

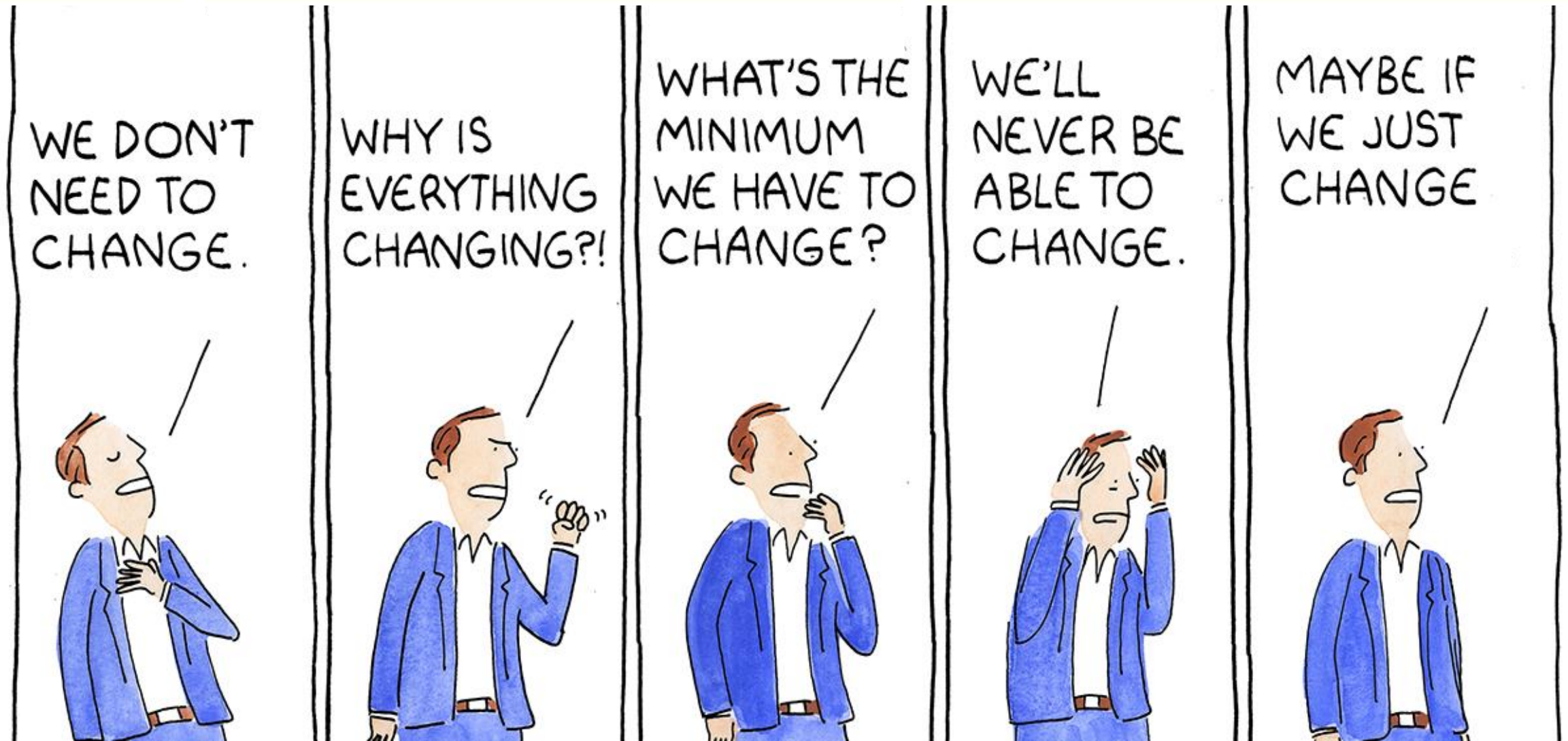
Default to Digital

Morgan Stanley Investor Summit | June 10, 2020

Vibha Padalkar, MD & CEO, HDFC Life



“Changing is what people do when they have no options left” -
Holly Black



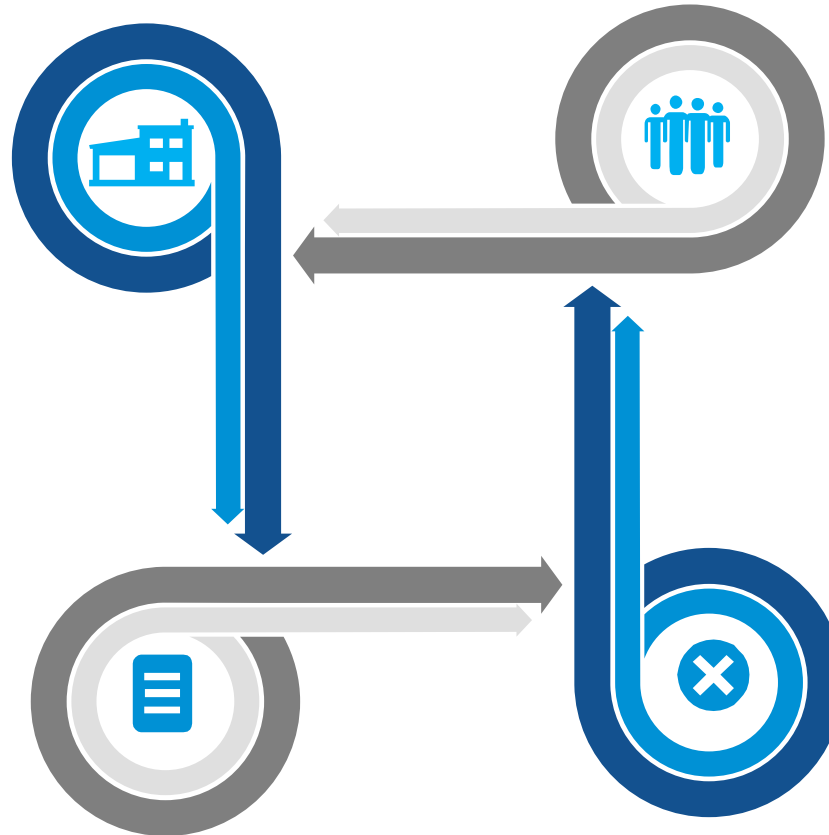
Covid-19 has been a disruption that has challenged the status quo of insurance business practices in India

1. Dependence on 'physical infrastructure' for:

- Customer sales / servicing touch-points (e.g., branch)
- Daily business operations
- Trainings / engagement activities

3. Use of 'physical documents' for:

- New business - customer authentication & consent, policy document etc.
- Servicing – policy transactions, payouts & claims



2. Default to 'face-to-face interactions' for:

- New business sales
- Customer servicing
- Internal meetings, reviews, cross departmental collaboration etc.

4. Continuing to let insurance be 'complex' across:

- Pitch – need for insurance
- Product – features, benefits, pricing
- Process – policy purchase, servicing transactions etc.

This disruption is also bringing about long-lasting shifts in consumer / distributor behaviour, towards a 'new normal'



Customer 'digital maturity' seeing a step change

[40% increase in time spent on news and social networking apps¹]



'Complex decisions' getting procrastinated

[Move to digital necessitating insurance simplification]



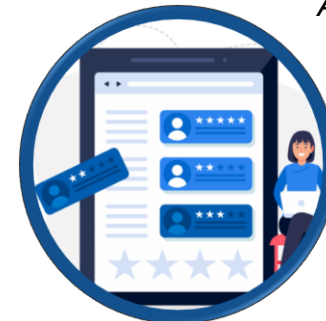
Customers expecting 'convenience & customization'

[Use of partner integration, AI / ML & Analytics to improve customer experience]



Customers preferring 'digital' over 'physical'

[60% indicate online as preferred medium for buying insurance in next 6M; 100% increase in term insurance Google searches compared to pre Covid²]



Distributors demanding 'digital enablement'

[Over 50% agents have already started using digital applications and portals³]

1. Nielson research
2. BCG survey: 60% indicates % among digitally mature survey respondents
3. BCG survey: 50% indicates % of agents who responded to the survey

At HDFC Life, we have sustained our focus on digital transformation, starting way back in 2013...

Differentiators

- Scalability
- Optimized processes

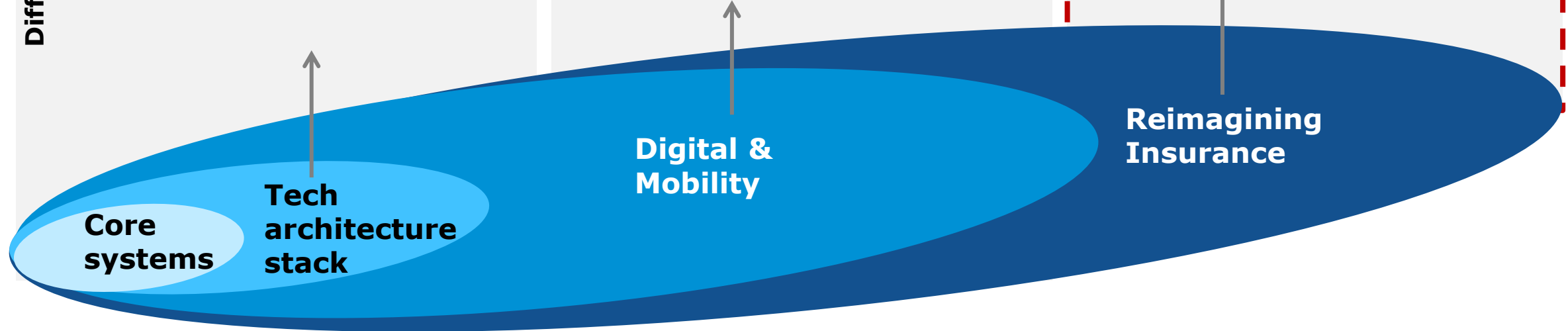
- Segregation b/w Systems of Records and Systems of Engagement
- Improved CRM platform
- Enhanced security

- Ownership of e-product space
- Empowered sales force
- Paperless issuance

- Technology: from back office function to arrowhead
- Digital source data
- Mobile enabled end-to-end journeys

- Plug & play partner integration
- Platforms and ecosystems

- Data lake
- Alternative data sources
- Nudge & recommendation engines



2013- 2015

2015- 2017

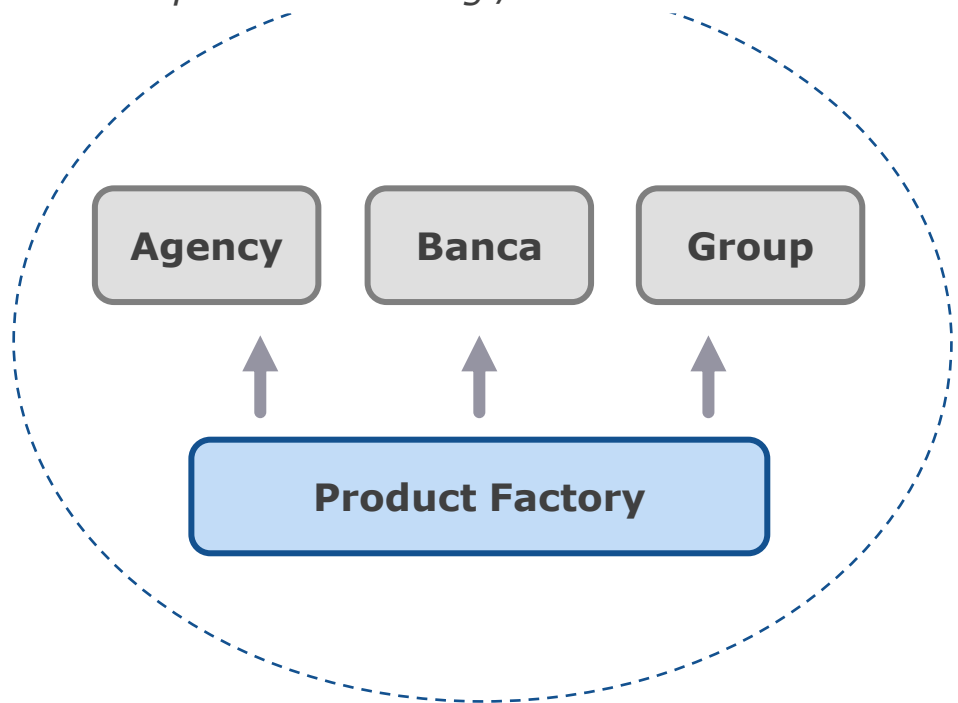
2018 onwards

Disruption journey continues

Over the course of time, we had reimagined our operating model from being product centric to being customer centric...

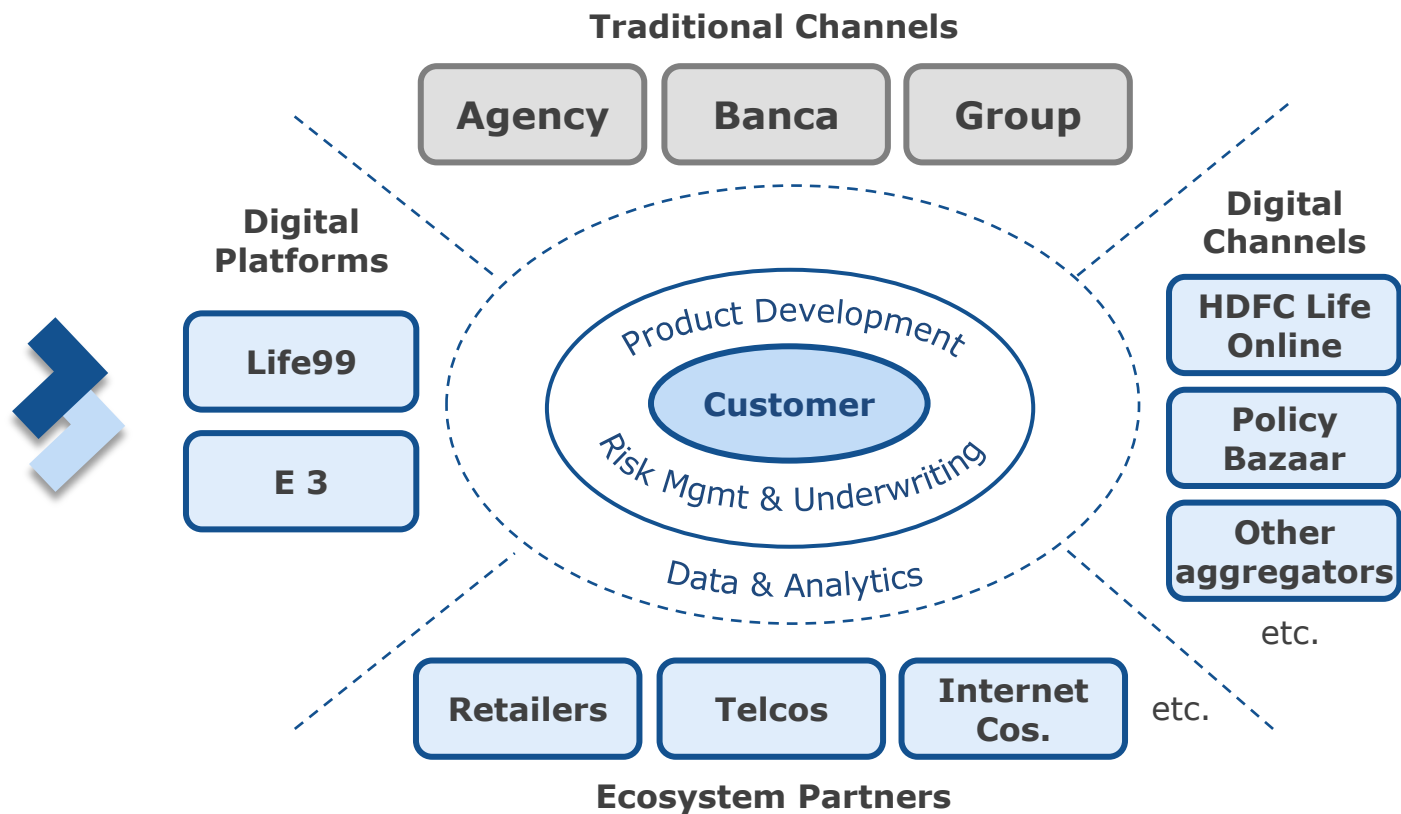
From the Traditional Insurer...

Top Line Marketing / Product Driven

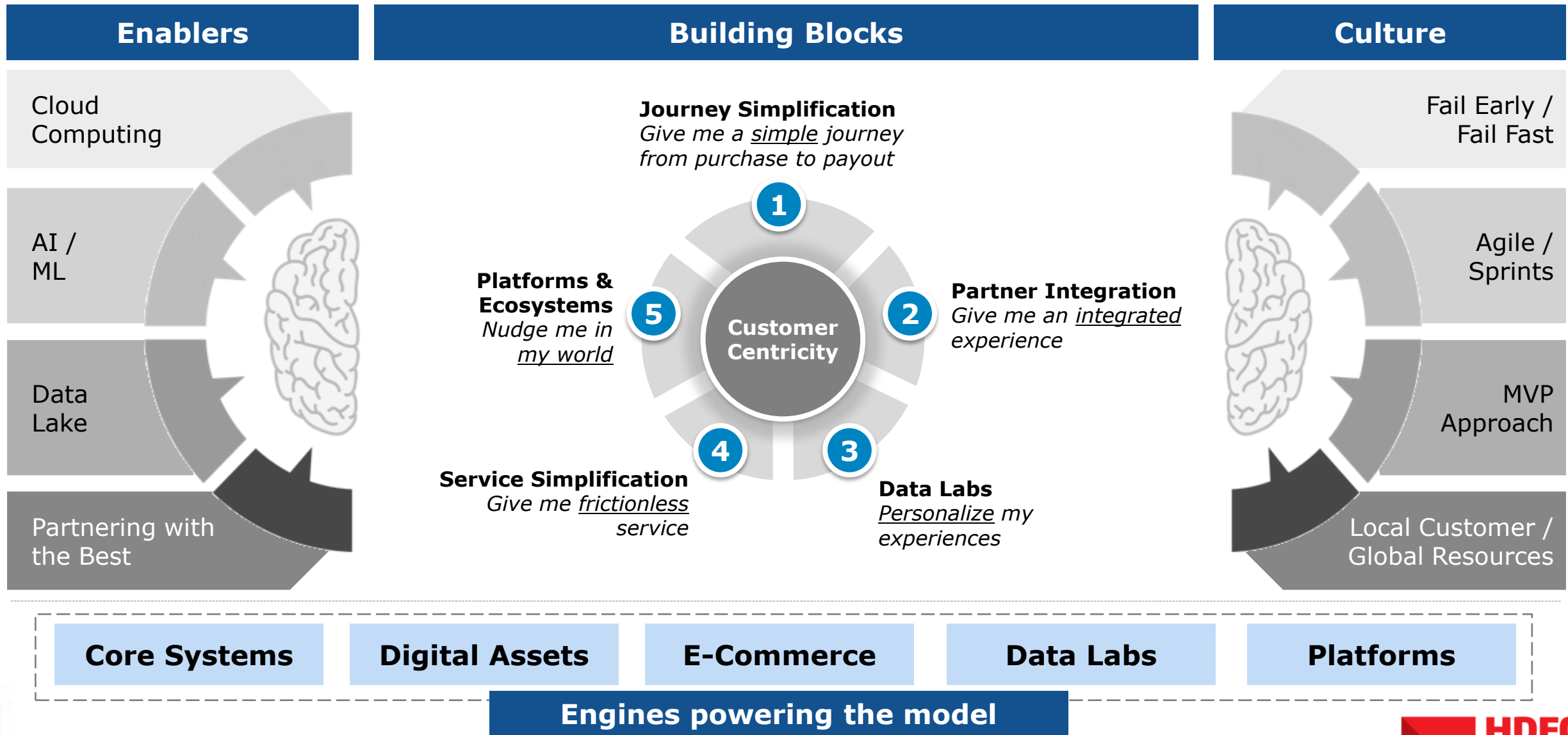


...to the Insurer of the Future

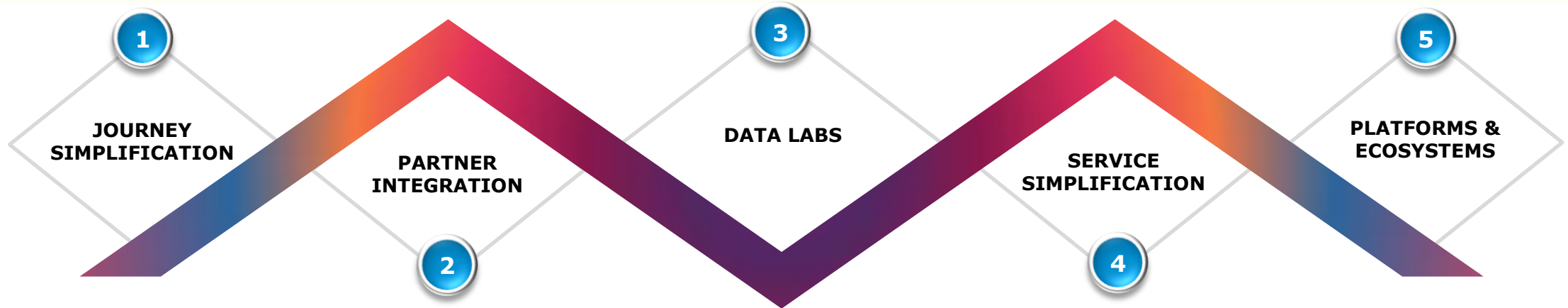
Segmented Marketing / Customer Driven











...and created multiple cognitive engines to serve the reimagined operating model



Cognitive engines rapidly developed a suite of products & micro services to solve customer's sales & service needs



InstaQuote	INSTAInsure REC	DATALAKE Tea₹n	Insta Serv 2.0 InstA	E3
Insta Verify Insta mSD	LifeNEXT widget	AgeTymer Facesense	InstaReceipt NUCLEUS <small>Customer 360</small>	Life99
Insta GO Insta Mix Insta FR	NE <small>nudge engine</small> HelloSelfie	DEDUP3 SVAR	InstaRevival	 Email bot SPOK
U/W Engine	CREDITMART	 Emolyzer  Sentilyzer	 Chat bot ELLE	 Twitter bot NEO
 HDFC Life Mobile App		Bodmeter True Cue	 Whatsapp bot	 Super BOT <small>ONE BOT TO TRACK ALL</small>
		PicReader	LifeEasy LifeCertificate	

We are now 'defaulting to digital' in both our business and operating model

Parts of 'existing business' converted to 'digital'

Acceleration of digital sales



- Growing traffic to digital assets
- Reinventing sales journeys
- 'Simplification' lens to journey design

'End to end' digital enablement



- Digital prospecting, login & conversion
- Upskilling sales force for 'virtual sales'
- Digital servicing

Innovation & process digitization



- Seamless issuance (tele-medicals, pre-underwritten products)
- Alternatives to physical docs / consent

'Virtual / WFH operations'



- Infrastructure enablement
- Collaboration tools

Levers for being 'born digital'

Business models that create and act on **dynamic, personalized** customer **insights** (data-driven)

Products / journeys that are **simple** and easily **scalable** across channels, partners & technology interfaces

Multi-company / hybrid ecosystems & platforms (build, manage or collaborate)

Tech architecture for business of the future (**Cloud** native, **micro-service** based, modular design)

Innovation & experimentation across the organization (transcending hierarchy and departments)

Standards reset for the digital world (e.g., data governance / security, TATs, **parameters to measure impact** etc.)

One example of such a 'default to digital' model is WISE, an industry-first video based sales enablement tool



Zero setup for customer



Voice & Video with multiple modes



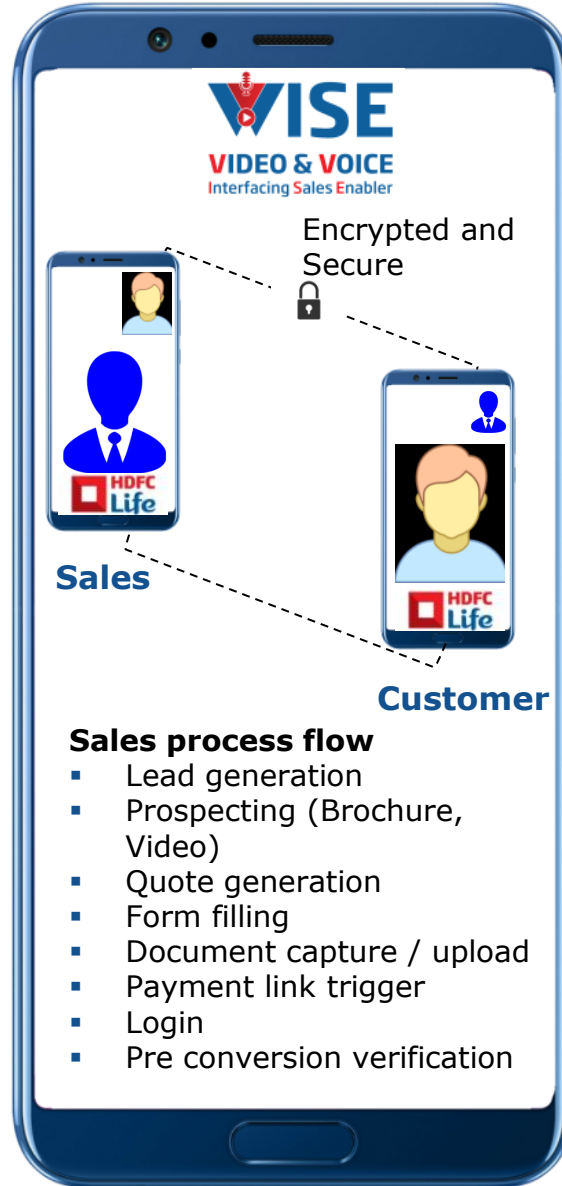
Screen share to display content



Device agnostic (Mobile / Tablet / Desktop / Laptop)



Enables **Tri-Party** connect



Lead tracking and functional dashboard



Storage on **Cloud**



Options for **masking** sections of the form



Document upload / Capture photo



Encrypted **recording**

We are cognizant of the implications of a 'default to digital model' and are well poised to reset to the 'new normal', as Covid recedes



**“I want you to find a bold and innovative way
to do everything exactly the same way
it’s been done for 25 years!”**

Thank You