

# Driving a technology-led transformation in Asian insurance

*Technology-driven processes are now a pre-requisite for all types of financial services firms. For life and health insurers in Asia, this creates a business case and roadmap for their digital transformation, says Marco Kamerling of Synpulse.*

The Asian insurance sector is certainly playing catch-up where technology and innovation is concerned. But change now seems to be taking place at a relatively rapid rate.

The authorities in Hong Kong and Singapore are responsible for initiating some of this. New regulations have not

The significance of deploying technology-driven solutions and processes, therefore, to ensure more sustainability and drive productivity in their businesses is now a way of life for insurance companies in Asia.

Doing this in practice, however, is the tricky part.

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only forced insurers to become more transparent; they have also pushed them to make considerable progress when it comes to educating investors about the different products available.

Plus, an investment in technology is an expensive proposition.

As a result, many insurance companies engage the services of consultants to



**MARCO KAMERLING**  
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first review their existing technologies, and then ink a plan to upgrade and integrate their systems in a way that

maximises efficiency without unnecessarily disrupting any existing processes or business functions.

“We work with life and health insurance companies in Asia and see that our clients are serious about their technology and digital initiatives and are investing significant resources in developing their digital capabilities,” says Marco Kamerling, associate partner and managing director at Synpulse.

The focus of these organisations falls into one of two camps. On the one hand, they might want to look to leverage technology to boost productivity within their sales channels.

Or, they might look to set up an integrated distribution model that anticipates some of the main trends in consumer behaviour.

“Transformation from a traditional business model towards a truly digital offering is one of the core strategic issues that every insurer is working on,” explains Kamerling.

### **TOWARDS INTEGRATED DISTRIBUTION**

The first decision for insurers when they assess the potential for digital solutions within their business is: which of the front, middle and back-office operations can be digitised?

They then need to look at how the system can be set up in a way that is fully integrated.

Essentially, that is how they can increase efficiency and drive productivity, explains Kamerling. “Going digital is really about incorporating an end-to-end view

that derives the full benefit of a digital model,” he says.

However, one of the biggest stumbling blocks that he sees to the digital aspirations of these companies is trying to integrate key legacy systems with more modern solutions.

In Kamerling’s opinion, this makes a digital transformation more complex than it needs to be. “I believe that an online distribution channel cannot completely offset an offline channel. It’s

Integration is, however, not a smooth thing to achieve in the insurance industry in this region. Further, adds Kamerling, analytics and processes to crunch the numbers and be able to present front-line staff with actionable insights to drive more informed conversations with potential customers are noticeable by their absence.

### **THE BUSINESS CASE FOR DIGITAL**

Against the backdrop of these challenges, the way for any company to approach a digital transformation is to

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about how you integrate the two channels in a meaningful way across an end-to-end sales process.”

While digital distribution isn’t expected to be able to compete for the foreseeable future with the sales volume of more traditional channels, it should help to create a stronger sales pipeline.

This can come via online enquiries that can then form leads for agents and financial planners to follow up on.

In this way, a well-oiled and implemented digital solution can make distribution much more efficient and customer-centric.

develop a clear business case and then decide on a plan for the implementation.

“A digital transformation involves serious investment and risk, making a clear business case essential before you start, in order to stay on course and succeed,” he explains.

For those insurers which can develop an integrated technology solution, the benefits are significant – from each of the operational, transactional and revenue perspectives.

More specifically, adds Kamerling, digital solutions implemented well can help attract and retain customers. ■