

Banca to support the holistic needs of consumers

The bancassurance model must evolve to ride the next big wave as consumers' financial needs become increasingly complex, says **MetLife Gulf** head of bancassurance and direct to consumer **Apostolos Ailamakis**.



What are some trends in bancassurance to watch out for in 2020?

The bancassurance sector has undergone a fundamental change over the last decade from serving primarily as a channel for off-the-shelf insurance products to providing bank customers with customised solutions based on data and insights. Customers expect personalised and relevant experience. With data, we can offer solutions that perfectly meet their needs and build the right relationship model. However, with consumers' financial needs becoming more complex, the bancassurance model must evolve to support the holistic needs of consumers at all life stages.

- **Shift toward digitisation:** Digitisation is driving much of the growth for non-life products in the Gulf and in the UAE, with the trend increasingly shifting to life products as well. This is largely due to growth in online banking and related technologies and fewer consumer touchpoints at the bank. MetLife will be launching its Global Sales and Service Platform (GSSP), which provides the reusable foundation that supports and enables the full sales process, as well as key servicing capabilities from policy administration to claims.
- **Power of data:** Banks have a significant data advantage over other insurance distribution channels. It is crucial for bancassurers to have the right systems in place to leverage the data to develop more relevant and timely offers for customers.
- **Growth in penetration:** Penetration in the UAE is steadily increasing as customers are becoming more aware of the importance of financial planning, insurance, protection of their assets, family, and life. This is driving bancassurers away from savings

products towards more innovative solutions in protection. MetLife's new value proposition not only will be regulatory compliant but also offers customers the highest value and protection in the market, allowing us to capitalise on existing opportunities and expand into new market segments.

- **Sales force effectiveness:** Our research shows that customers looking for life insurance and protection products initially conduct online searches to learn more about the available products, but when it comes to the actual purchase, they prefer a face-to-face experience. Therefore, customer education is vital, and the sales force must be provided with the right training and tools to help them enhance their customer's journey.

The UAE Insurance Authority (IA) has tightened the supervision of bancassurance to protect consumers. What is your view on this?

The new regulation will push insurers in the region to operate in a more transparent and customer-centric manner. Such regulations have been addressed by MetLife in other parts of the world already, so we have the experience, knowledge and readiness to respond to the new regulations here in the Gulf. In addition, the IA circulated the draft of the regulations a few years back for consultation which provided us the opportunity to engage with the regulators and provide our expert feedback and opinion. Therefore, we consider ourselves very close to these welcomed regulations. We are ready and well prepared to implement the new changes and will work closely with our partners to ensure adherence at the highest standards. It will be an exciting time to see the industry change for the better. Overall, these changes will

lead to more transparency and fairness for the customer, building more faith in the life insurance market in the UAE. For MetLife and its partners, this is an opportunity for bancassurers to bring value to our partners through customer loyalty and increased share of wallet.

Bancassurance in the GCC has enormous potential for growth. What will be the main drivers behind the next bancassurance wave?

Bancassurance is one of the fastest-growing distribution channels of insurance in the GCC, and the future of bancassurance lies in our ability to provide the right solution to the right customer by building a clearer understanding of our customers' needs and wants. However, continued external challenges such as geopolitical risk and the uncertain global economic outlook will need to be managed in 2020.

The main drivers behind the next bancassurance wave include:

- **Product flexibilities:** The needs and expectations of people who demand insurance products are evolving with the changing regulatory landscape for life insurance and savings products across the GCC. Customers want to have easy access to products that they can understand.
- **Data and analytics:** Data is essential to success. Therefore, it is imperative to explore the potential of the rich data available with our bank partners and deploy sophisticated analytics to provide our customers with relevant and timely offers. Our research suggests that combining data for customers' life events, eg, the birth of a child or change in jobs with interaction data, eg, call centre, or information submitted on a bank website with propensity models, can boost sales by 15-20%.
- **Enhanced digitally-enabled customer experience:** Our surveys highlighted that banks are one of the channels of choice when it comes to purchasing life insurance products either face-to-face or digitally. The future of bancassurance will depend on the digital capabilities it can provide to its bank partners, including simple, fully automated, and end-to-end processes that reduce barriers to sales through digital or through relationship managers (RMs) to improve customer experience. Our new digital sales application allows our RMs to complete the end-to-end journey in eight minutes and thereby enabling them to build a meaningful conversation around customer needs and wants.
- **Omnichannel customer engagement:** In 2020, it is critical to adapt to the pace of change happening across all fronts. Bancassurers should strive to make insurance sales available across channels through banks' websites, insurers' sites, and mobile apps.

What are the success factors of a 'direct to consumer' (DtC) model, and what is its potential in the Gulf?

Due to MetLife's long-term standing in the Gulf and through insights from providing solutions in the UAE, Bahrain, Kuwait, Oman, and Qatar, the DtC model has been a natural evolution. MetLife has responded to

changes in consumer demand by understanding and building on over 25 years of experience in DtC across emerging and developed markets. MetLife Gulf has been able to capitalise on the tried and tested customer-centric approaches from other markets to design and deliver unique value propositions for unique Gulf residents for their most important needs.

Success factors for the DtC model include:

- Partnership and value proposition must be relevant and support the overall purpose for all;
- Having a customer-centric approach from the start of the customer journey with simple and effective solutions that optimise customer experience and the value that they receive;
- A fluid multi-channel experience – including mobile and web;
- Understanding and listening to customers to ensure that they are approached with the right protection solution at the right time in their preferred way;
- Dedication to quality and robust compliance processes to ensure the protection of all data; and
- Continuous improvement by developing people, technology, and processes to create an environment of excellence to deliver future-forward solutions that protect Gulf residents when they most need it.

The potential in the GCC is vast due to increasing awareness of the need by consumers to protect themselves against the uncertainties in life as well as exciting initiatives focusing on health, fitness, and wellness within the region. MetLife can support Gulf residents to navigate their protection needs and that of their families. DtC is an excellent channel with affordable and simple protection plans that can be offered over a smartphone with a digital certificate providing full confidence in a matter of minutes.

Claims transparency, efficiency, settlement, and management get greater priority in the digital era. What is MetLife's strategy in this area?

Our enterprise strategy puts the customer first. When it comes to our customers' claims, we developed a proposition that we operate by which 'we go out of our way to pay what we say'. And that isn't just a statement; it is backed by a seamless digital claims experience, with internal operational enhancements that are designed to support customers in their most difficult times. Over the past year, we have done a deep dive into our terms and conditions and simplified them for our customers – both from a technical and linguistic perspective. One of the other big moves in the claims space is the 'Advance Claims Payout', which is designed to give beneficiaries an accelerated amount of up to 20% of the account value within 48 hours upon submitting a death certificate. This allows beneficiaries to focus on being with and remembering their loved ones, without financial stress at the back of their minds.■

Mr Apostolos Ailamakis is MetLife's head of bancassurance & direct to consumer in the Gulf overseeing the business and managing relationships with over 20 bank and DtC partners across five Gulf countries (UAE, Kuwait, Oman, Bahrain and Qatar).