
New business models

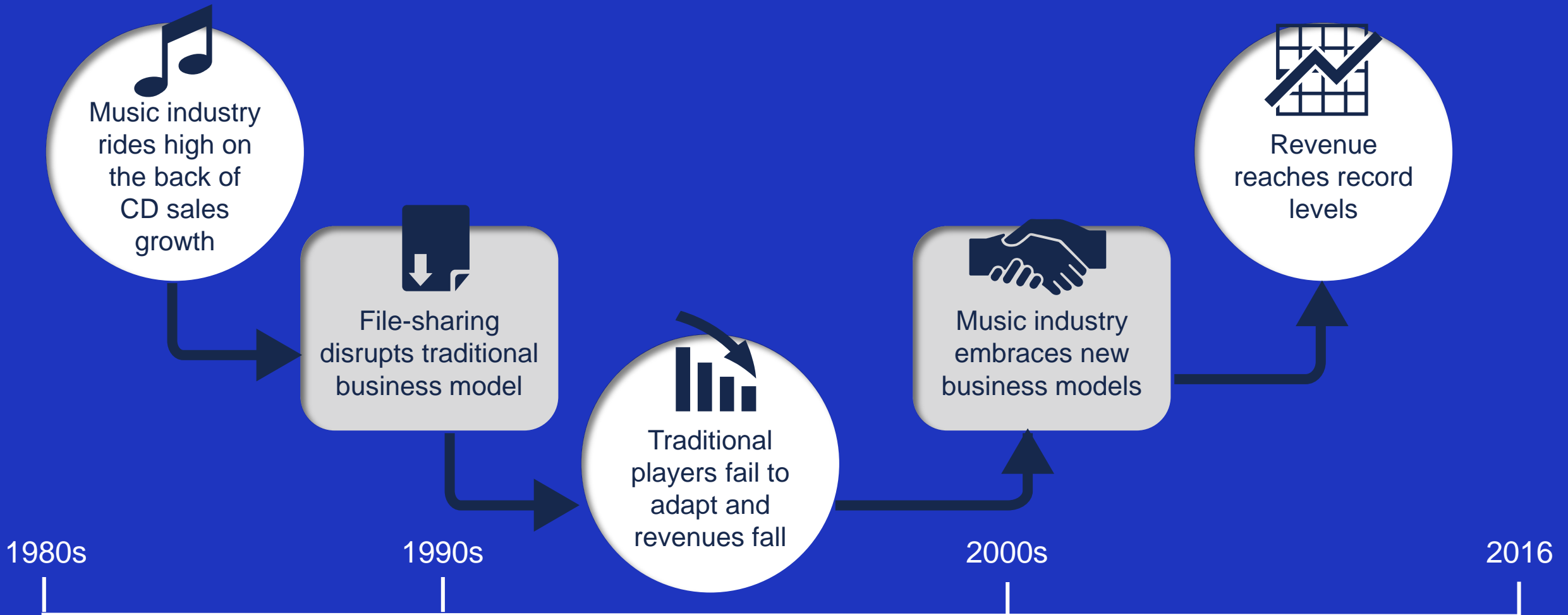
Making insurance fit for the future

Vincent Vandendael

Chief Commercial Officer, Lloyd's

DWIC, 27 February 2018

How the music industry nearly failed



Key challenges facing insurers

01

Data

- Lower premiums – how will insurers make money?
- Premiums linked to real-world performance

02

Data analytics

- Creating new products and new business models
- Need for better models

03

Capital

- Today: insurance linked securities – what next?

04

Distribution

- Customer expectation

We are adopting new technology



Blockchain

- Quicker transaction processing
- Lower transaction and admin costs
- Increased transparency of transactions
- Improved data security



Drones

- Increased speed of claims assessments
- Reduced fraud
- Assess underlying assets for underwriting. quickly and effectively



Augmented/virtual reality

- Engage customers by illustrating tailored need for insurance
- Inspect underlying assets remotely
- Inspect damage remotely
- Train employees

Our future depends on a new way of thinking

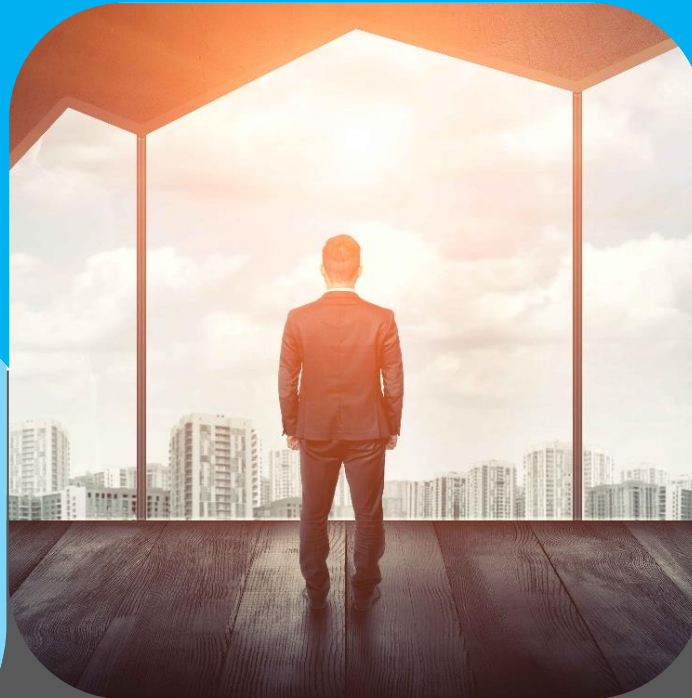
Insurers need to become...

Platforms

A business model that allows multiple partners to connect with it - e.g. Amazon, Facebook



amazon.com[®]

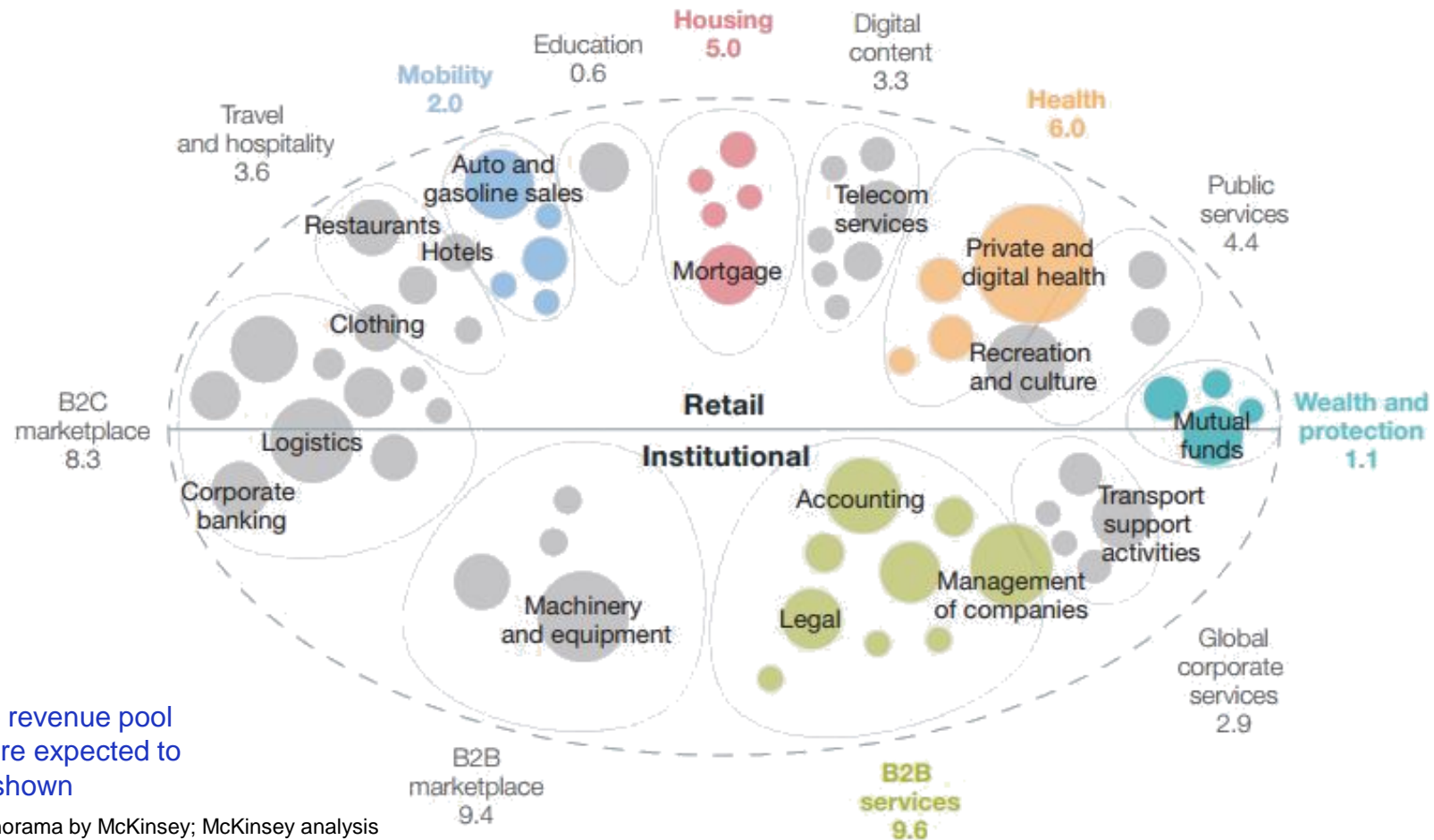


Ecosystems

An interconnected set of services that allows users to fulfil a range of needs in one integrated experience - e.g. Apple

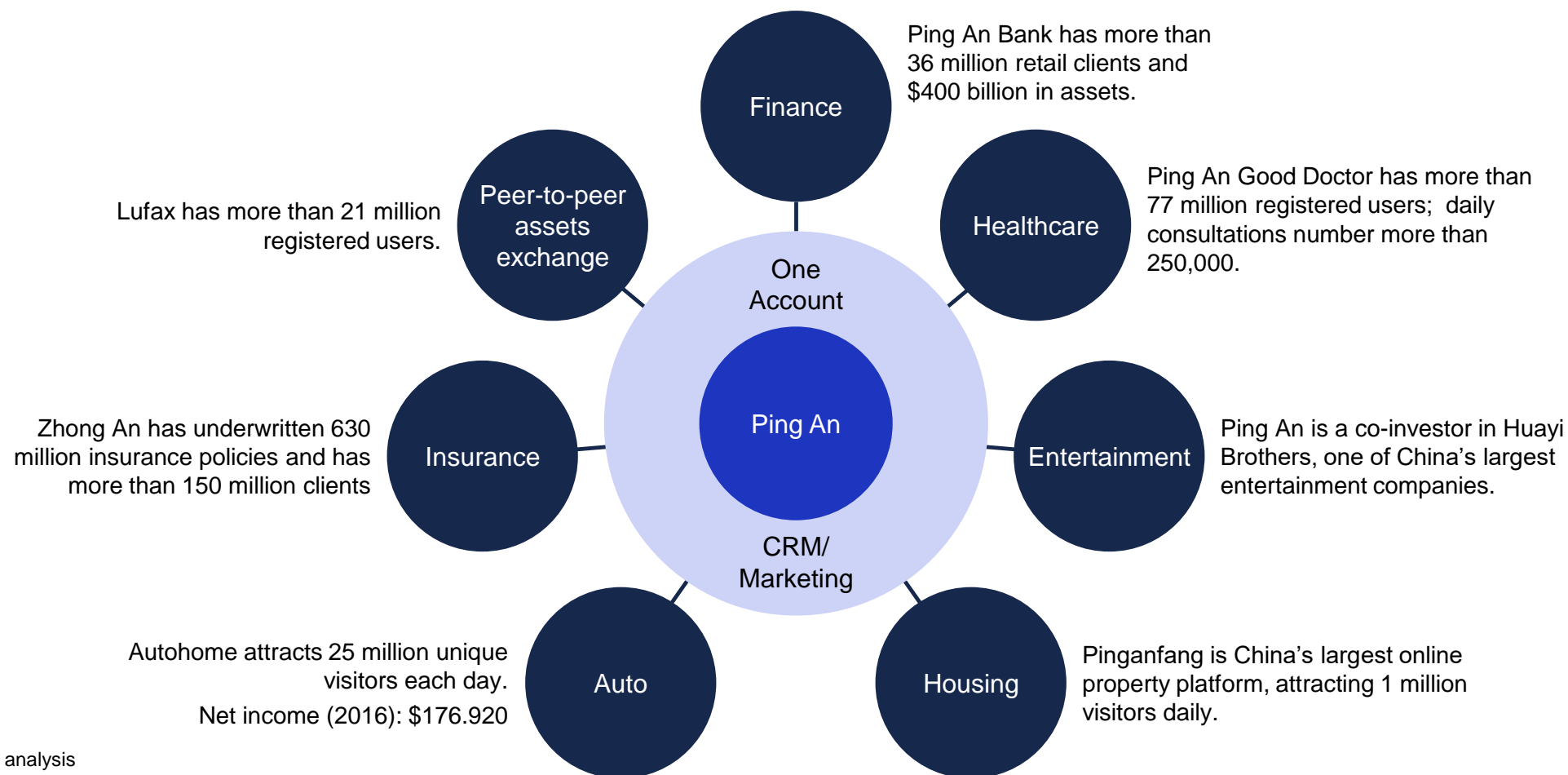


Ecosystems are expected to replace traditional industries by 2025



How insurers can thrive in ecosystems

Ping An example



Source: McKinsey analysis

The benefits of change

01

More data, better policies

04

More competitive

02

Diverse income streams

05

Customer focused

03

Lower costs

06

Demonstrate our purpose

Any questions?

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