Creating Value Through Digital Transformation

Yannis Vasilatos
General Manager, Digital Transformation Officer
We live in a fast changing world!

Or not?

Insurers survived the crisis
Slow market growth
State is not supportive
Low customer engagement and trust
Motor business dominates
Greece is a peripheral country
Regulatory compliance is demanding
Technology is expensive
Global Insurance Tech Investment: $ 2.56 billion in the first three quarters of 2018

Source: CB Insights Deal Search, 2018 YTD data through 9/22/2018
Connecting the Globe

THE 5G WORLD

Testing in 2019
Deployment in 2020
10 - 100 Gbps speeds

3G
384 Kbps (2001)

4G
100 Mbps (2009)

5G
10 Gbps (2020)

Source: The Power & Implications of Exponential Change, Peter H. Diamandis, MD
Convergence → New Biz Models & Ecosystems

Faster Cheaper Computing Power

Networks & Sensors
Synthetic Biology
Robotics
3D Printing
VR & AR
Artificial Intelligence
Blockchain

New Business Models & Ecosystems

Source: The Power & Implications of Exponential Change, Peter H. Diamandis, MD
Choices

Core business – value proposition

Technology vs economics

Balance between learning and importance

Who you take with you when sailing in new territories
Our Planned Architecture
Digital Business Technology Platform

“The Ecosystem approach is essential part of our Planned Architecture”
Digital Business Technology Platform

“The Ecosystem approach is essential part of our Planned Architecture”
Sales associates + Customers

<table>
<thead>
<tr>
<th>FAIRFAX</th>
<th>egg</th>
<th>Wharton</th>
<th>FRIS</th>
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<tbody>
<tr>
<td>FINANCIAL HOLDINGS LIMITED</td>
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<td>UNIVERSITY of PENNSYLVANIA</td>
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<td></td>
<td>Microsoft</td>
<td>DataRobot</td>
<td>INTRASOFT</td>
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<td>Ventures</td>
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<td>McKinsey&amp;Company</td>
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Team
Power
Get ready for the next one
Creating Value
Through Digital Transformation

Nikos Delendas
General Manager, Sales and Training
Online behavior in Greece

Greek online shopping bag

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Travel accommodation</td>
<td>50%</td>
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<tr>
<td>Travel services</td>
<td>46%</td>
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<tr>
<td>Take-away / Ready to order</td>
<td>43%</td>
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<tr>
<td>Clothing</td>
<td>42%</td>
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<tr>
<td>PC equipment</td>
<td>41%</td>
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<tr>
<td>Electronic devices</td>
<td>40%</td>
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<tr>
<td>Tickets for events</td>
<td>39%</td>
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<tr>
<td>Books</td>
<td>37%</td>
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<tr>
<td>Household goods</td>
<td>36%</td>
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<tr>
<td>Pharmacy</td>
<td>30%</td>
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<tr>
<td>Personal care</td>
<td>30%</td>
</tr>
<tr>
<td>Insurance</td>
<td>26%</td>
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Source: ELTRUN - E-Business Innovation, Strategy and Entrepreneurship
“Hybrid consumer”: search online - buy offline

I WANT TO BE INFORMED ONLINE

I AM "AFRAID" OF ONLINE TRANSACTIONS

I WANT A "PHYSICAL STORE"

I WANT TO BE ABLE TO TALK TO A CONSULTANT
“Hybrid consumer”: search on line - buy off line

71% of consumers surveyed used some form of digital research before buying insurance (e.g. price comparison or social media)

26% of consumers surveyed bought their policies online (e.g. web or via a mobile device)

Digital marketing

Omni channel behavior

Search online – Purchase offline

1/2 of total “physical store” purchases

Search offline – Purchase online

1/5 of total online purchases

Show-rooming

Omni channel for stores

Research: PwC The Customer of 2020
On line behavior in Greece: Insurance

**Date**: May 2018

**Phase 1**: Qualitative phase
(5 focus Groups)

**Phase 2**: Quantitative phase
(1300 experienced users in digital)

Representative of Greek Population Regarding age 18+
Representative of regions (i.e. Athens, Thessaloniki, Urban, Semi-urban regions)
Drivers for online/offline purchase

Drivers (why online)

- **Low prices**: 26.3%
- **Price comparison**: 18.0%
- **Wide range of coverages**: 18.5%
- **Simple process**: 17.7%
- **Save time**: 10.0%
- **More choices**: 13.1%
- **Detailed explanation of terms**: 15.0%

Drivers (why offline)

- **Low prices**: 17.7%
- **Wide range of coverages**: 15.1%
- **Detailed explanation of terms**: 12.8%
- **Simple process**: 8.9%
- **Price comparison**: 10.2%
- **Save time**: 5.0%
- **I need guidance**: 9.9%
- **More choices**: 5.0%

Personal relationship with an insurer
### Channel preference & intention for next Purchase

<table>
<thead>
<tr>
<th>Category</th>
<th>Current Distribution</th>
<th>Intention for Next Purchase</th>
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<tbody>
<tr>
<td>Motor</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>63,1%</td>
<td>61,4%</td>
</tr>
<tr>
<td></td>
<td>36,9%</td>
<td>39,6%</td>
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<tr>
<td>Health</td>
<td>82,5%</td>
<td>81,5%</td>
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<tr>
<td></td>
<td>17,5%</td>
<td>18,5%</td>
</tr>
<tr>
<td>Home</td>
<td>82,4%</td>
<td>82,4%</td>
</tr>
<tr>
<td></td>
<td>18,6%</td>
<td>18,6%</td>
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</tbody>
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Reasons to switch channel (Motor)

**Online to Offline**
- I am suspicious towards online: 12.50%
- I want personal contact: 18.80%
- I want my Insurer: 37.50%

**Offline to Online**
- Easy: 16.90%
- Quick Procedure: 23.70%
- Lower Price: 25.40%
Average premium when selling offline is ca. 30% higher than online for motor insurance.
Average premium when selling offline is ca. 50% higher than online for health insurance.
Average premium when selling offline is ca. 35% higher than online for home insurance
Brokers’ Perspective for the effect of technology in sales

Most agents are positioning to be part of the digital future, though some are not.

- 47% would significantly value an app to guide them through a customer interaction and display advice or prompt for next best action.
- 63% would significantly value illustration tools to help them with sales.
- 77% would significantly value a piece of tech that automatically identified potential opportunities within their existing book.
- 50% highlight the need for new and innovative products to grow their business.
- 80% would consider giving up a role in servicing to focus on sales and growth.
- 55% would consider a lower commission to shift some servicing burden to the carriers.
- 40% question their preparedness to meet the needs of the next generation.

![Graph showing extent to which insurers' direct-to-consumer channel poses a threat to the agent's business.]

**Potential strategies**

- Improve agent experience
- Simplify distribution operations
- Design next-generation agent portal
- Build agent advice and sales tools
- Deploy advanced distribution analytics
- Implement new distribution technology

**Distribution results**

- Build agent loyalty and “wallet share”
- Improve sales productivity
- Reduce distribution operations complexity and cost
- Support policyholder experience improvements

Research: EY, The agent of the future
<table>
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<tr>
<th>Brokers’ Perspective for the effect of technology in sales: Greece</th>
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<tr>
<td><strong>Internet usage</strong>&lt;br&gt;Increasing trend in internet usage across all key points of daily life, with more choices for services, through websites and social media.</td>
</tr>
<tr>
<td><strong>E-commerce / transaction</strong>&lt;br&gt;Digital transactions increasing.</td>
</tr>
<tr>
<td><strong>Hybrid consumers</strong>&lt;br&gt;Growing consumer category that collects information online, but is in need of human interaction and the physical store (search on line – buy off line).</td>
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<tbody>
<tr>
<td>• Updating company website with a fresh approach</td>
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<tr>
<td>• More active presence in the web</td>
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<tr>
<td>• Social media presence: LinkedIn, Facebook, Twitter</td>
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<tr>
<td>• Digital marketing and remarketing</td>
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<tr>
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<tbody>
<tr>
<td>• Deploying digital “tools” through websites</td>
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<tr>
<td>• Lead generation</td>
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<tbody>
<tr>
<td>• Combination of technology and human interaction for securing sales and after sales service</td>
</tr>
<tr>
<td>• Cohesive experience across all “sub-channels”</td>
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<tr>
<td>• Lead generation</td>
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THANK YOU!