



"Simplifying
Insurance
for All"



**From the desk of Rohit Nambiar
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Part 1: Now, what does Insurtech mean?...

Ask Techie A, and he will most likely say that it's all about deploying cool technology that whets their appetite.

Ask Techie B, and she may likely say it's about deploying tech that makes it easier to manage legacy issues faced by traditional organisations.

Ask an insurance drop-out and he will likely say it's about launching products faster and being able to deploy simpler solutions for he was frustrated in the past!

Ask investors pre-covid and most likely it was about going directly to the customers and owning that relationship!

The list can go on and on.... Many variations to the same question!

Few years ago, many Insurtechs were arrogant in more ways than one. They claimed that 2 things will happen -

- (1) They will compete and replace incumbents.
- (2) They will focus on more direct-to-consumer business and build a profitable franchise.

Traditional insurers thought of it at 2 levels at best -

- (1) Insurtechs are our competitors and are here to take our business away, which they simply cannot for we are bigger
- (2) Insurtechs don't understand insurance well enough or its consumers, which only traditional intermediaries do, especially in Asia.

Move forward to today and none of that has fructified (i.e. Insurtechs didn't replace traditional insurers and there aren't many pure direct success stories who made money) and during covid times, we saw a far more collaborative approach to Insurtech partnerships; one where each side pruned their models further, aligned expectations, and worked based on simple philosophies in my view (some examples do exist before covid too) -

- (1) Insurtechs realised they were far better in attacking specific problems vs. a universal one (Fraud, claims, embedded insurance, etc.). In general, pure direct play has hardly worked and we have seen many of the bigwigs pivot to sell through agents, telephone and the like!
- (2) Insurers realised they were better off partnering with Insurtechs in specific areas than re-engineering their wheels with all their other priorities around managing new regulations, traditional businesses, and legacy platform challenges.

Many years ago, I remember Benoit Claveranne (AXA's Chief Executive Officer International and New Markets at the time) told me something very impactful - "Why does one innovate? We innovate for our customers!" This has stuck with me since and I have always believed in the simple food chain of business. Only because a customer is there, he/she pays for something and thereby frontline exists. Because frontline exists, backend ops and support functions exist due to which we need managers, leadership, and so on.

So, how does Tune Protect define Insurtech and how do we differentiate ourselves?

A continuation of what I said in the above paragraph, Insurtech for us is about *"Making customer experience simpler by using technology"*.

For a company our size, we can't compete with the bigger fish on most things! We don't have their budgets, ability to invest on tech, etc. *Where we believe we can win is our ability to execute faster than anyone else!*

Hence, to build scale, we went deep on leveraging this differentiation and tying up with affinity partners who give us access to customers, while we deliver insurance solutions at breakneck speed. As a case in point, when the Langkawi sandbox opened up, we were one of the 3 initial insurers asked to support it. We went live in 3-days and even 4-months later, the other 2 (both behemoths) couldn't do so and had to resort to manual ways! It is impossible to explain that speed can be a differentiator, and a critical part of this speed is culture! One can buy technology, solutions, select people, etc. But one cannot buy culture. Culture must be built ground up and constantly nurtured! We have 4 clear values in this regard that we live by in this regard every day -

- (1) Make things simple
- (2) Be bold and curious
- (3) Better together
- (4) Be customer obsessed (Did you know 15% of the bonus of every staff in the organisation is linked to customer net promoter score (NPS)?)

What does this mean in real practice?

- (1) We are open to working in an agile method and we are okay for some of our projects to fail (it's all about then learning from it) - In fact we don't believe one can get it right the first time! Quite a stark difference for traditional risk carriers
- (2) We go to RFPs and openly request a shoot out! i.e. let's all execute on a small piece and you see for yourself who can execute faster and better?
- (3) We leverage on our ability to re-use from our vast experience in the embedded/frictionless space - We have grown from 2 airlines and 5 partners to 65 partners including 6 airlines over the last 3 yrs.
- (4) Our experience of servicing 10-11 million policies annually gives us strong data that we can leverage to price and create differentiated propositions for our bite-sized products. Naturally we were able to create "Build your own" and "Hyper-personalised/hyper-customised propositions".

[Stay tuned for the follow up piece by Rohit, i.e., Part 2: Tune Protect's view of the future. Coming to you next Monday, 6 March 2023.]