Default to Digital

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“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

2. Default to ‘face-to-face interactions’ for:
   - New business sales
   - Customer servicing
   - Internal meetings, reviews, cross departmental collaboration etc.

3. Use of ‘physical documents’ for:
   - New business - customer authentication & consent, policy document etc.
   - Servicing – policy transactions, payouts & claims

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...

Benefits
- 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
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Differentiators
- Core systems
- Tech architecture stack
- Digital & Mobility
- Reimagining Insurance

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

- Agency
- Banca
- Group
- Product Factory

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

Traditional Channels
- Agency
- Banca
- Group

Digital Platforms
- Life99
- E 3

Product Development
- Risk Mgmt & Underwriting

Data & Analytics

Ecosystem Partners
- Retailers
- Telcos
- Internet Cos.
- Clicks
- Policy Bazaar
- Other aggregators
- etc.
...and created multiple cognitive engines to serve the reimagined operating model

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

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

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

Core Systems
Digital Assets
E-Commerce
Data Labs
Platforms

Engines powering the model
Cognitive engines rapidly developed a suite of products & microservices to solve customer’s sales & service needs.
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.)

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**HDFC Life**
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**

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

- **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!”

[Cartoon Image]
Thank You