

Steering a strategic path in Asian insurance

Kevin Angelini of Willis Towers Watson is looking to tap more closely into the transformation taking place across the Asia region as insurance companies jostle for market positioning.



KEVIN ANGELINI
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THE INSURANCE INDUSTRY IN ASIA is continually evolving, with both big and small players evaluating their propositions and buying, selling or adapting via digital transformations.

“The last decade has seen global companies expanding their reach and making their Asian businesses more prominent,” explains Kevin Angelini, Head of Strategy for Willis Towers Watson’s Insurance Consulting and Technology business in Asia Pacific.

This has led to what he describes as a lot of ‘flag planting’ and the arrival of new market entrants in the past decade. The challenge now, he observes, is how to make those investments meaningful, and take the businesses to the next level.

“Insurance Groups will focus on their existing operations which have the greatest chance in reaching scale,” he explains, “and they will start to focus, prioritise and rationalise more, based on the areas which are important to them and optimise their regional footprint.” This is against the backdrop of various factors impacting the sector: a long-term low interest rate environment; changing business and risk management processes; uncertainty from regulatory change; and digital transformation.

STRATEGIC GUIDANCE

Angelini is an interested observer because his strategic expertise and the broad capabilities of the Insurance

Consulting and Technology business intertwines with all acquisitions, disposals and strategic realignments happening within the insurance sector. In short, they consult to insurance companies and their agencies addressing both enterprise-wide and functional insurance challenges, whether companies are looking to fix, grow or transform a business.

Beyond what you may assume as the core business of risk capital and pricing advisory to insurance companies, Willis Towers Watson's insurance consulting and technology experts bring fresh thinking, insight and perspective on big industry trends; and stand ready to help insurance companies innovate and transform their business models and craft winning strategies - beyond just valuation.

For Angelini, he drives clients to become more agile and efficient, as well as identifying areas for business profitability. Key areas include opportunity assessment, competitive landscape and benchmarking, new geography and product line strategy, and M&A target screening, selection and execution.

"My role is to spearhead the Strategy Practice within Insurance Consulting & Technology, working with all of our Asia Pacific offices (at present nine territories, soon to be ten) in delivering innovative solutions to our clients, helping them transform their business," explains Angelini. This is in response to moves by multi-national and regional players who are reviewing their portfolio strategy. These strategic reviews involve looking at the three or four areas where insurers think they can get the best 'bang for their buck' in order to make a difference to their businesses. Willis Towers Watson are seeing major focus in the areas of InsurTech, operational efficiencies, customer centricity and distribution.

This is where Angelini believes Willis Towers Watson will make an impact, and where he is well-placed to lead a comprehensive offering. Before taking up his current mandate in early 2017, he was Head of Strategy and Business Development at Generali Asia, where he helped to create the region's Strategy and M&A division from scratch.

DISTRIBUTION PRIORITIES

Currently, an important decision influencing the strategy of a number of insurance companies relates to how they adapt and evolve their distribution.

While some companies retain big agency forces, others, such as Aviva (at least in Hong Kong), are looking to deepen and broaden their digital footprint. Indeed, every insurer has a digital ambition of some sort, typically influenced by the extent of their legacy channels.

"For companies with very entrenched channels, their take on digital could be very different from a firm like Aviva's," says Angelini.

He sees many life companies now using digital more broadly, as a way to increase the frequency of their customer interactions. "In the past, life companies had very infrequent touch points with their customer base, so digital is a way for them to increase engagement and deliver targeted services, more often," he explains.

This is evident via recent innovations such as UBI and wearable devices linked to wellness programmes. Priorities also vary depending on where an insurance company is headquartered.

Chinese firms, for instance, are using online and mobile distribution as a common channel and mode of engagement, by contrast, the European multinational groups look to use digital as a way to promote customer centricity, with a focus on existing customers, not so much acquiring new ones.

In other markets, Angelini says he is seeing outbound channels becoming smarter. "The way many insurers use digital is to data-mine, segmenting buyers and claims to improve efficiency. I think digital will impact all parts of the value chain, not only sales."

Ultimately, effectiveness of distribution is a more important priority for insurers than ever before - rather than building new distribution channels. This means optimising efforts that companies are putting into distribution channels, says Angelini. This is either through lead management or through conversion. ■

