

Towards true competition

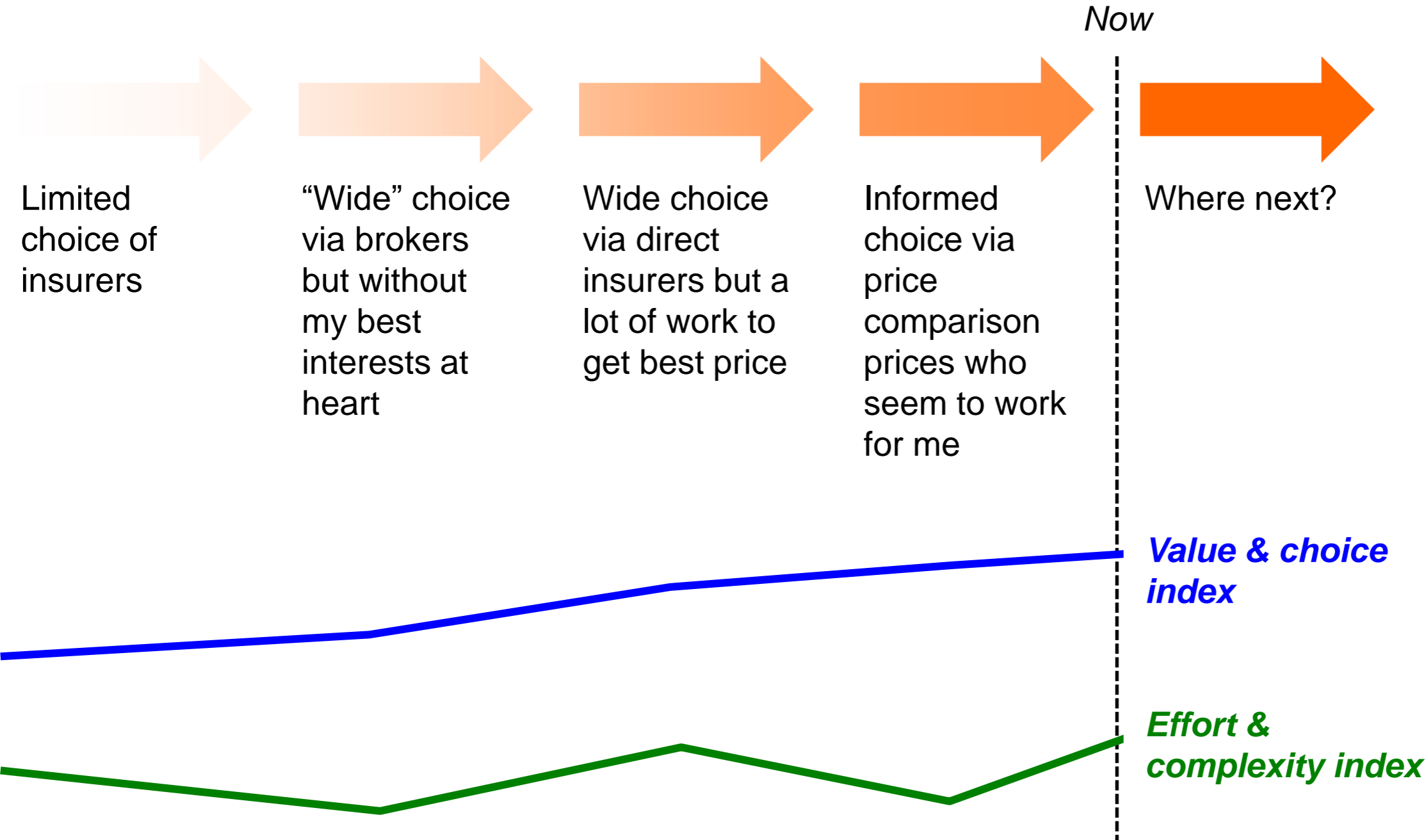
Making the customers' case for frictionless competition in GI

Towards true competition

Scope

- Changes to wide MFN clauses only
- Customer perspective
- An outside-in analysis

A simplified evolution – through customer eyes



Towards true competition

The problem the customer faces

Unchanged context:

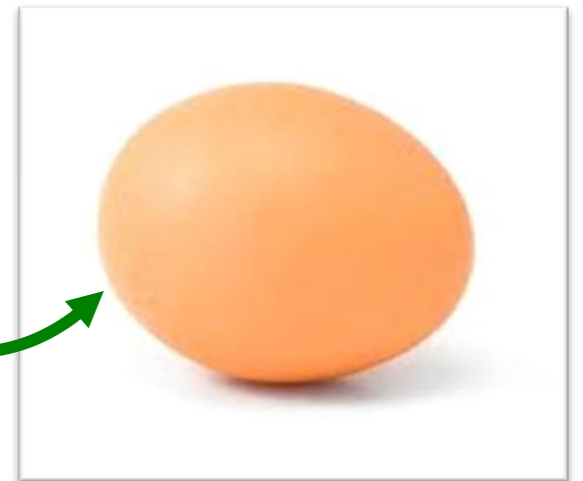
- Grudge purchase
- Intangible product
- High price-point

The new conundrum:

- Slightly cheaper prices available...
- ...but several times harder to get at them
- *“I’m punished if I don’t do the extra work, but I’m punished by having to do so”*



Parson



Egg

Towards true competition

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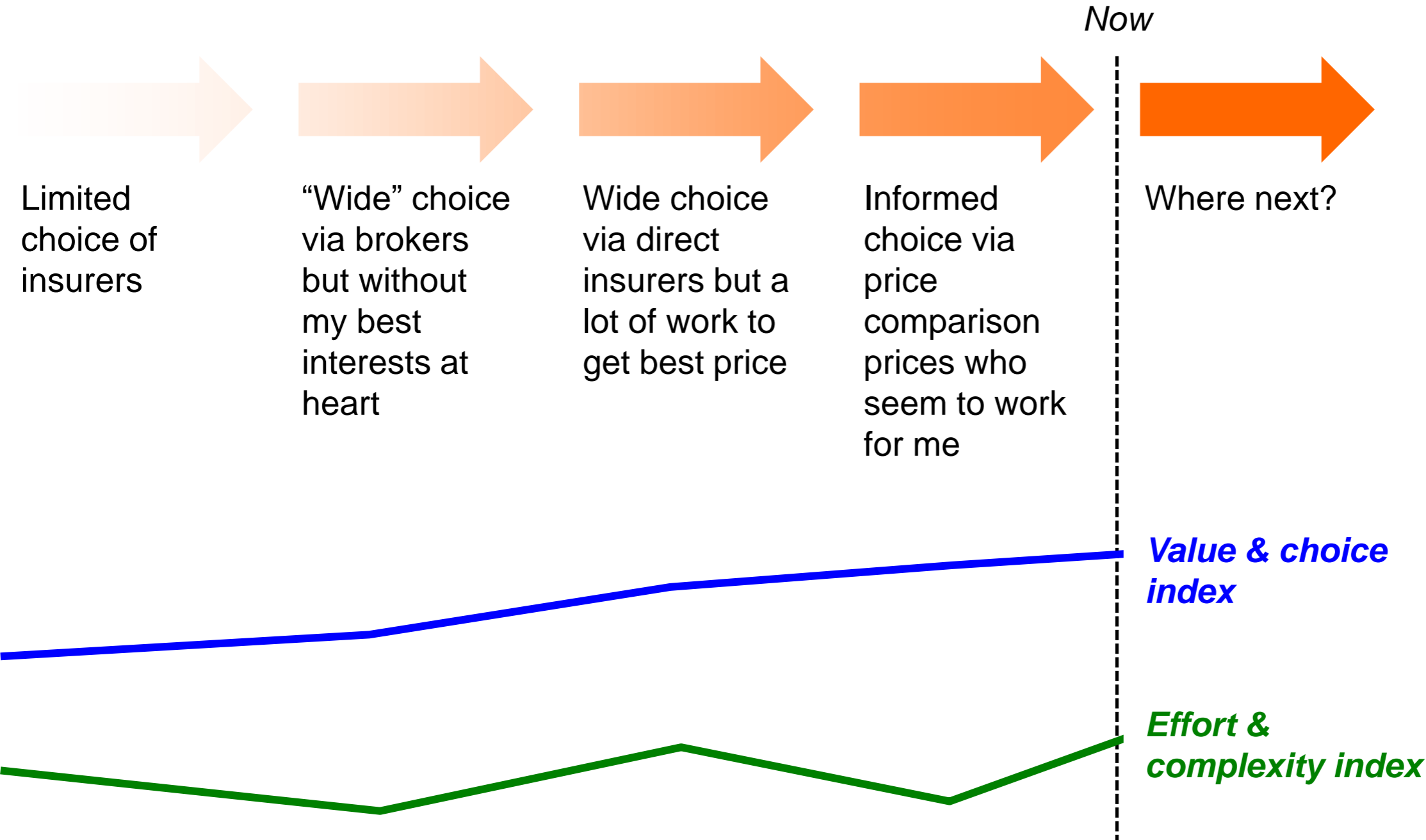
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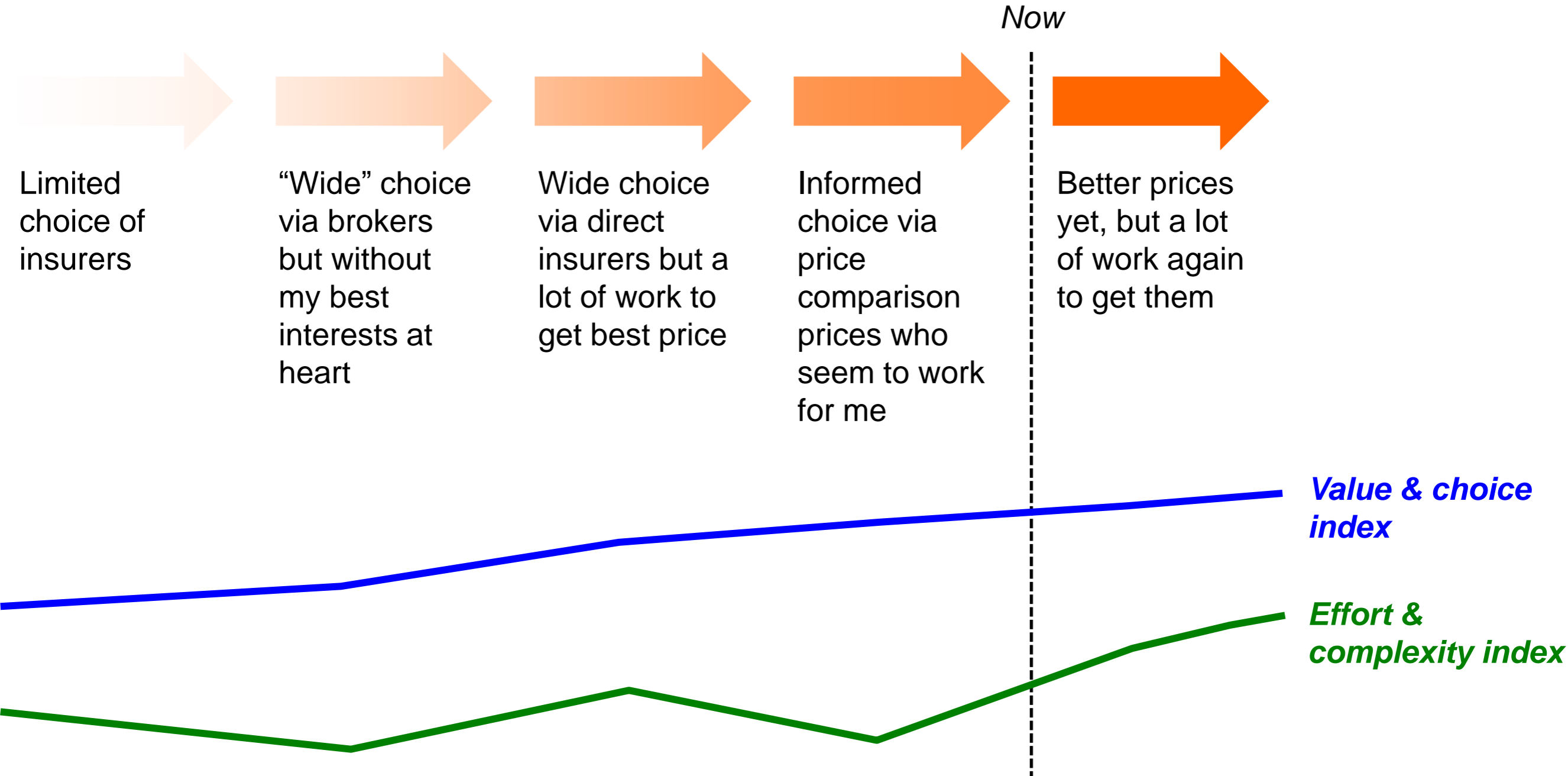
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	Own site	MSM	Confused	CTM	Go Compare
Aurica	£224				
Directline	£236				
LV	£291	£273	£268 (1025000)	£291	£269
Morethan	£243	£237	£243	£217	£234
Teaseo	£197	£197	£186	£191	£183
Swiftcover	£267	£243	£267	£261	£258
Churchill	£291	£291	£281	£273	£275

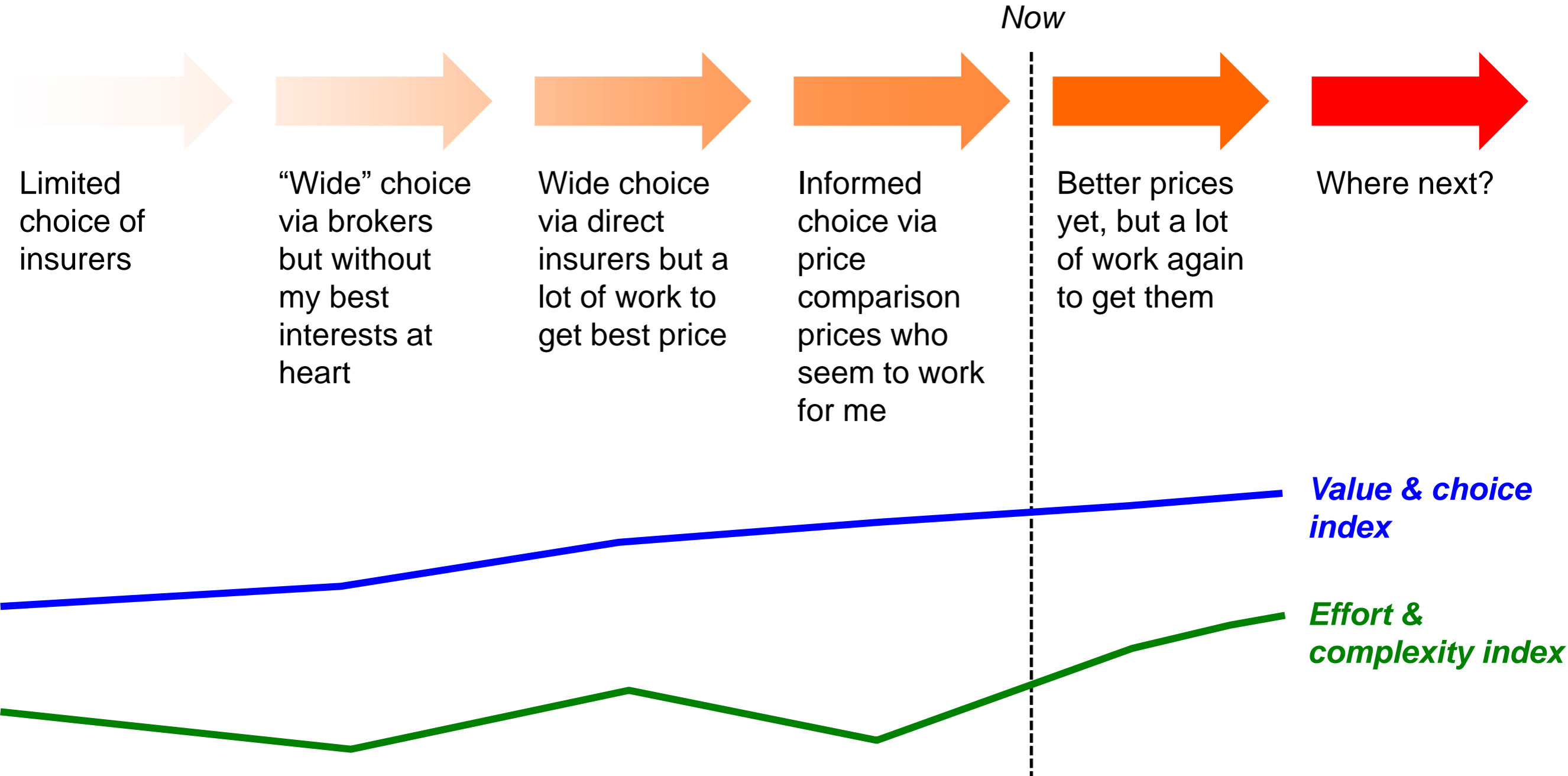
A simplified evolution – through customer eyes



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A simplified evolution – through customer eyes



Digital Trends & General Insurance



Tim Berners-Lee
Inventor of the World Wide Web

Towards true competition

Tim Berners-Lee's predictions

*“I have a dream for the Web in which computers become capable of analysing all the data on the Web – the content, links, and transactions between people and computers. A ‘Semantic Web’, which should make this possible, has yet to emerge, but when it does, the **day-to-day mechanisms** of trade, bureaucracy and **our daily lives will be handled by machines** talking to machines. The ‘**intelligent agents**’ people have touted for ages will finally materialise.”*

Tim Berners-Lee, 1999

Towards true competition

The rise of 'intelligent agents'



Scenario 1: Person-to-person insurance sales

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The rise of 'intelligent agents'



Scenario 2: Selling insurance online

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The rise of 'intelligent agents'



Scenario 3: Machine-to-machine intelligent agents transact automatically

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The rise of ‘intelligent agents’:

‘Intelligent agents’ are defined as services that can:

- Receive tasks and preferences from a customer
- Seek information from web sources
- Communicate with other ‘intelligent agents’
- Check information against customer needs & preferences
- Select certain choices
- Give answer to customer

How might this operate in general insurance...?

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The rise of 'intelligent agents' – an example scenario:

Receive tasks and preferences from a customer:

- **Task 1:** choose the best car insurance deal for me; based on what I drive; how I drive; who my friends/family use; what the crowd thinks; and group deals offered by my connections' intelligent agents
- **Preferences:** choose 'big brands'; 10+ years old; rated as financially stable by reputable ratings agencies; present two-three best options for agreement
- **Task 2:** monitor on an ongoing basis in case a deal worth switching for comes up

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The rise of 'intelligent agents' – an example scenario:

Seek information from web sources:

- Get quote listings from all **major aggs**
- Get quotes from **direct insurers** themselves
- Search **financial savings sites** (e.g. Moneysavingsexpert) for tips on getting best deals, and follow these up
- Visit **ratings agencies** to look up reputable insurers
- Get **review data** from third parties (Revoo etc.)
- Scan **social media** for mood around various insurers' performance
- Search **financial markets and press** for commentary on all insurers involved, and identify mood and trends

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The rise of 'intelligent agents' – an example scenario:

Communicate with other 'intelligent agents':

- Check **friends & family satisfaction levels** with their insurers, via their agents
- Check claims payout rates for the **crowd's agents**

Check information against customer needs and preferences:

- Access **telematics / driving history records** for customer, and all **DVLA** and **claims history**
- **Cross-reference** all data gathered so far and **shortlist all options** that meet needs and preferences

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The rise of 'intelligent agents' – an example scenario:

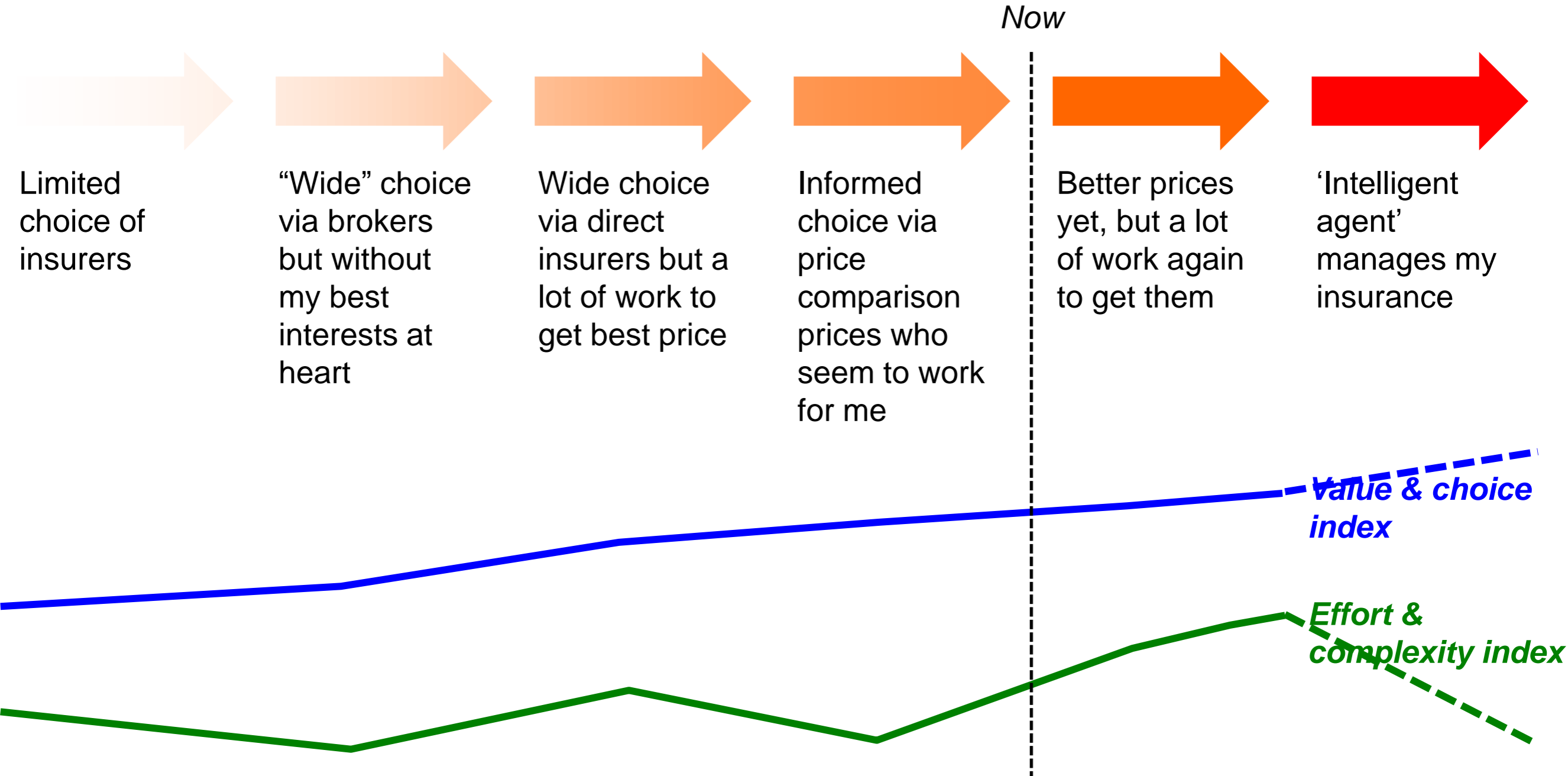
Select certain choices:

- Shortlist top two or three options, with rationale
- **Present shortlist** to customer
- Accept customer input and follow-up queries
- Capture **instruction to proceed**

Give answer to customer:

- Give **confirmation** of policy purchase
- Send all documentation and details to **cloud storage** mechanism
- Move into **routine monitoring** mode

A simplified evolution – through customer eyes



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Timings?

- Impossible to say (no intelligent agents yet truly in place)
- Impossible to ignore (technology is all there – just needs the spark)

- Could the C&MA ruling provide that spark...?

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Possible impacts

For the industry:

- Demise of price-comparison as we know it
- Largely virtual, unseen insurance marketplace
- Brand / ATL spend repurposed to better customer service

For the customer:

- Better customer service and best value
- Less effort, and more confidence

For the entrepreneur:

- An opportunity to own the next primary distribution channel
- A monetising opportunity akin to that of the digital retail / service giants

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Thoughts to take away

- C&MA's work leads to better prices for customers
- Worse customer experience limits access to best pricing
- New mechanisms will arise to give customers the best of both worlds
- Intelligent agents will truly unlock a new competition for customer attention

GET INVOLVED

NINETY

CHANGE THE FORMULA