Five years down the line…

Who led the digital transformation at your company?

A) Company  
B) Customer  
C) COVID-19
The Pre COVID World was changing at a pace... An Internet minute in 2019

There was a shift in the way services were delivered and measured...
Enabled by new wave of digital disruptive technologies

Students preparing themselves for jobs that don’t exist, using technologies that haven’t been invented in order to solve problems we don’t even know are problems yet
Sectors were getting disrupted by digital natives and platforms

<table>
<thead>
<tr>
<th>Year</th>
<th>Lending Marketplace</th>
<th>Consumer Lending</th>
<th>SME Lending</th>
<th>P2P Lending</th>
<th>Financial Inclusion</th>
<th>Neo Bank / Accounting</th>
<th>Neo-Entrants</th>
<th>B2C Payments</th>
<th>B2B Payments</th>
<th>Investment &amp; PFM</th>
<th>Insurance</th>
<th>Fintech Enablers</th>
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<tr>
<td>2012</td>
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Source: Fintech India by Digital Fifth
The disruptors had completely changed the customer experience expectation...

Journeys in Clicks vs. Days

Compare & Buy

Touch Offline & Buy Online

Blog & Reviews

Intuitive UI / UX

15-Day Return

Multichannel

Rent vs. Buy

Network Speed
We at HDFC Life were addressing this disruption by focusing on the customer
In that context HDFC Life changed its operating model...

From the Traditional Insurer...
Top Line Marketing / Product Driven

...to the Insurer of the Future
Segmented Marketing / Customer Driven

Agency  Banca  Group

Product Factory

Digital Platforms

Agency  Banca  Group

Traditional Channels

Digital Channels

Product Development
Risk Mgmt & Underwriting
Data & Analytics

Customer

Ecosystem Partners

Retailers  Telcos  Internet Cos.

E 3

Life99

HDFC Life Online
Policy Bazaar
Coverfox
etc.

etc.

...The operating model moved from product centric to being customer centric
...and created multiple cognitive engines to serve the operating model...

**Enablers**
- Cloud Infrastructure
- AI / ML
- Data Lake
- Partnering with the Best

**Building Blocks**
1. Journey Simplification
   - Give me a *simple* journey from purchase to payout
2. Partner Integration
   - Give me an *integrated* experience
3. Service Simplification
   - Give me *frictionless* service
4. Data Labs
   - *Personalize* my experiences
5. Platforms & Ecosystems
   - *Nudge* me in *my* world

**Culture**
- Fail Early / Fail Fast
- Agile / Sprints
- MVP Approach
- Local Customer / Global Resources

**Engines powering the new model**
- Core Systems
- Digital Assets
- E-Commerce
- Data Labs
- Platforms
...which were used to address the customer voice through 5 building blocks

1. Journey Simplification
2. Partner Integration
3. Service Simplification
4. Data Labs
5. Platforms & Ecosystems

- OLA
- Amazon Alexa
- Google
- Facebook
- Twitter
- Airtel PayTM
- Networked Customer
- HDFC Life
By rapidly developing products aligned to the building blocks of customer voice...

**JOURNEY SIMPLIFICATION**
- InstaQuote
- InstaVerify
- InstaMix
- InstaGQ
- HDFC Life Mobile App

**PARTNER INTEGRATION**
- InstaSure
- RECQ
- LifeNEXT
- widget
- NE
- nudge engine
- HelloSelfie
- HDFC Life Website

**SERVICE SIMPLIFICATION**
- InstaServ 2.0
- InstaRevival
- InstaReceipt
- Twitter bot NEO
- Whatsapp bot
- Chat bot ELLE
- HDFC Life Mobile App

**DATA LABS**
- InstA
- SVA
- Learn
- SentiLyzer
- Emolyzer
- Bodmeter
- PicReader

**PLATFORMS & ECOSYSTEMS**
- Life99
- LifeTymer
- FaceSense
- DEDUPE
- DATA LAKE
- True Cue
- HDFC Life Website
...and COVID-19 happened...causing fundamental changes in customer expectations

<table>
<thead>
<tr>
<th>Change in Consumer Behaviour</th>
<th>Impact on Us</th>
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<tbody>
<tr>
<td><strong>Reversal of Past Trends</strong></td>
<td>▪ New and renewal premium collection</td>
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<tr>
<td>▪ Shopping for utility</td>
<td>▪ Claims / maturity payouts</td>
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<tr>
<td>▪ Bringing outside – inside</td>
<td>▪ Demand for protection; lower appetite for ULIPs</td>
</tr>
<tr>
<td>▪ Trust brand more than price</td>
<td><strong>Acceleration of Existing Trends</strong></td>
</tr>
<tr>
<td>▪ Digital service experience</td>
<td>▪ Accelerated virtual connectivity, work from home</td>
</tr>
<tr>
<td>▪ Health and wellness</td>
<td>▪ Adoption of digital tools / platforms</td>
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<tr>
<td>▪ Rise of 'smart shopper' – high salience of digital research</td>
<td>▪ Online payment</td>
</tr>
<tr>
<td>▪ Remote Living</td>
<td>▪ Demand for critical illness, healthcare cover</td>
</tr>
<tr>
<td>▪ Do it Yourself – new hobbies and habits</td>
<td><strong>New Habits</strong></td>
</tr>
<tr>
<td>▪ Superior Hygiene</td>
<td>▪ Branch footfalls</td>
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<tr>
<td></td>
<td>▪ Awareness about protection gap, insurance needs</td>
</tr>
</tbody>
</table>

Source: Consumer behaviour insights based on BCG-Kantar-IMRB Survey Report, May 2020

- 79% Indians not going out except for essentials
- 63% Consumers prefer brand over price
- 51% Increase in payment via digital wallets
- 40% Increase in spend on health & wellness
- 60% Increase in Instagram live views
- 91% Indians washing hands more often

- 51% Increase in payment via digital wallets
- 40% Increase in spend on health & wellness
- 60% Increase in Instagram live views
- 91% Indians washing hands more often
In new reality, we continue to get closer to customer...while building a resilient environment.

1. **JOURNEY SIMPLIFICATION**
2. **PARTNER INTEGRATION**
3. **SERVICE SIMPLIFICATION**
4. **DATA LABS**
5. **PLATFORMS & ECOSYSTEMS**

- 6. **Enable a Hybrid Work from Home working environment**
- 7. **Create a digital scalable efficient Architecture**
- 8. **Strengthen Cyber Security capability for post-COVID world**
Journey Simplification: Simplifying buying through pre approved offer

- Intuitive UI/UX integrated in web and mobile
- Quick customer journey
- Relevant questions asked
- Analytics-based automated underwriting for PASA

UI: User Interface
UX: User Experience
PASA: Pre Approved Sum Assured
Journey Simplification: Hello Selfie, Buy insurance with a selfie

**Hello Selfie**
The easiest way to buy insurance is with a selfie

Get started by scanning this QR code

or simply visit [selfie.hdfclife.com](https://selfie.hdfclife.com)
Journey Simplification: Digital Journeys modified to adapt to COVID

- Prospecting
- Lead Creation & Fulfillment
- Form Filling & Online Payment
- e-Signature
- Upload Doc & FR Fulfillment
- Verification
- Post Sales

InstaMix (Prospect pitching tool)

InstaGO (Geo based lead management)

mSD (Customer Onboarding)

InstaFR (Upload Manager)

InstaVerify (Digital Verification)

m-HelpLine (App helpdesk)

Chat PCVC | Tele Medical
Journey Simplification: VVISE* – Industry-first video based sales enablement tool

Zero setup for customer

Voice & Video with multiple modes

Screen share to display content

Device agnostic

Enables Tri-Party connect

Lead tracking and functional dashboard

Storage on Cloud

Options to mask sections of the form

Document upload / Capture photo

Encrypted recording

Sales process flow:
- Lead generation
- Prospecting (Brochure, Video)
- Quote generation
- Form filling
- Document capture / upload
- Payment link trigger
- Case login
- Pre conversion verification

*To be launched soon.
Partner Integration: HDFC Bank, Paytm and Airtel

- **HDFC Bank**
  - 82% cases issued via STP
  - Policy issuance ~3.2 hours
  - Average form filling time ~10 min

- **Paytm**
  - Simplified journey in few clicks
  - 1.1mn+ policies sold since launch

- **Airtel**
  - Cover worth ₹4 lac from HDFC Life with Airtel’s new ₹279-prepaid bundle
  - Real-time issuance in <1 second

- **Life Next**
  - End to end portal for group partners to manage:
    - Onboarding, issuance
    - Payments
    - Underwriting assistance
    - Servicing, claims
    - Cross sell

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Service Simplification: Through 24X7 digital offerings

**WhatsApp Bot**
- ETTY
- NLP based platform with intent identification
- Handles 300+ different queries
- 14 service areas including premium statements, receipts

**Chat Bot**
- ELLE
- Handles 340+ common customer queries
- Used by over 4.75 lac customers

**Alexa Bot**
- ELSA
- Alexa-based voice assistant powered by NLP
- Handles 200+ queries
- Capable of managing entire onboarding on voice

**Email Bot**
- SPOK
- Handles common queries & queue management
- 28% emails are managed through SPOK
- Handles 90K+ requests in a year
Service Simplification: By frictionless digital applications

Customer App
- Self-service App
  - View policy details & perform service transactions
  - Premium Renewal: 10K+ policies per month
  - Fund Switch & Premium redirection: 2K+ policies per month

Life Easy
- 3-click claim process
  - Analytics driven investigation
  - Mobility enabled intimation
  - ~99% claims settled in a day

Life Certificate
- Video life certification
  - Industry first solution for annuity customers
  - Customer time required reduced to 120 seconds
  - 100% automated journey

Quick Register
- 3-click auto-debit
  - Register for auto pay in < 2 min
  - Paperless with zero mandate rejection
  - Multiple options to register – Net banking, Credit Card, Debit Card
Service Simplification: By modified branch experience

**InstaServ**
- Assisted policy servicing
  - 20k+ transactions processed every month
  - Reduced TAT to ~6 min from avg. 20 min
  - Increased CSAT score to 93%

**Cloud Telephony**
- Manage persistency calling
  - Android app for branch ops to manage persistency calling
  - Low cost model; reduces dependency on call centres
  - Data encryption enables customer data security

**Video – Service**
- Text / video messaging
  - Communication channel between sales teams / branch ops and customers
  - Secure channel for sharing sensitive information
  - Improves productivity of branch ops personnel

**RPA**
- Processes digitization
  - 200+ bots across 26 functions
  - ~ 4.5 lac+ transactions daily; 138 mn per year
  - Industry first – Super BOT

---

1. RPA: Robotic Process Automations
Data Labs: AI capabilities have to solve for gaps... at scale

<table>
<thead>
<tr>
<th><strong>AI / ML</strong></th>
<th><strong>Vision AI</strong></th>
<th><strong>Voice AI</strong></th>
<th><strong>Text AI</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risk+</strong></td>
<td><strong>Facesense</strong></td>
<td><strong>SVAR</strong></td>
<td><strong>InstaA</strong></td>
</tr>
</tbody>
</table>

**Predictive models for U/W**
- Advanced ML algorithms to automate underwriting
- **Leverages data** from multiple sources (e.g., credit history)
- Reduces the risk of early claims

**Face recognition technology**
- Used in branches, new business login & pre-conversion verification
- **92% accuracy**
- Other key solutions:
  - **AgeTymer** (Face ageing)
  - **PicReader** (Document OCR)
  - **Bodmeter** (Face BMI)

**Voice bot for CRM**
- Industry first; **14 language options**
- Manages calls end to end
- Other key solutions:
  - **True Cue** (Voice authenticator)
  - **Emolyzer** (Emotion analysis)

**Virtual assistant for sales force**
- **15 lac+** queries responded per month; **99%** accuracy
- **960+ queries; 1 lac+ intents**
- **22,000+ users**
- Other key solutions:
  - **Sentilyzer** (Email sentiment analyzer)
Platforms & Ecosystems: Independent buying and servicing

Life99: Our ecosystem for retirement and pension segment

- Buy insurance and voluntary covers
- View employee benefits
- Avail services on the go
- Retirement track readiness
- One-view of retirement corpus
- Annuity options for retirement
- Subscribe to NPS & save taxes

Delivered to customer
Continue on five pillars while building a resilience...

6. Workforce Resilience
- Virtual workspace
- Work from Anywhere
- Re-imagine process
- Digital re-skilling
- Morale & productivity

7. Architecture Resilience
- Cloud-based modular architecture
- Custom APIs for multiple modules
- Data lake for customer data
- Low code platforms for faster apps
- ON demand technologies

8. Cyber Resilience
- Zero Trust Security
- Enhance SOC
- Strict access controls in WFH
- Security compliant devices
- Face recognition

Enable a Hybrid Work from Home working environment
Create a digital scalable efficient Architecture
Strengthen Cyber Security capability for post-COVID world
Our efforts have resulted in improving lead metrics...

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<th>Journey Simplification</th>
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</thead>
<tbody>
<tr>
<td>&lt;4hr Overall TAT</td>
<td>&lt;2 min. PASA² issuance TAT</td>
<td>99.1% Claim settlement ratio</td>
<td>1.5M+ Monthly queries on InstA</td>
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<tr>
<td>&lt;3hr Auto-U/W TAT</td>
<td>&lt;1sec Airtel issuance TAT</td>
<td>~89% Electronic renewals³</td>
<td>~99% Claims settled in a day⁴</td>
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<tr>
<td>1.1M+ Lives insured through Paytm</td>
<td>~99% Service requests handled in &lt;8 hr.</td>
<td>95.6% Overall CSAT score</td>
<td>60% Infra on cloud</td>
<td>25+ Cloud native tech. products</td>
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<td>79 Overall CSAT score</td>
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<td>500 Corporates on Life99</td>
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<td>200+ Bots across 26 functions</td>
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<td>89% Online⁵ business CAGR⁶</td>
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1 As of FY20, unless otherwise specified
2 PASA: Pre-approved Sum Assured
3 Based on NOP
4 Retail non-investigative claims
5 Online includes EDM and HDFC Net Banking
6 CAGR – Last 3 FY
Adoption of digital channels during COVID has justified investment...

<table>
<thead>
<tr>
<th>Service</th>
<th>Pre- vs. Post-COVID Change(^1)</th>
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<tbody>
<tr>
<td>Branch Transactions</td>
<td>▼ 37%</td>
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<tr>
<td>Call Centre / Email</td>
<td>▲ 79%</td>
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<tr>
<td>Mobile App &amp; Web</td>
<td>▲ 100%</td>
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<td>Digital Service</td>
<td>▲ 138%</td>
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<tr>
<td>WhatsApp Bot</td>
<td>▲ 147%</td>
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\(^1\) June 2019 vs. June 2020
Thank You