

At the forefront of innovations

By MARY GRACE PADIN

Pan-Asian life insurance giant AIA Group Ltd., the parent company of Philippine American Life and General Insurance Co, is focusing heavily on information technology to ensure the efficiency and productivity of the company.

Ng Keng Hooi, AIA Group president and chief executive officer, said the company is investing in technological innovations that would provide end-to-end solutions to its business and provide the best customer service to clients.

"Digital and technology are important enablers for companies. And in that area, you can see we are investing a lot in our technology, although we don't talk a lot about it," Ng said during a media briefing at AIA Group's headquarters in Hong Kong.

Ng said AIA is striving to be at the forefront of technological innovations in the insurance industry and aspiring to achieve fully automated and paperless operations in the future.

"Our focus has always been using digital technology to help us improve our operations everywhere. Our aspiration is to make ourselves all automated and paperless," Ng said.

Perhaps the biggest step taken by AIA in its pivot toward digital transformation is the introduction of its interactive Point of Sales (iPoS) in 2014.

iPoS is an iPad-based application used by the company's financial advisors to facilitate smooth transactions with clients.

This sales suite has the capacity to perform a financial needs analysis, underwrite contracts in minutes, complete applications with an electronic signature and facilitate payments.

It is currently available in 11 AIA markets, including the Philippines. About 80 percent of AIA's new businesses are generated via iPoS.

Also noteworthy is AIA's Vitality mobile application, which is designed to give rewards to users for every personal health goal they achieve. Rewards include discounts on premium, gym membership, movie tickets, among others.

Through this digital platform, AIA is able to share its values and promote the adoption of a healthier lifestyle in order to live better and longer and enjoy more quality time with loved ones.

Going forward, the AIA Group is also developing ways to utilize more advanced technologies, such as artificial intelligence, and incorporate such systems into the company's operations and sales.

"In Australia, we are using AI. That's an example where we invested to automate our operations. In Hong Kong, we just launched AI using a chatbot where you can communicate with a customer," Ng said.

This chatbot – or a program designed to simulate conversations – is also being developed in the Philippines, according to Bob Crozier, associate director of AIA Edge, the company's innovation team.

Crozier said AIA would soon also unveil its iMeet platform which would enable a customer and financial advisor to view synchronized screens and perform simultaneous activities, such as typing, even from different places. It will also allow the participants to chat and conduct video conferences. Although they acknowledged the advantages and



Ng Keng Hooi

importance of technology, AIA officials admit it would still be a long time before insurance can be sold online without the need for face to face interactions with financial advisors.

"A life insurance product is something that is needed by the customer but not necessarily wanted. That's why you need face-to-face service to persuade people to buy," Ng said.

"Life insurance is a lot more difficult to sell in that basis. Whereas if you look at banking products, if you need a loan, you search who has the lowest interest or most attractive offer. Even in general insurance, it is more possible to do that," he said.

Joe Cheng, chief executive officer of the Group Agency Distribution of AIA, agrees with Ng, noting that face-to-face transactions will still be more prevalent in selling life insurance products.

"Insurance is not a commodity product. We will see that face-to-face selling in terms of financial products and insurance will still be preferred," Chen said.

"What we need to do is to support our agency with fully digitalized platform, so they can talk to the client, sell to the client more effectively. Agency is still the demand distribution channel," he said.

According to Chen, 85 percent of AIA's business in emerging Asian markets is still generated through face-to-face purchase, while 15 percent uses digital.

In developed Asian markets, the mix is slightly different, with 80 percent in favor of face-to-face transactions and 20 percent digital.

AIA Group is the largest independent publicly listed pan-Asian life insurance group, with a presence in 18 markets.

As of end-May, the company has about \$200 billion in assets, \$47 billion in equity, more than 30 million individual policies and 16 million group scheme members.