



An Interview With Abhishek Bhatia

We recently talked with Abhishek Bhatia, Chief Executive Officer of FWD Singapore. Prior to joining FWD, Abhishek spent 15 years with Prudential Plc in senior roles across the globe. Here, he shares his perspective on FWD's D2C programme and the company's vision for serving consumers.

Q. How would you describe FWD?

A. FWD is Singapore's newest composite insurer, offering general and life insurance products, alongside a group insurance business. Our vision is to change the way people feel about insurance. We will do so by providing insurance that is cutting-edge in its simplicity, customer focus, and use of technology to enable connected people to take control.

We believe that insurance doesn't need to be complex or take up vast amounts of time. By using the online and mobile technology everyone is familiar with today, we meet the demands of Singapore's consumers with well-priced, easy-to-understand insurance products, offered in a simple and reliable way.

Our current products include car, DIRECT-term life, travel and personal accident, and group insurance.

Q. What motivated you to launch your direct-to-consumer (D2C) programme? Is this a segmentation strategy to serve particular markets?

A. We see a general trend in more developed markets for direct purchasing of insurance. Ahead of our launch in Singapore, we spent several months speaking to consumers to understand what they wanted from the insurance industry. According to this research, which consulted 600 people across Singapore, 90 percent of people are keen to purchase insurance online, and 89 percent using their mobile. With this insight, alongside Singapore's position as a "mobile first" society, it was a natural decision for us to choose a direct-to-consumer model.

We have responded with the first fully digital, direct-to-consumer insurance offering in Singapore, which provides consumers with the option to choose insurance products that suit their lifestyles, at their convenience.

Q. We know that in the United States and around the world, companies are looking to engage consumers using online methods, and they are experimenting with different approaches. As you built your program, did you look at other similar models?

A. Life insurance products are already sold online in Australia, the United Kingdom, China, India, and Malaysia. However, this hasn't translated to major market share for the direct channel in these countries yet. The two key reasons are lack of consumer awareness and the quality of customer experience offered online.

Learning from this, we ensured our platform provided people with a way to quickly get the information they need and then purchase a product or submit a claim in a few clicks.

Q. Was there something you learned from companies outside the financial services industry? If so, how did you incorporate it?

A. As a new insurer in Singapore, we studied other industries that previously relied on an agent-based model. One example is the travel industry, which was almost entirely agent-led and ended up being completely transformed as a result of the self-service model the internet enabled. As a result, the agent model now only accounts for a very small percentage of the overall industry.

This is the challenge that faces the insurance industry today. At FWD, we have built a platform that leverages technology to create a superior customer experience. This includes intelligent underwriting functionality — to allow consumers to make decisions on their insurance needs. Using this, consumers can select policies and receive a quote by only answering questions that are relevant to them and their circumstances.

Q. Your D2C initiative for term life insurance has just launched. What is your vision, and what are your expectations for it?

A. Singapore's life insurance industry is ripe for further disruption. Given the recent announcement by the Monetary Authority of Singapore (MAS) that it will soon allow insurers to offer a full suite of life insurance products to be sold online, without advice, there is now potential to introduce further product innovation.

New technologies, such as robo-advisors, offer the potential for huge customer-led innovation and could pave the way for the introduction of new bespoke life policies that are curated in real-time, based on the information provided by the customer. As people see the benefits of these technology innovations, we believe that most will actively move away from an agent-guided interaction — toward one they can conduct on their own terms.

The impact of all of this will be to drive more simplicity in the market, similar to what the MAS sought to achieve when it set the guidelines for Direct Purchase Insurance (DPI) life products. In accordance with this, our DIRECT-term life product only requires customers to answer six questions before they can purchase (compared to up to 18 asked by competing providers) and is exclusively available for purchase online or using a smartphone.

Q. Based on what you have learned to date, what advice would you give the industry?

A. Much of the complexity that exists in the insurance market today has been created by the industry itself. This must be removed if the industry is to meet consumer expectations. While most insurers offer information about what each of their life insurance products offers, few allow consumers to go through a guided experience that enables them to understand which policy is right for them. Instead, they guide people toward a meeting with an agent.

In a world where we can manage almost everything using our mobile phone, my advice is that the industry embraces the opportunity that technology and societal change presents. It should be straightforward for consumers to understand, select, and purchase the cover they require online.

Q. Do you see competitors in this space?

A. The Singapore insurance market is predominantly made up of players that focus on the traditional agency channel. While some have started to adopt a multichannel distribution model that extends to the direct channel, their processes are not fully digitalized and fail to deliver a seamless experience to consumers.

The digitalization of the industry should not just be limited to the company website. It should run across all internal operations and back-end processes, as well as sales and product platforms.

By taking this approach, FWD is the first and only insurer in Singapore offering a 100 percent direct and digital experience from getting a quote to purchase and claims. We have invested in people-centric technology to provide customers with quality products and services that best meet their evolving lifestyles and needs.

Insurers also need to respond to local market needs, such as relevant infectious diseases or environmental factors. For example, our personal accident insurance policy covers people if a ticketed event is cancelled due to haze. It also has the most comprehensive infectious diseases coverage of any insurer in Singapore, including protection for the growing risks of the Zika virus and Dengue fever.

Q. Is there anything more you would like to share with our readers?

A. Singapore is one of the most digitally and mobile connected countries in the world. It benefits from a government that actively introduces initiatives and stimulus measures to push society forward. This combination, alongside an industry that is motivated to embrace innovation will, we believe, drive a substantial shift in the market — from indirect to direct — over the coming years. This will not only benefit consumers in the market, but it will also reinforce Singapore as a global financial services hub.

To capitalize on these opportunities, and more, we plan to invest S\$500 million to grow our presence locally over the next five years. We will also continue to introduce policies that reflect the needs of modern Singapore. 🌐