The world was changing at an accelerated pace - An Internet minute in 2019

There was a shift in the way services were delivered and measured...

Source: Infographic created by Lori Lewis (@LoriLewis) and Chris Chadd (@OfficiallyChadd)
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 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>
</tr>
</thead>
<tbody>
<tr>
<td>2006-10</td>
<td>Deal4Loans.com</td>
<td>BankBazaar.com</td>
<td>Capital Float</td>
<td>NeoGrowth</td>
<td>i-Lend.in</td>
<td>Lendingkart</td>
<td>Lendinvest</td>
<td>Paytm</td>
<td>Freecharge</td>
<td>Pine Labs</td>
<td>Zerodha</td>
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<td>Pine Labs</td>
<td>Juspay</td>
<td>FundsinIndia</td>
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<td>Zest</td>
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<td>InCred</td>
<td>Kizaht</td>
<td>Lendingkart</td>
<td>Finly</td>
<td>Finlak</td>
<td>Amazon</td>
<td>Google</td>
<td>Ola</td>
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<td>Happy</td>
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<td>mahagnam</td>
<td>Instamojo</td>
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</table>

Source: Fintech India by Digital Fifth
...being unbundled and disrupted by new entrants

Source: CB Insights Report on Disrupting Banking: The Fintech Startups That Are Unbundling Wells Fargo, Citi and Bank of America
...and these new entrants are working across the value chain
...changing the customer experience expectation

- Journeys in Clicks vs. Days
- Blog & Reviews
- Compare and buy
- Idiot Proof UI / UX
- Touch Offline & Buy Online
- Multichannel
- 15-day return
- Network speed
- Rent vs. buy
So, what have we been doing at HDFC Life?
In the context of the new world HDFC Life changed its operating model...

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

Agency | Banca | Group

Product Factory

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

Agency | Banca | Group

Digital Platforms

Life99 | E3

Product Development
Risk Mgmt & Underwriting

Data & Analytics

Retailers | Telcos | Internet cos.

Ecosystem partners

Digital Channels

HDFC Life online
Policy Bazaar
Coverfox

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

**Enabler**
- Cloud
- 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. Platforms & Ecosystems
   - Nudge me in my world
5. Data Labs
   - Personalize my experiences

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

**Engines power the new model**
- Core systems
- Digital assets
- E-commerce
- Data Labs
- Platforms
Cognitive engines rapidly developed a suite of products and microservices.
aligned to make life simple for the customer .....in a resilient environment

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

- Create a digital scalable efficient Architecture
- Enable a Hybrid Work from Home working environment
- Strengthen Cyber Security capability for post-COVID world
- Connect with Startups thru Future
1 Journey Simplification - Digital journeys modified to adapt to COVID
Journey Simplification - Short Journeys for specific requirements

Voice Journey

POSP Journey

LifeEasy – Protection Journey

InstaSIP – ULIP Journey
1 Journey Simplification - Simplifying buying through pre-approved offer

Quick customer journey

Analytics-based automated underwriting for PASA

Intuitive UI/UX integrated in web and mobile

Relevant questions asked

UI : User Interface
UX : User Experience
PASA : Pre Approved Sum Assured
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

A selfie to safeguard your family’s financial well-being

Take Selfie

Please ensure adequate light, visible ears and no spectacles.

Your selfie will be used to provide a life insurance premium estimate based on an estimate of your age and gender. By clicking “Upload Picture” you confirm that you are 18 years of age or older and agree to the Privacy Policy.
Journey Simplification - VVISE - Industry first – video sales platform

Zero setup for customer

Voice & Video

Screen share

Device agnostic

Tri-Party connect

Lead dashboard

Storage on Cloud

Options to mask

Doc 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

Encrypted and Secure

To be launched soon.
Deep integration enabling auto-populating multiple data
Present on HDFC Bank’s Mobile & WhatsApp banking platforms
Policy issuance in ~3 hours

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

Cover from HDFC Life with Airtel’s new ₹279-prepaid bundle
Real-time issuance in seconds

End to end portal for group partners to manage:
- Onboarding, issuance
- Payments
- Underwriting assistance
- Servicing, claims
- Cross sell
<table>
<thead>
<tr>
<th>Service Simplification - Through 24*7 digital offerings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WhatsApp Bot</strong></td>
</tr>
<tr>
<td>- NLP-based platform with intent identification</td>
</tr>
<tr>
<td>- Handles 650+ different queries</td>
</tr>
<tr>
<td>- Managed 27 lakh interactions with an accuracy of ~96%</td>
</tr>
<tr>
<td><strong>Chat Bot</strong></td>
</tr>
<tr>
<td>- Handles 650+ common customer queries</td>
</tr>
<tr>
<td>- Managed 7.4 lakh interactions with accuracy of &gt;98%</td>
</tr>
<tr>
<td><strong>Alexa Bot</strong></td>
</tr>
<tr>
<td>- Alexa-based voice assistant powered by NLP</td>
</tr>
<tr>
<td>- Handles 200+ different queries and 35+ web services</td>
</tr>
<tr>
<td>- Capable of managing entire onboarding on voice</td>
</tr>
<tr>
<td><strong>Email Bot</strong></td>
</tr>
<tr>
<td>- Handles common queries &amp; queue management</td>
</tr>
<tr>
<td>- 45% emails are managed through SPOK</td>
</tr>
<tr>
<td>- Handled over 3 lakh requests this year</td>
</tr>
</tbody>
</table>

**Avataar | Google Assistant | Facebook Bot | Twitter Bot**
## Service Simplification: Instant branch experience

<table>
<thead>
<tr>
<th><strong>Insta Serv</strong></th>
<th><strong>Insta Receipt</strong></th>
<th><strong>Insta Revive</strong></th>
<th><strong>Life Easy</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Assisted policy servicing</td>
<td>Instant receipting of application</td>
<td>Instant revival of lapsed policy</td>
<td>3-click claim process</td>
</tr>
<tr>
<td>▪ 25k+ transactions processed every month</td>
<td>▪ OCR based receipting</td>
<td>▪ 96% STP processing</td>
<td>▪ Analytics driven investigation</td>
</tr>
<tr>
<td>▪ Reduced TAT to ~6 min from avg. 20 min</td>
<td>▪ 30 second data entry</td>
<td>▪ Less than a minute processing</td>
<td>▪ Mobility enabled intimation</td>
</tr>
<tr>
<td>▪ Increased CSAT score to &gt;90%</td>
<td>▪ 8% TAT reduction</td>
<td>▪ 100% accuracy</td>
<td>▪ ~99% claims settled in a day</td>
</tr>
</tbody>
</table>
Service Simplification - By frictionless digital applications

Customer App
- Self-service App
  - View policy details & perform service transactions
  - Premium Renewal: 17K+ policies per month
  - Fund Switch & Premium redirection: 2K+ policies per month

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

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 / OCR / Cloud Telephony
AI / ML

Risk+

Deep Learning models
- Advanced ML algorithms to automate underwriting
- Leverages data from multiple sources (e.g., credit history)
- Reduces the risk of early claims

Vision AI

Facesense

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

Voice AI

SVAR

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

Text AI

InstA

Virtual assistant for sales force
- 16 lac+ queries responded per month; 99% accuracy
- 1400+ queries; 1 lac+ intents
- 21,000+ users (across sales channels, partners, call center and branches for retail and group business)

Cloud / Data lake / Lead Lake / Data Catalogue
Platforms – One stop Retirement shop ... Independent buying and servicing

National Pension System
- Subscribe
- View corpus
- Product features
- Calculator
- Buy Annuity

Gratuity and Superannuation
- View corpus & statement
- Product features
- Buy Annuity

Employee Provident Fund
- View corpus
- Product features
- Premature withdrawal

Public Provident Fund
- View corpus
- Product features

Life Insurance/GTI
- View corpus
- Subscribe
- Product features

Annuity
- View policy and statement
- Subscribe
- Product features
- Calculator

Consolidate Portfolio View
- Fund performance
- Transaction details
- Returns

Simulation
- Retirement calculator
- Simulation
- Product comparison

Tax Services
- File tax online
- Tax advisory

Third-Party Financial Services
- Mutual fund
- PPF
- Inheritance services

Health and Wellness
- Health score
- Online pharmacy
- Consult a doctor online
- AgeTymer

Knowledge
- Webinars
- Articles
- Videos
- Infographics
- News

Advisory
- Retirement advisor
- Email
- Call center

Retiree Corner
- Policy views
- Video Life certificate
- Schemes and information
- Additional source of income
- 3rd-party services
Futurance Partnerships
Continue on simplification pillars while building resilience...

**7. Architecture Resilience**
- Modular architecture
- Custom APIs
- Data Lake
- Low Code Platforms
- ON Demand Tech

Create a digital scalable efficient Architecture

**8. Workforce Resilience**
- Virtual Workspace
- Work from Anywhere
- Re-imagine Process
- Digital Re-skilling
- Morale & Productivity

Enable a Hybrid Work from Home working environment

**9. Cyber Resilience**
- Zero Trust
- Enhance SOC
- Access Controls
- Secure Devices
- Face Recognition

Strengthen Cyber Security capability for post-COVID world
Our efforts have resulted in improving lead metrics...

- Journey Simplification:
  - <4hr Overall TAT
  - <3hr Auto-U/W TAT

- Partner Integration:
  - <2 min. PASA² issuance TAT
  - <1sec Airtel issuance TAT

- Service Simplification:
  - 99.1% Claim settlement ratio
  - 1.6M+ Monthly queries on InstA
  - ~88% Electronic renewals³
  - ~99% Claims settled in a day⁴
  - ~90% of chats are self-serve via chat-bot
  - 79 Overall CSAT score

- Data Labs:
  - 60% Infra on cloud
  - ~90% of chats are self-serve via chat-bot
  - 250+ Bots across 26 functions

- Platforms & Ecosystems:
  - 800+ Corporates on Life99
  - 87% Online⁵ business CAGR⁶

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>Traditional</th>
<th>Digital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch Transactions</td>
<td>Digital Service</td>
</tr>
<tr>
<td>Call Centre / Email</td>
<td>WhatsApp Bot</td>
</tr>
</tbody>
</table>

### Pre- vs. Post-COVID Change

- **Branch Transactions**: ▼ 0.8x
- **Call Centre / Email**: ▲ 2.2x
- **Mobile App & Web**: ▲ 1.7x
- **Digital Service**: ▲ 2.2x
- **WhatsApp Bot**: ▲ 3.0x

1. Q2 FY21 vs. Q2 FY20
Thank you