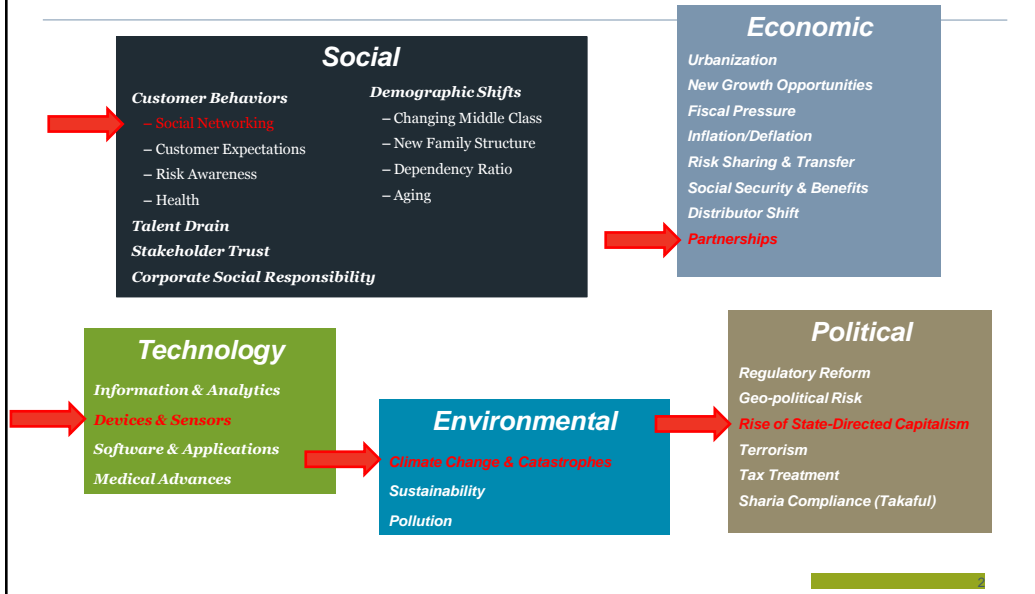




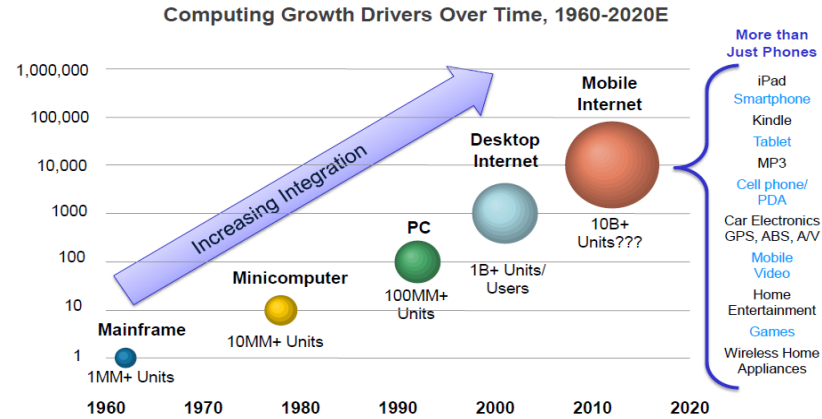
There are 32 distinct sub-drivers of change



Social – Social Networking

Trend: The increasing adoption of social media is creating broader networks of like-minded affinity groups with broad implications of how insurance will be designed, manufactured, marketed, priced and serviced

Social – Social Networking

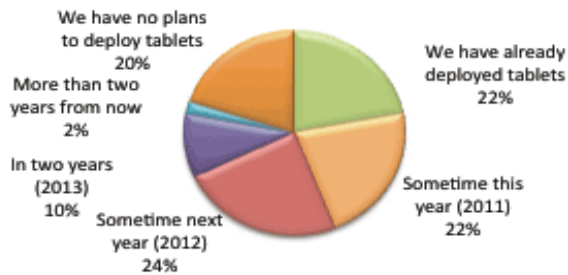


Source: Kleiner Perkins, "Mobile Internet Trends" (<http://www.slideshare.net/kleinerperkins/kpcb-top-10-mobile-trends-feb-2011>)

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Social – Social Networking

Increasing Use of Tablets by Businesses



Source: "Businesses embrace iPads, but don't know why," CNET News, May 2011

Increasing Popularity of Social Networks among Businesses

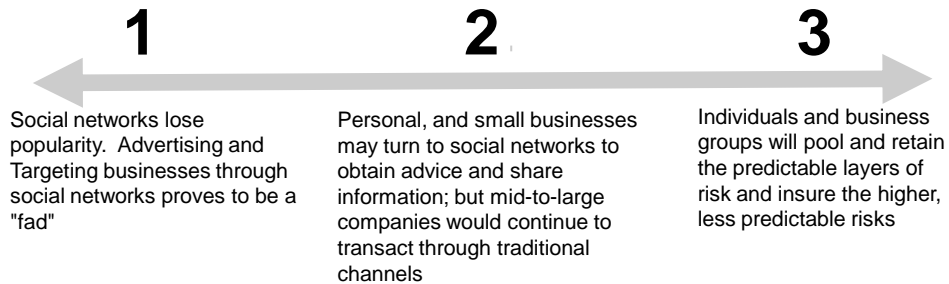
- According to a 2011 survey by MerchantCircle, a network of small businesses, using Social Media sites is the number one form of advertising
- Facebook was used by 70% of respondents, up from 50% a year earlier
- Twitter become more popular as well, moving from 32% to 40%

Source: "Social Networking is the Top Advertising Tactic for Small Businesses and Wholesalers," About.com, April 2011

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Social – Social Networking

What's your vision?



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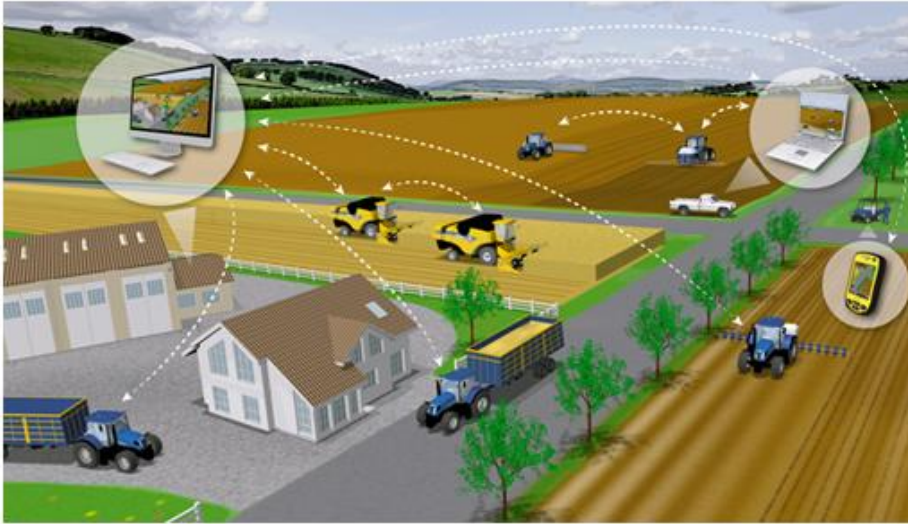
Technology – devices and sensors

Trend: Developments in hardware and software technologies are allowing devices and sensors to connect to the internet and communicate in unprecedented ways

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Technology – devices and sensors

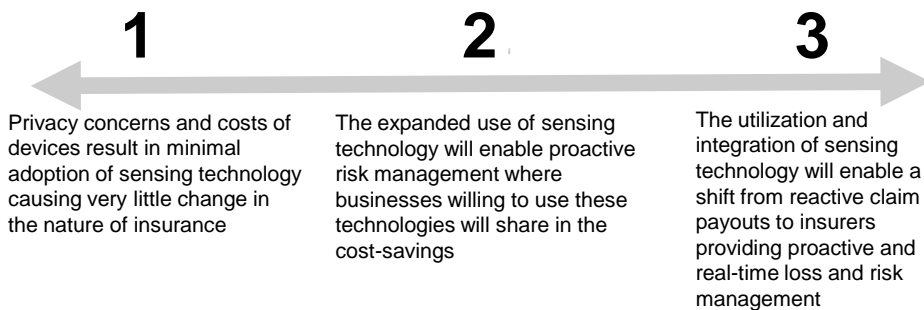


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Source: <http://agriculture.newholland.com>

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Technology – devices and sensors What's your vision?



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Economic – Partnerships

Trend: As the insurance market matures in developed countries, there is a greater focus on additional revenue streams. Insurance companies will continue to develop partnerships to create these revenue streams.

Economic – Partnerships

Partnerships between airlines and insurance providers

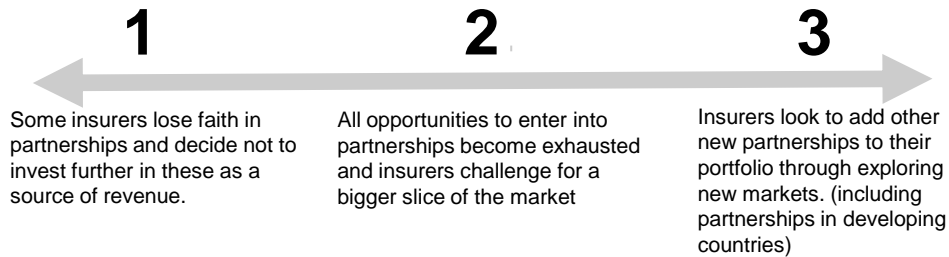


Partnerships between credit card companies, retailers, banks and holiday providers



Economic – Partnerships

What's your vision?



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Environmental – Climate change & catastrophes

Trend: Over the past 30 years there has been an increase in the incidence of both natural and man-made catastrophes, in part due to global warming

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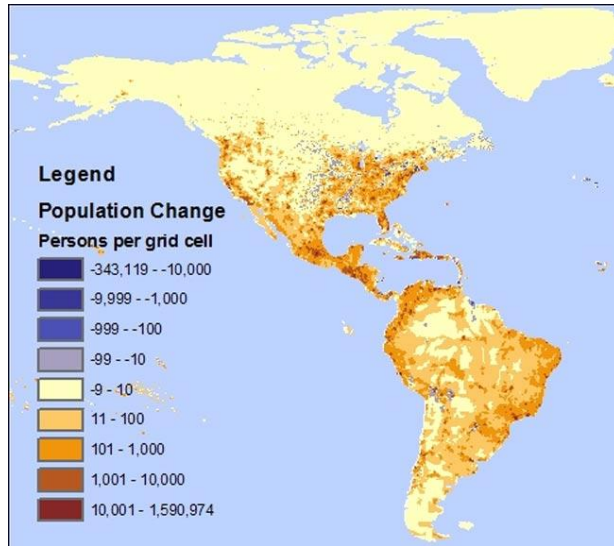
Environmental – Climate change & catastrophes

"I'd put my money on the sun and solar energy. What a source of power! I hope we don't have to wait 'til oil and coal run out before we tackle that."

Thomas Edison
(1847–1931)

"How could I look my grandchildren in the eye and say I knew what was happening to the world and did nothing."

David Attenborough



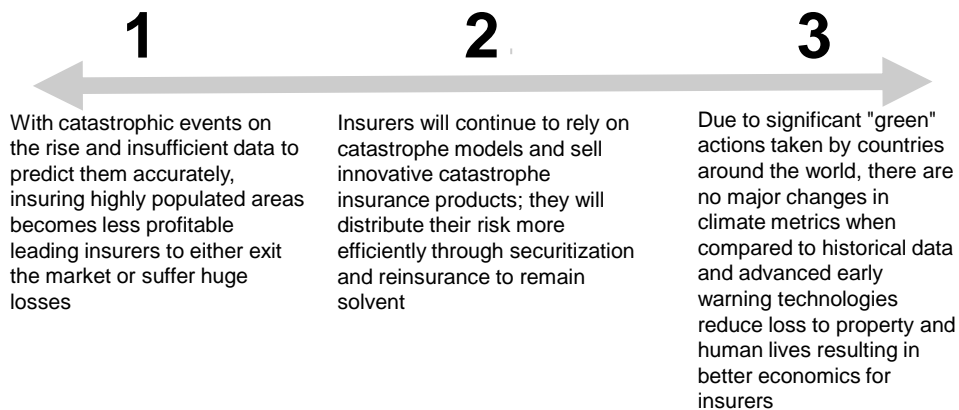
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Source: "Flocking to the Coast: World's Population Migrating into Danger", LiveScience, 2006

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Environmental – Climate change & catastrophes

What's your vision?



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Political – Rise of State-Directed Capitalism

Trend: There is a rise of state-directed capitalism in developing countries

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Political – Rise of State-Directed Capitalism

Facts and figures

Increasing Regulation in Developed Countries

- The credit crisis created prompted reform of the financial industry. For example, in the US, The Dodd-Frank Act created the Federal Insurance Office, a movement towards Federal regulation in an industry almost exclusively regulated at a state by state level
 - The Dodd-Frank Act encourages states to adopt a uniform regulatory environment
- The European Union's Solvency II is creating a standard set of regulations to insure a "Single Market" for insurance companies across Europe
- In 2009, the United States instituted a "Maximum Wage" for executives of companies receiving extraordinary assistance from U.S. taxpayers.
- The UK has instituted a "Say-on-pay" system wherein executive compensation and termination packages are voted on by shareholders
- Solvency II

Decreasing Restrictions on Foreign Direct Investment in Emerging Markets

- Many of the rapidly emerging markets still have a largely state-owned insurance industry. In China, the primary insurance companies are state owned. 4 of the 5 largest insurance companies in India are state-owned. However, these countries are beginning to allow more foreign investment, as the need for capital and "know-how" grows.
 - India recently increased the cap on foreign investment in insurance firms from 26% to 49%.

Top 5 P&C Insurance Companies in India by Market Share

Figure 2: Top five non-life insurers in India

New India	State Owned	18.03%
National		13.97%
United India		13.97%
Oriental		12.94%
ICI Lombard*	Private	11.17%

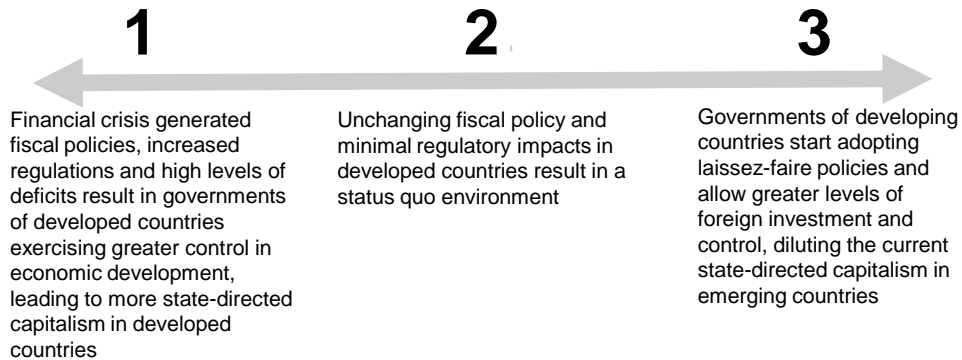
* Private sector joint venture, others are state-owned

Sources: Treasury.gov; Dodd Frank Act, PwC 2010 Insurance Digest

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Political – Rise of State-Directed Capitalism

What's your vision?



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Over to you

What is your vision for 2020?

What drivers do you think will have the greatest impact?

Oh yes, and where will the Olympic games be in 2020?



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