

PFI Mega Life President & CEO on Evolving the Digital Platform and Scaling the Offering

How have wealth management businesses in Indonesia been evolving their platform, processes, products and advice? This was the major question put to a panel of experts at the Hubbis Indonesian Wealth Management Forum in Jakarta on March 29. One of the expert speakers was Samdarshi Sumit, President Director & CEO of PFI Mega Life Insurance. This is a brief summary of some of his observations.

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Samdarshi Sumit
PFI Mega Life Insurance

Samdarshi Sumit is President Director & CEO of PT PFI Mega Life Insurance of Indonesia. Established in 2011, the company is today a newly structured joint venture life insurance company which combines the global expertise of Prudential Financial Inc. with the local market network of CT Corpora.

PFI Mega Life offers an array of life insurance products which cater to a wide range of customers, from large entities to individuals. Its product offering includes life insurance, health insurance, education insurance, investment-linked insurance products and credit shield insurance.

PFI Mega Life products and services is offered through multiple distribution channels, including bancassurance, telemarketing as well as retail channel. CT Corp and Prudential Financial, Inc. created their joint venture in July 2017 to provide life insurance solutions to a broad spectrum of people through a multi-channel distribution strategy, to serve specific needs of consumers in Indonesia. The firm has added for over than 20% growth of new life policies in the past five years, and the firm is on a fast track to continued dynamic growth.



Chair:

- » **Pieter Zylstra**
General Manager - APAC
Additiv

Panel Members:

- » **Ivan Kusuma**
Head of Investment & Insurance
DANA
- » **Samdarshi Sumit**
President Director & CEO
PFI Mega Life Insurance
- » **Sigit Prihatmoko**
Head of Strategic Planning Group, Strategic Planning Division
Bank Negara
- » **Yash Shah**
Partner
Synpulse



In a past interview with Hubbis, Sumit had explained that PFI Mega Life has three target markets. One primary market is their own group company Bank Mega, with a dedicated range of insurance products for Bank Mega, which includes unit-linked, traditional endowment, and products which are reaching out to every segment of Bank Mega.

The second segment of the business is more centred on credit life where Sumit remarked that Indonesia is underpenetrated. He explains that is simply pure protection on loans people take, so part of that is that the firm has an offering on the Bank Mega credit card, where customers take a credit shield, securing them against any outstandings on their credit card portfolio.

In addition to that, they have car loans from Mega Finance and other group companies for consumer loans, motorcycle loans, and PFI Mega Life bundles pure protection products where any borrower has a control risk and has a life insurance cover need in case something happens to them.

The third segment is the digital business, where the firm partners with many of the group companies and with ecosystem players such as Grab, or Lifepal, an online insurance distribution business. Through digital, he explained they offer simpler, bite-sized products, targeted at the young, digitally savvy consumers in Indonesia.

Sumit told delegates on March 29 how their digital transformation has two key elements. One is the digital transformation of the existing business, for example, automating and digitising onboarding and applications that used to be manual. Today, some 90% of application bancassurance applications are handled digitally through even to the final digital signature. And some 70% of customers services requests are via chatbots.



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The second part of the story is about building digital business models, serving customers to buy insurance through the digital platform.

“The challenge has been to build a digital platform where the product proposition and the engagement are so rich, that you can sell and you can also have things like portfolio conversations; that is the part where a lot of work still needs to be done,” he reported. “Customers are still buying less than they could or should. Why? Because nobody on the digital platform can fully assess their needs and give them appropriate advice. We are starting to sell in the digital platform, but not at full potential, as there are many opportunities to improve our proposition and engagement. Those are our key goals, and we are confident we can achieve them.”

Sumit observed that Indonesia had come far in the digital transformation of the existing businesses, but on the digital business model part, it is ahead of peers in the region in some areas like e-commerce, and ride-hailing, but it lags behind in financial services, aside from simple loans.

He said issues include low financial literacy and some major trust

issues. He noted that during the pandemic, two insurance companies failed, and some stockbroking companies had crises.

Sumit also explained that the firm has a digital bank, Allo Bank, into which PFI Mega is embedding several basic insurance protection products, so for example, if somebody is taking out a loan and wants cover, or if they want travel, accident and health coverage through what are simpler types of policies that can be embedded into the user journey, and that offer them additional choice. “I would explain this as insurance-as-a-service,” he said.

His final comment was on financial literacy and the importance of providers such as PFI Mega working hard to educate the market. “This is a shared responsibility between all the players, not only insurance or banking or payment fintechs, but the regulator as well; it has to be a collective work,” he stated. “As providers, we need to work very hard on simplifying our product proposition and improving user journeys and the overall experience.” ■