

‘Build windmills, not walls’ insurers urged by Sneader



LIFE INSURERS FACE A CHANGING LANDSCAPE OVER THE NEXT FIVE YEARS AS THE DUAL IMPACT OF GLOBALISATION AND DIGITAL TECHNOLOGY GRIPS THE INDUSTRY, ACCORDING TO SPEAKERS AND PANEL MEMBERS DURING THE OPENING SESSIONS OF THE 28TH ANNUAL PACIFIC INSURANCE CONFERENCE IN HONG KONG

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TAKING THE CONFERENCE THEME “Our World from the Outside In,” to task, keynote speaker Kevin Sneader, Chairman, Asia of McKinsey, delivered a presentation that he termed a “call to action”, highlighting the effect he perceives that globalisation and “glocalisation” will have on the industry; stressing how local and international operators must work together. Sneader also made a big play on how technology and current systems will interplay, urging his audience to “know what is coming”.

The McKinsey chief said: “We have to put disruption in context; this is a call to action. The other thing is ‘we ain’t seen nothing yet’

... we are at the beginning, not the end of these changes. We are in a crucible with pace and scale going along together.”

Sneader’s crucible - a place or situation in which concentrated forces interact to cause or influence change or development - was key to his address, where he expanded on the thoughts of Rachel Durn, “We have worked to strengthen our local decision-making capability and increase our sensitivity to local needs, so that we can better serve the world’s largest infrastructure market,” with Sneader emphasising that the industry needs to be watchful of the changes.

“Where does the life insurance industry lie in the ‘social contract’

scheme? Where does it need to be?” Sneader said. “In the age of economic experimentation, is the life insurance industry nimble enough to find new opportunity in a fast-changing environment?”

The key note speaker also warned that the combinational tech explosion, where one facet will rely on another, citing an improved battery being needing to power a new app, will lead to both interdependent, which will have one singular effect on the industry.

Sneader believes that B2B will become Consumer2B, quoting the fact that this year’s Singles Day in US realised USD25bn in sales, while he also noted that data analysis in Asia is faster than elsewhere, prompting the speaker

[Link to Highlight Video](#)





to muse that horizontal platforms will be “the forces that continue to grow customer power”.

“Ask yourself if you are doing enough for the customer, are you personalising? What does the customer want?”, Sneider asked his audience.

Touching on social issues, he said: “Governments are not holding up their end of the bargain. Governments have to provide ways to create work - and this will impact on insurance business... we have to examine the way in which business is interacting with society... and what is the role of insurance in all of this?”

Earlier, Edward Yau, Acting Financial Secretary, HKSAR

government, pledged HK’s support to the insurance industry. “The industry is underscored by the disruption of technology, which is a serious matter. The government is here to help the industry going forward during this disruption.

“The Insurance Authority was established to help, and a task force has been set up to boost development. The insurance industry is now better equipped to cope and handle problems, but we have to look beyond the current horizons and the ‘Outside In’ approach heralded by this conference and the industry is welcomed.”

Yau added that customer service should always remain

the key driver for the industry and said the government was committed to helping the industry in any way possible. “Change is the only constant, standing still is falling backwards. Hong Kong will not stand still,” he said.

The first Plenary session of the day involved high-profile industry CEO’s debating and discussing the topic, entitled “Competing and Winning in the Next Five Years”, with Chris Wei, executive chairman, Asia & FPI and global chairman, Aviva Digital; Claude Accum, president of Sun Life Financial Asia, Paulo De Martin, CEO of SCOR Global Life and Sachin N. Shah, chairman, president and

CEO of MetLife Insurance K.K., being panellists chaired by Donald Kanak, chairman of Eastspring Investments and chairman of EU-ASEAN Business Council.

The panel discussed various issues but came to a consensus that the job of a CEO has never been harder with the challenges being faced by the industry, while agreeing that digital innovations must co-exist with traditional methods, at least for the next five years, and agreeing that the industry must redefine its “purpose”, which they said may take a modicum of soul-searching.

During the second plenary session, chaired by Alain P.

Neemeh, senior executive vice president and CEO of RGA, panellists Charles Everard de T’Serclaes, managing director of J.P. Morgan, Edwin Northover, a partner with Debevoise & Plimpton, Gautam Chawla, global co-head of Insurance with Citi Corporate and Investment Banking and Sally Yim, senior vice-president, Moody’s Investor Services, discussed the value creation from the Outside In perspective.

The panel took in a wide-ranging discussion over the quality and pitfalls of mergers and acquisitions and other possible joint venture agreements in the

new climate of globalisation, concluding that a lot of talking was still to come to the table in all areas.

However, one morning highlight went to keynote speaker Sneader, who treated his audience to a Chinese proverb as the way for the industry to take heed and look to the future.

He said: “There is a Chinese proverb that says, ‘When the wind of change blows, some people build walls, others build windmills ... choose to build a wall or harness the wind with a windmill’.

“Building walls will not improve the world, or our industry,” Sneader concluded. ■

