



The new reality for insurance

Webcast

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How COVID-19 impacts the Insurance market

KPMG's Four-Phased Framework

to help insurers anticipate, adapt to, and manage risks during the crisis and move toward the New Reality



REACTION
(< 3 months)



RESILIENCE
(3 – 6 months)



RECOVERY
(Beyond 6 months)



NEW REALITY
(Into the Future)









How COVID-19 has made significant changes in CEO's priorities

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10 Priorities for Financial Services leaders in the new reality

Based on research done by KPMG Australia team covering more than 50 executive teams, over 250 individuals, we found 10 common areas of priority that leadership teams are focusing on to thrive in the new reality.

	Anticipating customer behavior change		Refocus transformation programs around critical processes
	Transform portfolio for growth		Embed resilience in technology infrastructure
	Support customers through uncertainty		Meet credit, control, risk and regulatory demands
	Simplify to lower cost		Embrace the evolution of work and workplace
	Accelerate digital solutions		Strengthen leadership and culture

Source: KPMG - 10 priorities for financial services leaders in the new reality



Possible actions for insurers to do now/in the future related to solvency, capital and investments

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Lower return challenges insurers, despite they are now in the strong capital position

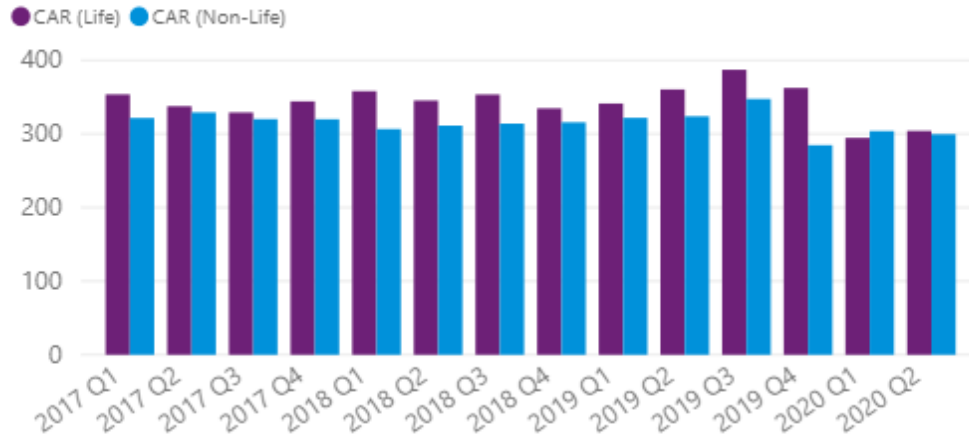


The Thai insurance industry remains well capitalized as a whole, having observed impacts from the pandemic.



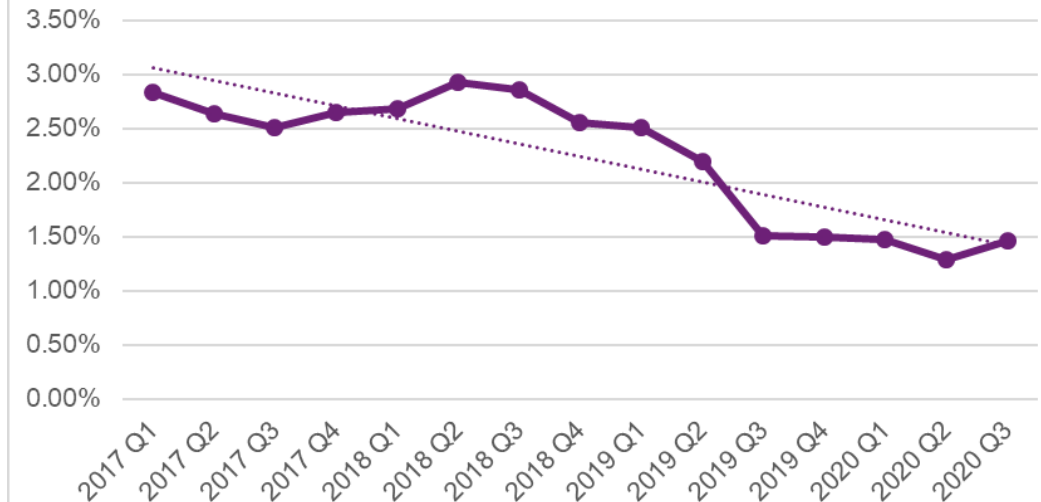
Insurers need to assess investment strategies under challenging yield environment and shifting views of economic recovery patterns.

Thailand insurance industry CAR over time



Source: OIC

Thailand zero coupon bond 10-year spot rates over time



Source: ThaiBMA



Strategies for revenue recovery in response to changing in customer behavior (personalization)

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Insurers can gain advantage from the unexpected events if they are future-ready

8.5 M

*of COVID-19 insurance sold
within 2 months via online only*



Hit new record of policy sold in Thailand



COVID-19 helps stimulate insurance business in both short-term and long-term



Revenue/premium received when spending has stalled



Mass awareness of health protection, potentially expanding opportunity for insurers in the future



Change customer habits to be familiar with digital channel for insurance

Source: OIC

Understanding the customer's specific needs and providing experiences tailored to circumstances are key success factors for insurers in the new reality

3 *Customer behavioral changes*



Shifting spending from non-essential to essential products with economic value



Digitally savvy customers expects the ease of interactions with the brands they have to deal with



Trust is one of the key purchase factors where it is becoming more complex to build

Source: KPMG – Customer and the new reality

6 *Pillars to build customer experience*



Personalisation

Using individualised attention to drive an emotional connection.



Time and Effort

Minimising customer effort and creating frictionless processes.



Expectations

Managing, meeting and exceeding customer expectations.



Integrity

Being trustworthy and engendering trust.



Resolution

Turning a poor experience into a great one.



Empathy

Achieving an understanding of the customer's circumstances to drive deep rapport.

Source: KPMG – Customer experience in the new reality

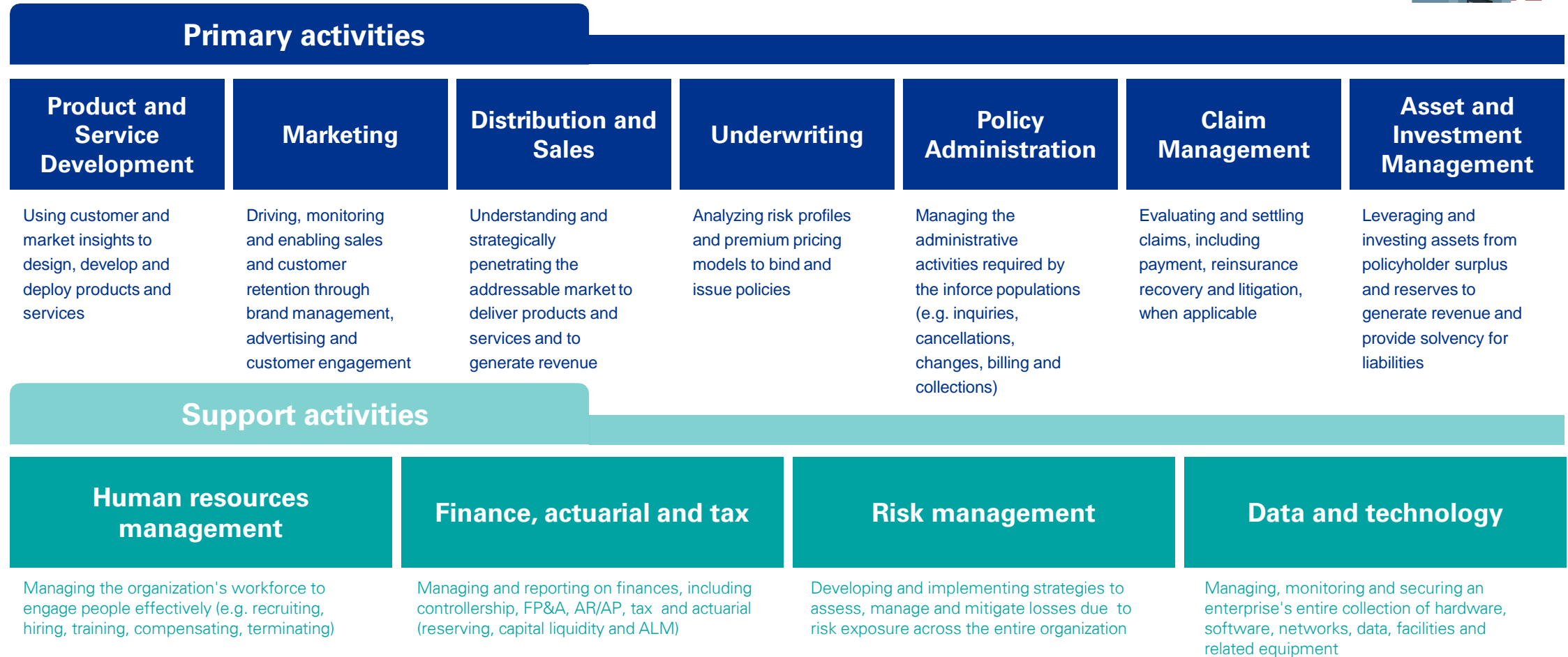


Anticipating shifts in operating model with acceleration of digital in the new reality

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Insurers must connect the entire value chain across front, middle, and back offices to thrive in the new reality



Source: KPMG – New Reality for Insurance (Insurance Value Chain: Commercial Insurance)




Importance of rethinking the future of insurance workforce (nimble) and talent acquisition

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The new reality brings a new wave of workforce considerations, driven by future ways of working.

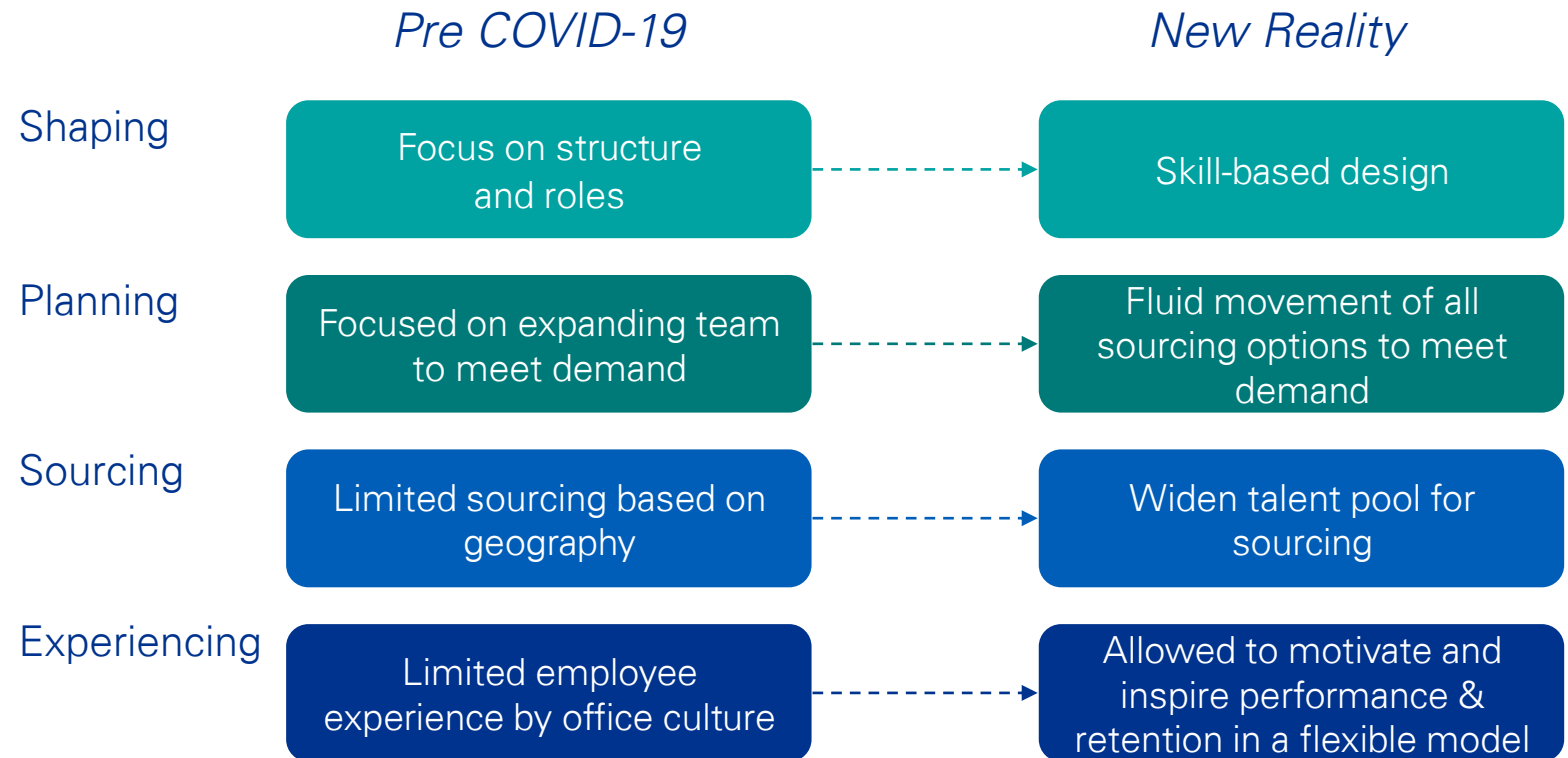
Our Observation during COVID-19

 Rapid and large-scale shift toward remote working

 Technology and infrastructure are in place

 Surge in virtual communication platform in the market

The Changes of Workforce Management



Source: KPMG – Ways of working

Source: KPMG – COVID-19: Reality of work and the virtual workforce



Future Focus for Insurers

KPMG in Thailand
26 November 2020



6 Future Focus for the insurance business in the new reality

**Business Continuity
and Resilience**

Workforce Safety Net

**Delivering Customer
Expectation &
Experience**

**Future Growth/
New Business Creation**

**Digital Acceleration
across the value chain**

**Remote Working &
Workforce Management**

Q & A



Thank you for joining the event.



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