

Heightened insurance awareness leads AIA to expand workforce and digital ambition

If there has been any good that has come out of the Covid-19 pandemic, it is that people have started to pay more attention to their health. AIA Bhd's CEO Ben Ng describes this phenomenon as one of the silver linings of the pandemic.

Naturally, this has also resulted in increased awareness and acceptance of one's need for insurance. What is worth noting is that the life insurance penetration rate in Malaysia has not moved from the 54% level over the last five years.

During a media briefing, which also included AIA PUBLIC Takaful Bhd's CEO Elmie Aman Najas and AIA General Bhd's CEO Eric Chang, Ng shared that medical coverage is the first type of insurance that people looked into as a result of the pandemic.

"People want to be covered by insurance in case of sickness. Our experience shows that people who don't have medical coverage are very inclined to get medical insurance. There is also a general trend for people to re-evaluate their insurance coverage and needs. This is extremely powerful."

"Insurance is now a necessity and is being bought very willingly today. We find that many will do a review of what insurance they have and are often comfortable with insurance companies proactively engaging them and sharing their various offerings and what they can do for them," explained Ng.

As the insurer sees demand for insurance rising, it is looking to increase its workforce over the next few years. The insurer already saw a marked increase in its agency force in 2020; life planners increased by 46% to hit 19,000.

AIA plans to add 500 talents over the next few years to support its focus on technology, digital and analytics.

The insurer places emphasis on high-quality life planners and established a first-of-its-kind, holistic 18-month on-boarding programme for new life planners in 2018 called the AIA Elite Academy. The programme focuses on customised training and a financing scheme, giving new recruits a jump start in their careers.

"Demand [for insurance] can't be met unless there is an increase in the supply of life planners," commented Ng.

TAKAFUL AWARENESS IS LOW, BUT GROWING

Meanwhile, it is also encouraging to note that the Takaful market penetration rate in Malaysia increased in 2020 to 16.9% from 15.9%, signalling that insurance awareness among the bumiputera market has also been growing during the pandemic. However, Elmie said it is still very low compared with the conventional insurance market.

Based on a market survey done in 2019, Elmie shared, the

main concerns among the bumiputera when it comes to illnesses are high blood pressure, diabetes and heart attacks.

The survey also showed that while bumiputeras are aware of the increasing medical cost in treating such illnesses, many do not put a priority on obtaining Takaful coverage.

"Most of the time, they choose to just hope for the best," said Elmie as he highlighted the findings of the survey.

Part of the reason for the low Takaful market penetration is the lack of financial literacy and reach, he opined.

He said AIA PUBLIC Takaful can make a difference in raising awareness of the need for health and financial protection among the bumiputera. "In AIA PUBLIC Takaful, we also leverage on our unique health programme, AIA Vitality, and provide differentiated healthcare services through various partnerships. For us, it's not only about products but the additional support that we can provide to partner our customer's health journey from end to end. This is what truly makes a difference."

IN THE FOREFRONT OF DIGITALISATION

The group has also been at the forefront of digitalisation. Ng says one of his key takeaways from 2020 was the resilience of the company when it managed to continue to serve and protect its customers despite the strict lockdown imposed in March.

"I believe we have also been quite fast in responding to the situation," he says.

One effort that the insurer quickly put into place was its remote selling capability. In fact, it was the first insurance and Takaful provider to adopt a full non-face-to-face digital sales process that allowed customers to sign up for its products and services from the safety and comfort of their home.

Elmie said the 100% non-face-to-face remote capability has helped its Takaful life planners overcome the limitations of not having physical meetings.

"A Takaful life planner in Klang Valley can now close a transaction in Johor, or even Sabah or Sarawak," he said.

AIA has also introduced a non-face-to-face life planner recruitment process to ease the search for new talent and to provide employment opportunities to those affected by the pandemic.

"Everything is done digitally; there is no paper involved from the moment they are recruited to join AIA. We are leading in this area and we will continue on this journey," Ng said.

AIA's digital ambition has not been limited to just its day-to-day operations. It has also launched a new super app,

My AIA, which allows customers to assess their financial well-being, keep track of their health targets and rewards through AIA Vitality, manage insurance and Takaful plans and access virtual healthcare services.

"This is a step-change technology. Digital analytics is a key enabler for us to help our customers live a better quality of life," said Ng.

BEING THERE FOR CUSTOMERS' HEALTH JOURNEY

The heightened awareness towards insurance has also led AIA to revise its product strategy completely, moving away from the traditional way of selling insurance and shifting gears towards covering propositions. This, said Ng, is in line with AIA's purpose of helping people live healthier, longer and better lives.

"It is an important and major shift in the mindset of AIA in how we help our customers. We want to go the extra mile. Instead of being there for our customers for that 'one day' or 'just in case', we want to be partners in their health journey every day.

"I am proud to say this resonates with everyone in AIA, and this purpose and mission also allows us to attract like-minded talents to join us," shared Ng.

Just last month, AIA launched a new ecosystem under its Total Health Solution proposition which empowers its customers to "Live Well, Protect Well and Get Well" through a wide range of products and services that focuses on supporting their health and wellness journey.

The first part of the proposition begins with "Live Well" through the AIA Vitality programme. Introduced in 2016, the programme was a game changer in the insurance scene as a pioneer behavioural change programme that motivated members to make healthier choices in their everyday lives.

So far, AIA Vitality has more than 142,000 members.

Then comes the comprehensive conventional and Takaful solutions that help its customers "Protect Well". Finally, customers can "Get Well" through comprehensive health services with its exclusive partners, Medix, which provides Personal Medical Case Management, and DOC2US, an online medical consultation service.

"Traditionally, insurers tend to focus only on 'Protect Well', but we have gone beyond that by including both elements of 'Live Well' and 'Get Well' in our solutions," said Ng.

EXTENDING REACH INTO DIGITAL INSURANCE

At the end of last year, AIA General Bhd rolled out its first digital insurance offering, which marks the insurer's first foray into the digital insurance space.

AIA Online Shield is an affordable personal accident plan that also provides coverage for Covid-19. AIA was the first insurance company to offer products via Shopee and has so far sold over 1,500 plans there.

"We see a significant shift to online purchases, which was accelerated by the pandemic, and with this shift comes new exposed risks. The whole idea is protecting these risks and making products available for customers to buy online," said Chang.

He highlights that the target market are the millennials, who are "digital natives" and used to transacting online. "Having products available for them, especially short-term products that are typically lower in premium, will allow them to get the necessary protection. It will also give them an introduction to insurance, so that they understand how it works and can become more comfortable with it. With that, they may go on to get more necessary protection for themselves in the longer term, and explore solutions that are more comprehensive."

AIA Online Shield marks the start of AIA General Bhd's digital transformation journey. The company plans to increase its digital offerings and is in the midst of exploring partnerships with more digital platforms in Malaysia.

"These are exciting times, and we definitely look forward to leveraging our digital capabilities to truly help Malaysians live healthier, longer and better in this increasingly digital world," said Chang.



(left to right) Elmie Aman Najas, Chief Executive Officer of AIA PUBLIC Takaful Bhd; Ben Ng, Chief Executive Officer of AIA Bhd; and Eric Chang, Chief Executive Officer of AIA General Berhad at AIA Malaysia's media briefing event.