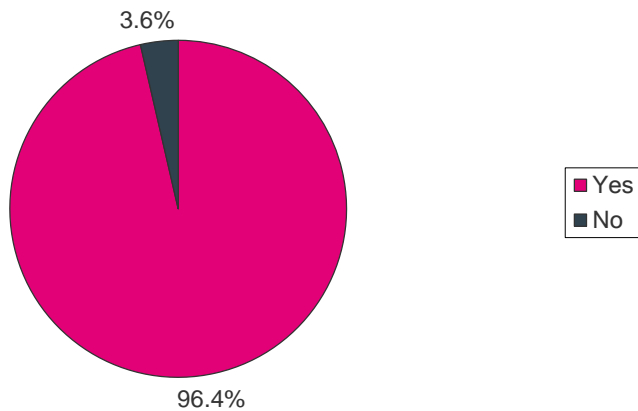
Using technology

Do you prefer reading a book:



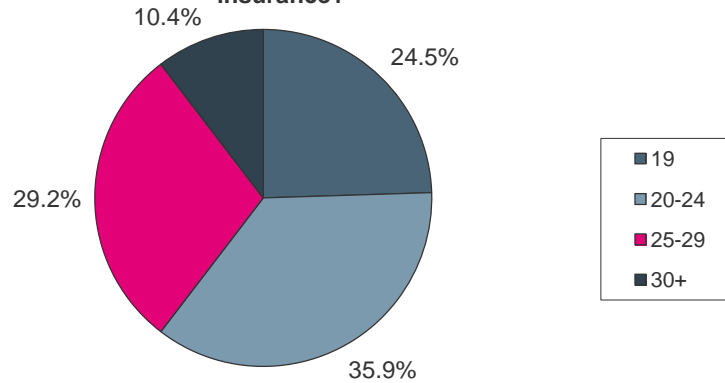
Awareness of life insurance

Do you know what life insurance is?



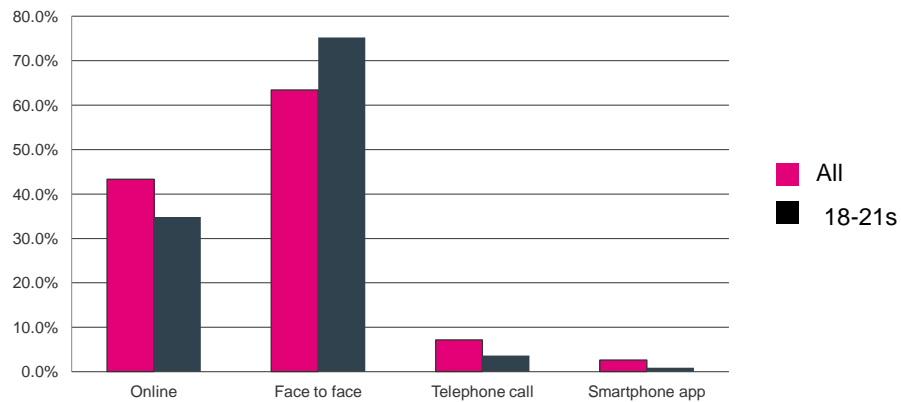
Buying life insurance

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

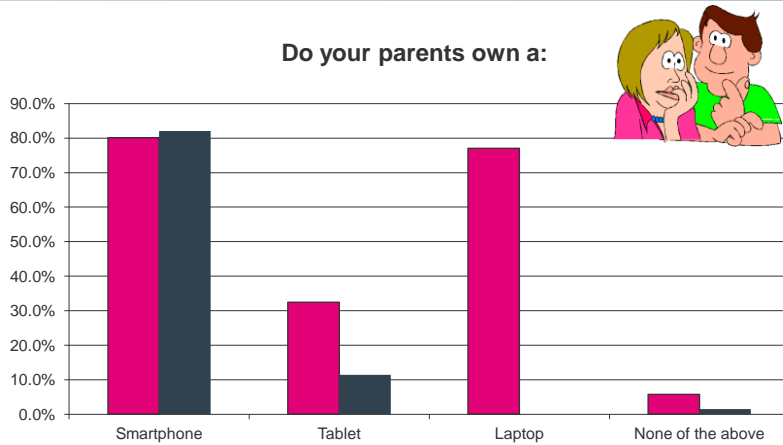


How will you buy?

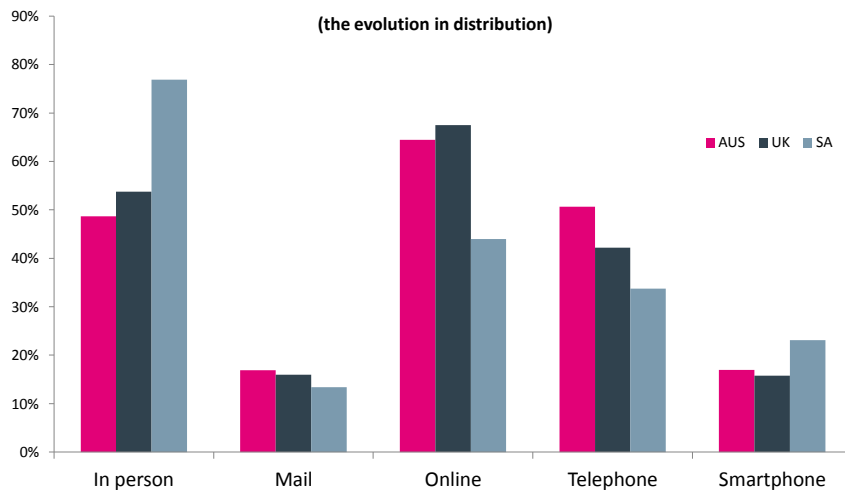
When you are ready to buy insurance, how do you think you will do it?



Is it only the future?

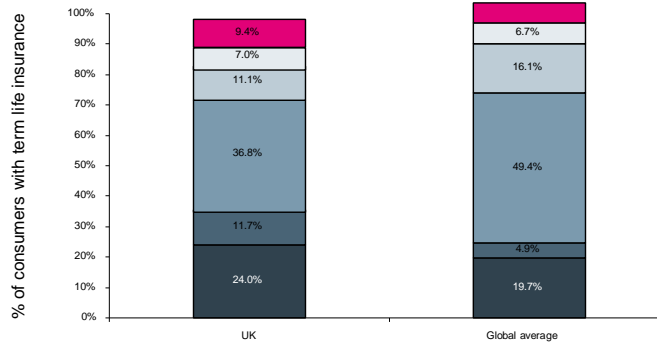


How are you most likely to complete the transaction?



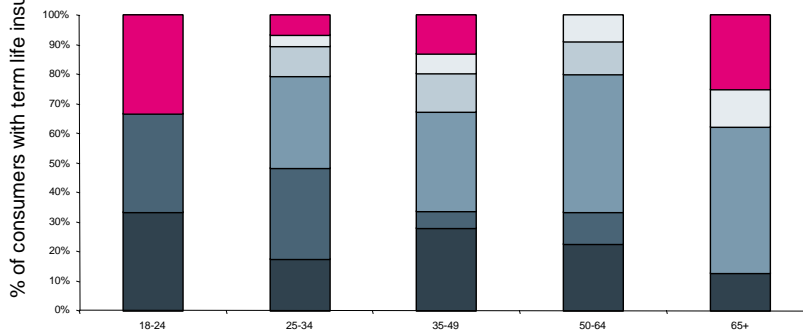
Broker channel remains dominant but online growing

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



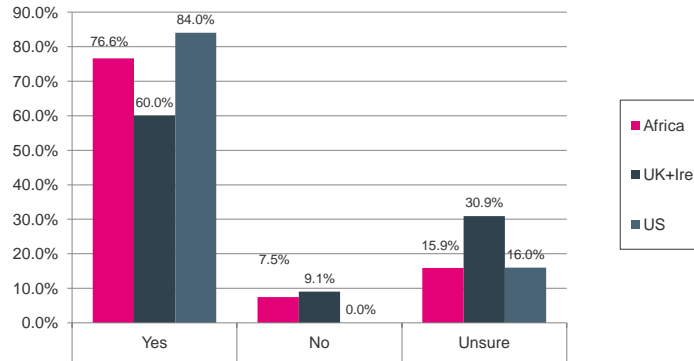
Younger age bands using price comparison sites

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



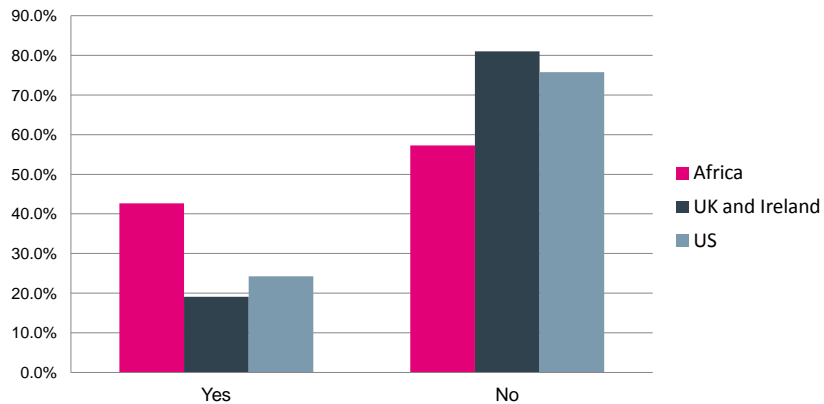
Some supplementary questions

Do your parents own a life insurance policy?



Can you name the insurer?

Do you know who the insurer is?



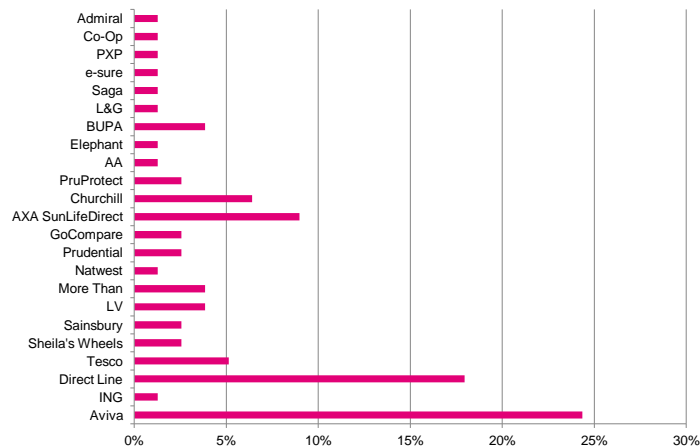
Who were they?



- 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?

32

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.

33



- 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.



34

In the Year 2041...



35

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.

