





WHAT DIGITAL TECHNOLOGIES ARE BEING USED IN PAKISTAN?

The impact of digital disruption is evident in insurance distribution, policy administration, servicing of policyholders etc. in Pakistan.

With regards to distribution, following digital modes are being used. –

-  SMS – (examples of types of products being distributed)
-  Phone calls – Personal accident and disability by non-life insurers, term life by life insurers
-  Insurer's own Websites – Personal accident with optional natural death, disability and hospitalization
-  Web aggregators – life, auto, travel, health

Technology is being used for Insurance distribution for accessing. –

- 1) Individual policyholders
- 2) Small businesses along their value chains

Premium payment is either made through mobile wallet account/ branchless banking account/ digital/ banking account or deduction from mobile airtime of the policyholder

OTHER FACETS OF *INSURTECH*

- Technology platforms are being used for promotions, adding convenience to customer communication, creating greater engagement and building brand commitment e.g. personalized messages, reminders.
- Wearable technological devices are being used to monitor health indicators whereby good health performance is rewarded by addition to policyholder investment account or discount vouchers or discounted premium rates or such other manner.
- On-demand/ hour based insurance coverage is available to the convenience of policyholder such that insurance coverage can be switched on by the policyholder, when he deems necessary, and can turn it off, when considers it appropriate. The coverage is turned off automatically after maximum of 24 hours, in case policyholder forgets to turn it off.
- The industry wide technology based information sharing solution is established between life insurance industry which facilitates sharing information of declined/ postponed risks, the group life claims experience, life insurance agents and agents involved in codified misconduct.

THE AIM FOR ISSUING THE DIRECTIVE AND ELEMENTS WHICH WERE IMPORTANT TO INCLUDE IN THE DIRECTIVE

Greater innovation calls for greater regulation. New form of customer experience through technological intervention gives rise to new forms of risks.

- Client value risk – communication of coverage and all terms and conditions to the policyholders
- Distribution channel risk – appropriate manner of exiting distribution arrangement
- Clarity of roles and responsibilities – agency agreement to clearly stipulate roles of all parties involved
- Data safety and ownership – primary ownership and responsibility rests with insurer
- Commission claw-back on reporting of misselling within prescribed timelines
- Semi-annual product-wise reporting

