



GLOBAL SAGE
Leaders in Executive Search

Faster Forward – Digitize NOW

Global Insurance Update
September 2020

A Message From Our Team

“Innovation distinguishes between a leader and a follower”

– *Steve Jobs*

As the Covid-19 Pandemic accelerates automation dynamics across geographies and throughout industry sectors nowhere is the urgency to digitize more keenly felt than in insurance. Although the insurance industry is behind other sectors in terms of digitalization, customer expectations are forcing insurers to transform faster with **talent** representing the most important ingredient for success in this digital transformation.

This paper highlights key digital trends within the insurance sector with an emphasis on how the right talent strategy can make the difference in executing on required transformation initiatives. Global Sage has conducted several interviews with global insurance and technology leaders about the current state of the industry and the critical time for the sector.

The consensus is that although an insurance organization's digital strategy will differ depending on the product segment and distribution strategy, there are universal essentials to focus on: **1) building automation capabilities for sales enablement & better customer engagement; 2) more actionable use of data & analytics; 3) effective adoption of mobile and social media platforms; 4) the need for the right talent & leadership with the technical expertise to execute.**

The reality of the current and future Insurance marketplace is the plain fact that customers are more and more comfortable making insurance purchasing decisions digitally. The question is – **are insurance organizations capable of wrapping their customers in a digital ecosystem that promotes a real connection and loyalty?**

At Global Sage, we are passionate about providing exceptional talent to the global insurance sector with our active engagement with the leaders that will shape the future insurance marketplace . We encourage you to get to know our team and to learn about our capabilities.

Sincerely,
The Global Sage Insurance Sector Leadership Team



Louisa Wong
Executive Chairperson
Global / China



Yip Fung Mei
Managing Director
Asia Pacific



Douglas Mann
Managing Director
US / North America



Simon Barzilay
Managing Director
UK / Europe



Industry Perspectives on InsurTech

Erik Bleekrode is KPMG China's and Asia Pacific Head of Insurance and Lead partner for Insurance Accounting Change. He is a partner with KPMG in Hong Kong and has been working with KPMG and in the Financial services industry for more than 30 years. **Anthony Lee is Partner, Financial Services – Insurance Sector** for KPMG China in Hong Kong. He has 22 years of experience and is a member of KPMG's Insurance Steering Committee and China Fintech 50 Selection Committee..

What patterns have been emerging in the industry since the advent of COVID-19?

All the CEOs we talk to are ready to make a change and implement digitalisation. The big shift I've seen in the last six months is from people talking about that desire but not really knowing how to go about it to becoming convinced they need to do it. And now, obviously the next six to twelve months are going to be about translating a stronger vision into plans and execution.

I think we've seen a much bigger surge of initiatives to address the issues that everybody's being confronted with. This created something of a digital tipping point. A lot of people in the industry have been talking about digital education for a long time. But they also realized that it was difficult, very expensive and never really got to any meaningful initiatives. I think now you've seen a massive acceleration in digital initiatives with digital strategies to really rethink how we address the shortcomings that we've identified over the past six months.

InsurTechs today: are they disrupters or collaborators?

If you take the leading InsurTechs they're both, but now they're more collaborators than disruptors. What they did to traditional insurers might mark them as disruptors within the ecosystem. But they're collaborators too. They're filling in critical spaces in the ecosystem. There is yet another bucket which are enablers. And what you're finding tends to be towards collaboration and enabling.

What new advances are being made by insurers through automation?

We're seeing some really big digital platforms coming up in India and in China, combining a lot of the practical products from various insurance companies. They are almost becoming a digital broker. They're also combining a lot of interesting services, like legal advice, robo advice, etc.



“In the last couple of years, we've seen a lot of data companies emerging”

Erik Bleekrode, Partner, Head of Insurance KPMG China & Asia Pacific

(continued on next page)

Industry Perspectives on InsurTech

(continued from previous page)

In the last couple of years, we've seen a lot of data companies emerging and I think the next exciting space in APAC could be Life & Health insurance. We're seeing some companies popping up from the angle of medical data and pharmaceutical type data to enable life and health insurance to better identify and communicate with their customers.

Which digital strategy offers insurers the best chance of success?

The most successful cases are opting for the internal development route. But it's not purely about assigning new roles to existing people. They understand the need to change the DNA throughout the company and across the talent pool. M&A can also work. It's a fast way to get there, but it's very expensive. I don't recommend building something on the side because you end up losing focus on your purpose and without the necessary discipline.

What products, functions or specific insurance risk classes are the most adaptable to a digital distribution platform?

Auto claims is a good example. One leading insurer in China has brought in AI to take the claim cycle from days down to hours and eventually taking it down to seconds. Over 95% of its auto claims are purely handled by AI: from scanning the damage photos, doing the claims evaluation, and e-payments all the way through in a matter of seconds to get things done.

They're also using AI in terms of voice and facial recognition in the customer service environment. This is where the rubber meets the road. You have got to apply the new technology to your current business model in solving a traditional need to really move forward.



“Talent is by far the most important factor in transformation”

Anthony Lee, Partner, Financial Services, Insurance Sector, KPMG China

What is the single most important factor in transformation for insurers?

Talent is by far the most important factor in transformation. Getting talent with digital experience and bringing them into the insurance company. Existing talent can't simply go from Chief Actuary today to Chief Digital Officer tomorrow. This is because they just don't know the technology or understand the potential uses of it. There needs to be a change made in the corporate DNA by importing people with the right background.

Industry Perspectives on InsurTech

Woon Dar Vei is an entrepreneur and currently launching a new digital insurance company. He was previously with Gen Re as General Manager, Strategic Initiatives Life & Health Asia where he focused on non-traditional, Insurtech and digital initiatives for the company in the region. He has over 2 decades in the life and health insurance industry and has taken diverse roles ranging from pricing, product development, financial management, risk management, corporate strategy, marketing, Appointed Actuary role and insurance operations.

How are new risks shaping product and distribution development in insurance?

The onset of Covid-19 Pandemic has seen new insurance offerings, including Work From Home “WFH” cover against accident, health and personal cyber risks, or life insurance products specifically covering death from Covid-19. I am following the trend with great interest, including motivation behind these offerings, and if such products are sustainable once pandemic is over.

How has COVID-19 accelerated automation?

There is likely universal agreement increased urgency for digitalization due to Covid-19. There are different aspects that impact incumbent insurers including distribution (how well they have digitalized their sales management tools and adoption rate of those tools), operations (how much of the business processes are automated and how much it enables WFH) and data analytics (how they pull the vast but disparate data sets within the organization to better understand their customers so as to better serve them).



“...majority of Insurtech offer a narrow solution set, so the only way to monetize is to collaborate with incumbent insurers...”

Woon Dar Vei, Entrepreneur and former Gen Re’s General Manager, Strategic Initiatives, Life & Health Asia

Where do you see automation making the biggest impact: P&C, Life or Health?

P&C and Health have certainly been getting a bigger share of InsurTech funding globally. My observation is that each of these sub-insurance sectors has different InsurTech dynamics. Strategy and capital are also deployed differently

across geographies. For example in the APAC region, the majority of life InsurTechs operate more as technology enablers or online aggregators rather than full-stack insurance risk carriers. There are also more P&C InsurTechs holding insurer and risk carrier licenses, although many tend to initially innovate within narrow lines of business. For example, Lemonade which only does home insurance; Onedegree in Hong Kong doing pet insurance, or Marmalade in the UK focusing on auto insurance for young drivers.

How are insurers changing their relationship with InsurTech?

In the early years of Insurtech, they were often seen by insurance companies as threatening to their business. A vast majority of InsurTechs offer a narrow solution set, so the only way to monetize is to collaborate with incumbent insurers, who in turn are more willing to work with them now they no longer consider them a threat.

Insights From Our Team

The Three Pillars of Digital Leadership

For Insurance carriers, the three main roles that have emerged to support the CEO in digitalization are— Chief Innovation Officer, Chief Digital Officer and Chief Data & Analytics Officer. In most Insurance enterprises these roles are newly defined positions.

CHIEF DIGITAL OFFICER



>80% are external hires

- ❖ Recruited from Consultancies and Digital Heads from Banks with more advanced digital leadership
- ❖ Business-facing individuals that often don't have a tech background.
- ❖ The specialist in “digital business models”
- ❖ Degree in IT, Computer Science, Business, MBA

CHIEF INNOVATION OFFICER



50% are external hires

- ❖ Recruited from Consultancies and internal shifting from Finance, Strategy or Ops functions.
- ❖ Drives change and new growth, cultivating innovation capabilities within the org. and promoting the value and influence innovation can offer
- ❖ Degree in Business, Finance, IT, Engineering, MBA

CHIEF DATA & ANALYTICS OFFICER



70% are external hires

- ❖ Recruited from Consultancies and Industry competitors
- ❖ Internal shifting from Actuarial function not always ideal
- ❖ Hands-on Modelling experience essential
- ❖ Degree in Data Science, Math, Statistics, Computer Science, Engineering

What Are the Key Success Factors of The Chief Digital Officer?

A number of companies have recruited Chief Digital Officers but not all have been a success. To find out why, we asked a number of leaders about what makes the hire of a Chief Digital Officer successful.

1. **Authority** – In order to successfully advance digital transformation, CDOs need the powers of decision-making, freedom and authority. A direct reporting line to the Group CEO gives the role the authority required to implement changes across functions and geographies.
2. **Autonomy** – To effectively coordinate digital strategy, the CDO needs to be fully responsible for the entire digital agenda from strategy to development through to implementation. CDOs need to own a budget they can use to invest in digital transformation which involves investing in new talent.
3. **Expertise** – Because the expertise required is often very different from existing skills within the business, the CDO needs to hire talent with digital expertise. The temptation to save costs by redeploying existing employees as digital talent should be avoided unless there is a verified skill-set with proven accomplishments.

(continued on next page)

Insights From Our Team

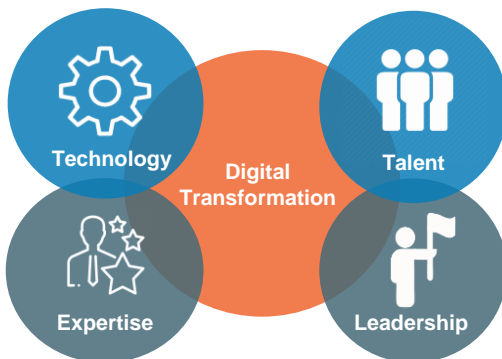
(continued from previous page)

4. **Alignment** – To achieve digital transformation and make data part of every decision-making process, it requires a cultural shift across the whole organization. Conflicts can arise when business and functional leaders find the CDO’s disruptive influence to be at odds with their own ambitions. If leaders continue to work in silos, little change can be achieved.
5. **Sponsorship** – If digital transformation is truly a top priority, it needs to be driven and nurtured by the Chief Executive and supported by shareholders.

Digital Strategy - A Recipe for Success

The key to any strategy starts from the top. The drive to digitize must be made clear throughout the organization and the leadership team must all be onboard. Many of today’s insurance leaders are industry veterans so it would require strong leadership to pull everyone together.

Talent is critical to success. Recruiting the best talent and expertise is not easy, but it will bear dividends in the long term. By injecting exceptional talent from outside insurance, transformation of the organization can start to take root from within.



Accelerating and acquiring technology is a must.

Many companies have been investing in or funding startups and InsurTech companies. Companies that have had the best success, focused on ventures that are core to their business and are embedded in their core operations. Setting up a unit outside the core business model has been less successful.

Engaging external consultants. Digital transformation is an enormous task that requires both strategic thinking and operational expertise. It is possible to make improvements using existing employees but to embark on a truly transformative journey, engaging various external consultants along the way can help improve outcomes.

Insurtech Trends for 2020

10 Insurtech Trends for 2020	
Digitize Now - It’s a new Game – press the reset button	Data is the new oil - and the price is going up
Skill-up and reorganize urgently for the digital world - blend talent from tech sector to increase digital execution	Master AI and machine learning – develop the right Chatbot strategy
IoT-connected insurance represents a new paradigm – transforming unstructured data into actionable information in real time	D&I – commit to a real recruiting and retention strategy that promotes diversity at all levels – a diverse workforce is a more robust and productive workforce
Focus on the Digital Consumer as an Individual and not just a Customer Segment	New role for oldest functions – Underwriters & Actuaries – expanding skillsets and team dynamics
Digital Ecosystems Rock – and will be coming sooner than you think	Broaden capabilities through partnerships – potential partners include InsurTechs, brokers, reinsurers and service providers from outside the insurance sector.

Facts and Figures

Notable Digital Talent Moves in Past 12 months - Global Insurance

ASIA PACIFIC					
Name	New Firm	New Title	Location	Prior Firm	Prior Title
Laura Cao	HSBC Life	Global Head of Data & Analytics	Hong Kong	Manulife Asia	Chief Analytics Officer
Ryan Kim	FWD	Group Chief Digital Officer	Hong Kong	Standard Chartered Bank	Regional Head of Digital, Greater China & North Asia
Ken Lee	Blue HK	Chief Distribution Officer	Hong Kong	FWD	Head of iFWD
James Fitzpatrick	Allianz Australia	Chief Technical Officer	Sydney	Avant Mutual	Chief Data Officer
Abhishek Rathi	Prudential Financial APAC	VP & Head of Digital APAC	Singapore	MetLife Asia	Digital & Agile Evangelist Lead, Regional Distribution
Abraham Lum	UOB Bank	First Vice President, Digital Insurance & Business Development	Singapore	iFast Corporation	Head, Insurance Marketplace
Vincent Rocard	Ageas Asia	Director, Digital Strategy & Solutions, Asia	Hong Kong	Ageas	Chief Digital Officer, France
Aditya Kaul	Allianz Singapore	Head of Digital and Affinity Partnerships	Singapore	FWD	AVP, Digital Commerce

NORTH AMERICA					
Name	New Firm	New Title	Location	Prior Firm	Prior Title
Ron Alexander	Covr Financial Technologies	President & Head of Innovation	Boise	Crump Insurance	SVP, Direct & Digital Solutions
Kjersten Margaret Moody	Prudential Financial	Chief Data Officer	Chicago	State Farm	Chief Data & Analytics Officer
Timothy Reilly	WNC Insurance	Head of Digital Distribution	Chicago	Burns & Wilcox	Director of Digital Operations
Alex Lei	AIG	Global Head of Digital Insurance Product	New York	Willis Towers Watson	Senior Director
Jim Young	AIG	Chief Data Officer General Insurance	New York	Travelers	SVP Information Management & Analytics
Robert Huntsman	Prudential Financial	VP, Data Science & AI	New York	Synechron	Global Head of AI & Data Science
Don Vu	Northwestern Mutual	Chief Data Officer	New York	WeWork	VP, Data & Analytics
Basil Enan	Next Insurance	Head of Insurance	San Francisco	Medium	Head of Partnerships
JoAnne Artesani	Hippo Insurance	Director of Commercial Lines	San Francisco	AIG	Product Development Director
Jennifer Spindler	Lemonade	Head of Underwriting Operations	New York	PURE	SVP, Underwriting Operations

Facts and Figures

Notable Digital Talent Moves in Past 12 months - Global Insurance

EUROPE					
Name	New Firm	New Title	Location	Prior Firm	Prior Title
Louise Smith	Lloyd's	Chief Digital Officer	London	HM Treasury	HMT Fintech Envoy
Ali Shahkarami	Allianz Global Corporate & Specialty	Chief Data Officer	Munich	Allianz Global Corporate & Specialty	XSE Global Capability Head - Underwriting
Akhil Lalwani	Convex Insurance	Chief Data Officer	London	Prudential plc	Head of Data Platform, Group Digital
Delphine Maisonneuve	AXA	CEO, AXA Next & Group Chief Innovation Officer	Paris	AXA	CEO, Brazil
Ericson Chan	Zurich Insurance	Group Chief Information & Digital Officer	Zurich	Ping An Technology	CEO

Where is the Digital Talent?

Source: LinkedIn

No. of Profiles	Data Scientists	Data Analytics	Data Engineers	Total	% in Insurance
706 M (100%)	186,681 (100%)	69,192 (100%)	119,973 (100%)	375,846 (100%)	1.40 %
North America (29.48%)	69,976 (37%)	35,519 (51%)	42,321 (35%)	147,816 (39%)	1.65 %
Europe (19.71%)	49,609 (27%)	16,434 (24%)	27,936 (23%)	93,979 (25%)	1.74 %
APAC (27.79%)*	41,855 (22%)	12,690 (18%)	27,975 (23%)	82,520 (22%)	1.01 %
Middle East & Africa (8.1%)	9,294 (5%)	2,848 (4%)	5,371 (5%)	17,513 (5%)	1.17 %
Others (14.92%)	15,947 (9%)	1,701 (3%)	16,370 (14%)	34,018 (9%)	< 1 %

* India accounts for 33.5% of APAC profiles. China & Japan talent is underrepresented on LinkedIn.

Compensation Range

Position/Insurance Carrier	Base Salary Range (USD)	
	US	Asia (HK & Singapore)
Chief Digital Officer (15+ years' experience)	225 K - 300 K	200 K - 350 K +
Head of Data & Analytics (10+ years' experience)	175 K - 250 K	150 K - 225 K
Lead Data Scientist (7+ years' experience)	150 K - 225 K	120 K - 200 K
Lead Data Engineer (7+ years' experience)	150 K - 225 K	120 K - 200 K

This compensation analysis is intended for reference purpose only. All compensation information is gathered from primary and secondary sources we believe to be dependable. Global Sage does not guarantee the accuracy or completeness of this compensation analysis, and nothing in this table may be construed as a representation of such a guarantee. The accuracy of the information is also subject to changes in market conditions.

Global Sage Capabilities

Global Insurance Search Practice

Global Sage is an industry leader in assisting insurance companies in recruiting talent across all key functions. We offer our clients a number of unique capabilities:

Global Collaborative Platform. We have recruiting teams on the ground in key global geographies working in unison on cross-border recruiting mandates.

Direct Industry Experience. Our recruiting teams have deep insurance industry relationships to draw upon, positioning us to be truly of-counsel to our clients.

Creative Solutions. We anticipate changes and challenges to our clients' needs and adopt creative solutions to make things happen.

Hands-on and Accountable. Every mandate is executed by a senior insurance sector consultant directing global recruiting teams.

Track Record in Digital (Representative Assignments)

- **Mapping of Digital Structures in Insurance & Banks in Asia**– Life Insurer
- **Head of China, Insurance & Technology Division** – Major Consulting Firm
- **Head of Customer Analytics** – Large Philippines Telecom Company
- **Data Scientist & Analytics** – Asset Management Arm of HK Conglomerate
- **Head of Data Analytics, China** – Major U.S. Hedge Fund
- **President & Head of Innovation** – U.S. mid-stage Life InsurTech
- **Chief Product Officer** – U.S. mid-stage Life InsurTech
- **Head of Data & Analytics** – U.S. Division of Lloyd's Syndicate
- **Head of Digital Distribution** – U.S. Division of Lloyd's Syndicate
- **Chief Pricing Officer** – U.S. Life & Supplemental Health Digital Insurer
- **Head of Underwriting** – U.S. Life & Supplemental Health Digital Insurer
- **R&D, Data Science Leader** – U.S. Fortune 100 P&C Carrier
- **Head of R&D, Machine Learning/AI** – Top 3 Global Reinsurer
- **VP, Pricing & Predictive Analytics** – Top 3 Global Reinsurer
- **Mapping of Digital Talent in U.S. (Multiple projects)** – U.S.-based Life Insurers and top 3 Brokerage firm

Our Firm

Global Sage is a retained executive search firm specialized in global financial services. The firm was founded in 1998 and is headquartered in Hong Kong and operates from 12 offices around the world including New York, Boston, Los Angeles, London, Singapore, Hong Kong, Beijing, Shanghai and Tokyo. We pride ourselves on combining the best of a boutique, high-touch executive search practice with the global presence and research capabilities typical of much larger search firms.

Global Contacts

Global / China

Louisa Wong
+852 2802 4802
louisa.wong@globalsage.com



Asia Pacific

Yip Fung Mei
+852 2872 2593
fungmei.yip@globalsage.com



Japan

Hiro Tamura
+81 3 4530 9747
tamura@globalsage.com



Singapore & South East Asia

Ati Simatupang
+62 212 922 2999
ati.simatupang@globalsage.com



US, Los Angeles

Douglas G. Mann
+1 (646) 557 3003
douglas.mann@globalsage.com



US, Boston

Katie Vande Water
+1 (646) 744 3005
kvandewater@globalsage.com



US, New York

Douglas J. Brown
+1 (646) 557 3036
douglas.brown@globalsage.com



Europe

Simon Barzilay
+44 2079298010
simon.barzilay@globalsage.com

