

THE FUTURE OF LIFE INSURANCE

Insurers can restore trust by focusing on their core purpose – helping customers in their time of need.

FORCES OF CHANGE

Falling public trust, price pressure and changing consumer preferences are driving change.

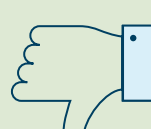
INDUSTRY OPPORTUNITIES

Simple, affordable products focused on supporting wellness will create a better customer experience.

(DIS)TRUST IN INSURANCE

ONLY **42%** BELIEVE THEIR LIFE INSURER WILL BE THERE FOR THEM IN THEIR TIME OF NEED¹

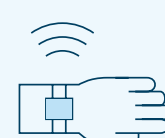
ONLY **23.9%** OF LIFE AND RISK INSURANCE POLICYHOLDERS ARE VERY SATISFIED²



CX TRANSFORMATION

Globally, **27%** of consumers WILL SHARE PERSONAL DATA with service providers, if they benefit.

Another **56%** ARE NEUTRAL⁹



SIMPLER, MORE AFFORDABLE PRODUCTS

will restore trust and provide a better customer experience

MEDIA, PUBLIC SCRUTINY



PUBLIC FOCUS ON INSTANCES OF POOR SERVICE HAS ERODED CONFIDENCE



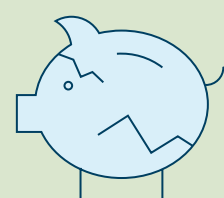
MORE REGULATION REQUIRES INSURERS TO EMPLOY **GREATER RESOURCES TO COMPLY**

CORE PURPOSE FOCUS

PRICING CRUNCH

INSURERS HAVE LOST **\$1 BILLION**

on individual disability policies over the past 3 years³



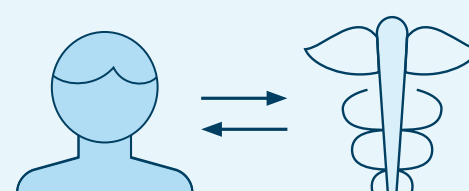
INSURANCE AFFORDABILITY

is an important issue for consumers, impacting levels of cover taken out

1 IN 2 AUSTRALIAN HOUSEHOLDS HAVE NO CASH LEFT over at the end of each month⁴



PERSONALISE POLICIES

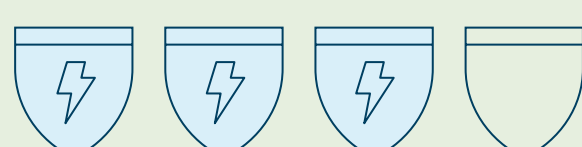


Insurers can reduce costs and create better outcomes by **COLLABORATING WITH HEALTHCARE PROVIDERS**



Customer data will make underwriting more efficient, **PERSONALISING PRODUCTS AND PRICING**

HIGH-TECH THREAT



Globally, **3 IN 4** INSURANCE COMPANIES BELIEVE THEY ARE AT **RISK OF DISRUPTION**⁵

Investment in insurtech **SURGING TO BILLIONS** OF DOLLARS IN RECENT YEARS⁶

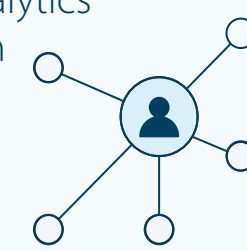


TECH REVOLUTION

UNDERWRITING WILL INCREASINGLY BE **INFORMED BY DATA** from multiple sources – from mobile apps to wearables and implantable devices⁸



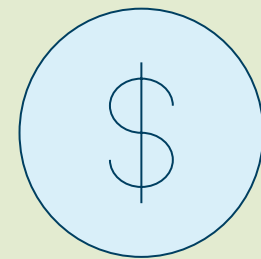
Greater use of data and analytics will change insurance to an **INSIGHTS, NOT RISK, DRIVEN BUSINESS**



Technology will evolve insurers from a 'life protection' model to one of **'LIFE ENRICHMENT'**



MILLENNIAL MARKET



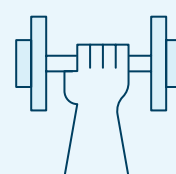
Millennials are the **NUMBER ONE SOURCE** of global income, spending and wealth creation⁷

67% of Millennials prefer to receive financial **ADVICE DIGITALLY**⁷



ENRICHMENT PROVIDERS

SUPPORTING **CUSTOMERS' WELLBEING** will ultimately reduce costs and create stronger relationships



Insurers can offer **DISCOUNTS AND OTHER INCENTIVES** based on customers' health activities to support their health goals



1 PwC, Future of Life Insurance in Australia, 2017

2 Roy Morgan Single Source (Australia), 2017

3 APRA, Quarterly Life Insurance Performance Statistics, March 2017

4 ME Household Financial Comfort Report, 2017

5 PwC, Opportunities await: *How InsurTech is reshaping insurance*, Global FinTech Survey, 2016

6 CBInsights, The Global Fintech Report, Quarter 2, 2017

7 Telstra Research, Millennials, Mobiles and Money: *The Forces Reinventing Financial Services*, 2016

8 PwC, Life Insurance 2020: *Competing for a future*, 2012

9 GfK Market Research, 2017

Important information:

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