

INSURANCE RUN OFF FORUM

Ian Betley, VP Sales - International | Cologne – 16 March 2018



MASTER COMPLEXITY™

DISCLAIMER

This material is intended for informational purposes only, and is not a legal opinion or analysis and cannot be relied upon as authoritative. Matters discussed in this presentation must be referred to your counsel for review.

The enclosed materials may contain sensitive, proprietary and confidential information. Please use every effort to safeguard the confidentiality of these materials. Please do not copy, distribute, use, share or otherwise provide access to these materials to any person inside or outside DST Systems, Inc. without prior written approval.

If we permit your printing, copying or transmitting of content in this presentation, it is under a non-exclusive, non-transferable, limited license, and you must include or refer to the copyright notice contained in this document. You may not create derivative works of this presentation or its content without our prior written permission. Any reference in this presentation to another entity or its products or services is provided for convenience only and does not constitute an offer to sell, or the solicitation of an offer to buy, any products or services offered by such entity, nor does such reference constitute our endorsement, referral or recommendation.

Our trademarks and service marks and those of third parties used in this presentation are the property of their respective owners.

© 2017 DST Systems, Inc. All rights reserved.

CONTENTS

Synopsis

- The ongoing technology evolution is actually a revolution
- The gap between legacy and modern widens on a month by month basis, with many legacy businesses becoming unsustainable
- The opportunities to simplify your business, or improve efficiency used to be three dimensional – economies of scale, rationalisation, or shift the problem to someone else.....
-now the potential combination of solutions to choose are infinite, as is the risk of failure ...which horse do you bet on?

Key agenda items and message

- Providing an overview of the core areas for operational efficiency and how they impact businesses – identifying the depth of use and the boundary of overlap is key, integration of all the strategies is an imperative for success
 - Digital
 - Data strategy
 - Intelligent Operations

DST MARKET POSITION



Asset Managers

- Provide services to 19 of the top 30 asset managers in the UK market by AUM¹
- Over 80 million accounts serviced globally

Wealth Managers

- Provide services to the largest UK wealth manager for over 15 years
- 6.8 million retirement accounts serviced in US
- 42 million subaccounts administered in US

Insurers

- Relationships with 10 of top 20 leading insurers in Europe³
- US operations service 14 of top 20 life insurance firms

Banks

- Provide technology to:
- 3 of the top 5 UK retail banks²
 - 2 of the top 4 global custodian banks

Capabilities:

← Customer Engagement - Intelligent Operations – Risk and Compliance - Data and Analytics →

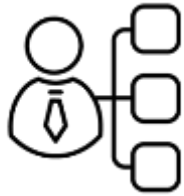
SOURCE: ¹ The Investment Association. (2017, June). Total Retail and Institutional Funds Under Management for June 2017 in OEICs and unit trusts including through ISAs. Retrieved from www.theinvestmentassociation.org/https://www.theinvestmentassociation.org/fund-statistics/monthly-company-rankings.html?year=2017&type=total&date=062017&submit=

² Business Insider UK. (2017, July 10). The 18 most profitable banks in the UK. Retrieved from <http://uk.businessinsider.com/the-18-most-profitable-banks-in-the-uk-2017-7/#5-nationwide-building-society-143-billion-britains-largest-building-society-controls-around-210-billion-of-the-330-billion-worth-of-assets-of-the-entire-building-society-sector-in-the-uk-14>

³ Relbanks. (2017). Top Insurance Companies in Europe. Retrieved from www.relbanks.com/https://www.relbanks.com/top-insurance-companies/europe

LETS LOOK AT THE CHALLENGES

CLIENT CHALLENGES



Multi-Channel Sales and Servicing



Technology Burden



Responding to Regulation

A large, dark blue, double-headed arrow pointing left and right, spanning the width of the three challenge boxes above it.

Complexity Cost and Change

INVESTMENT: CONFLICTING PRIORITIES?

How can you make real transformation happen with so many conflicting priorities?

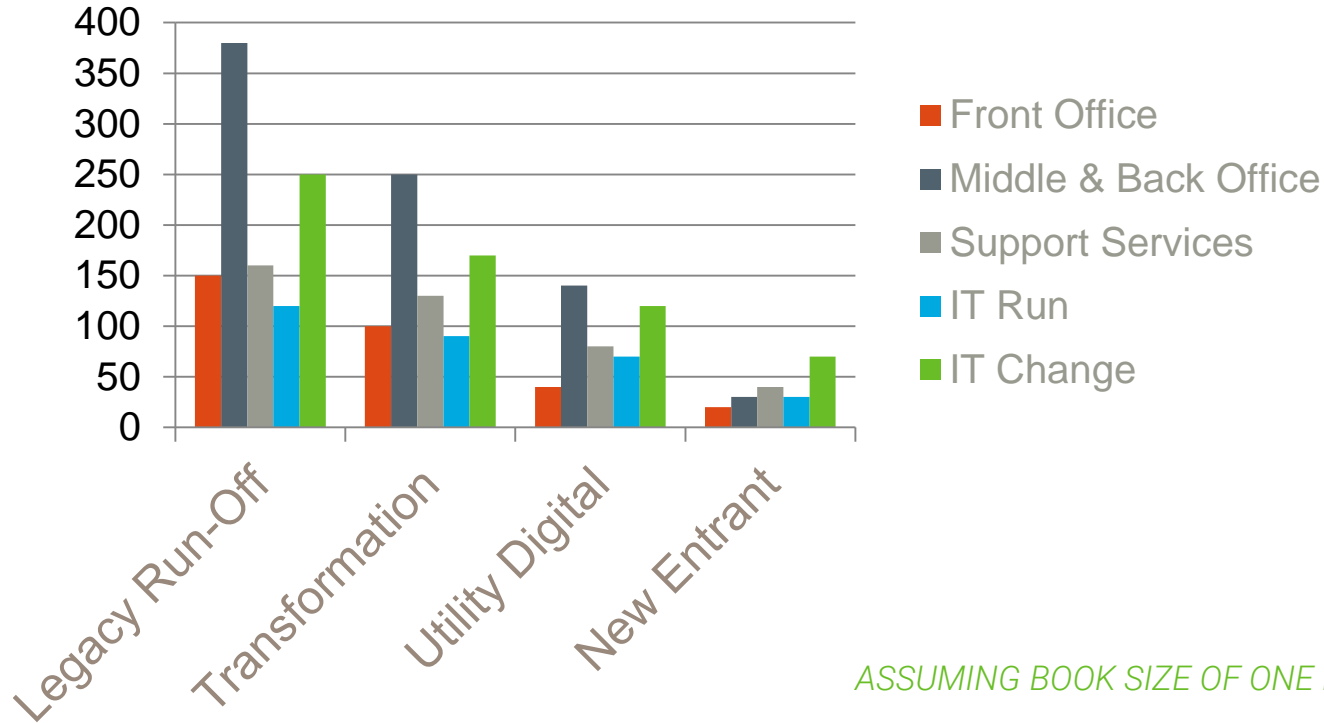
Tactical tinkering?

Strategic alignment?

Hope is not a strategy!!!



THE MARKET PREDICTED CHANGE IN OPERATIONS

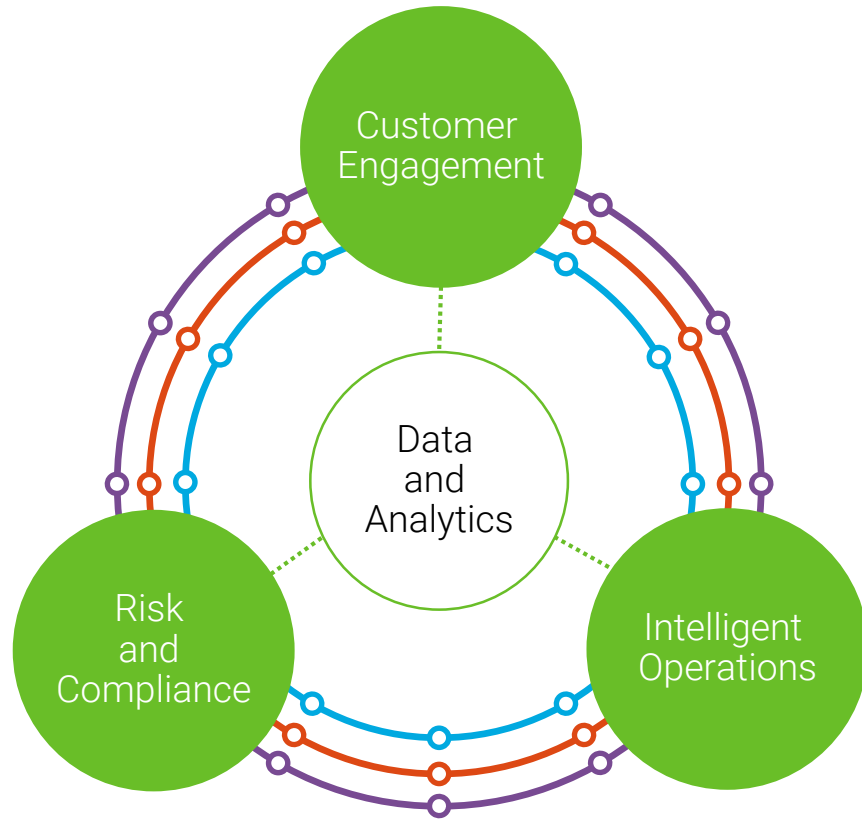


ASSUMING BOOK SIZE OF ONE MILLION POLICIES

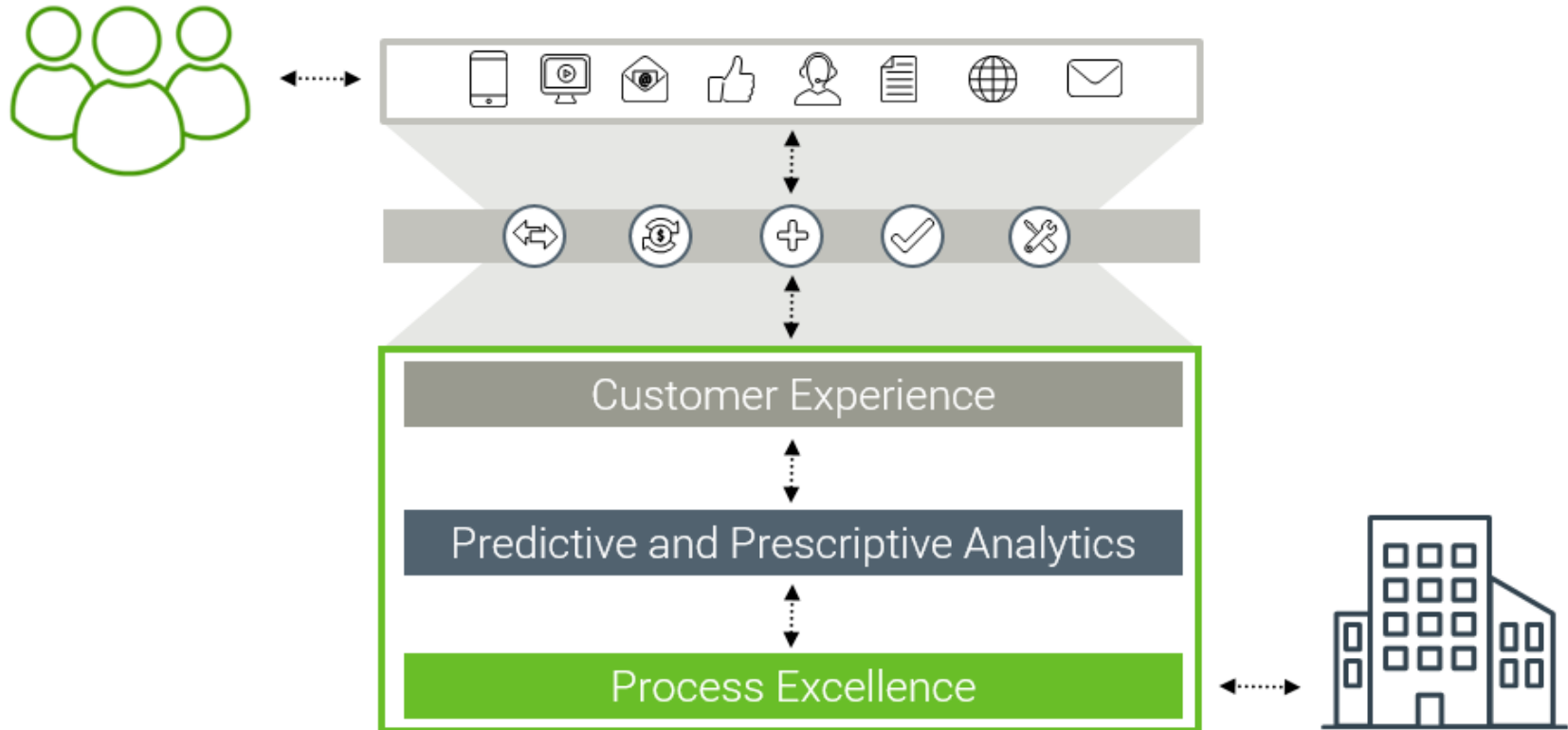
A thick, solid green vertical bar runs along the left edge of the slide.

*AND NOW WHERE DO THE
OPPORTUNITIES LIE?*

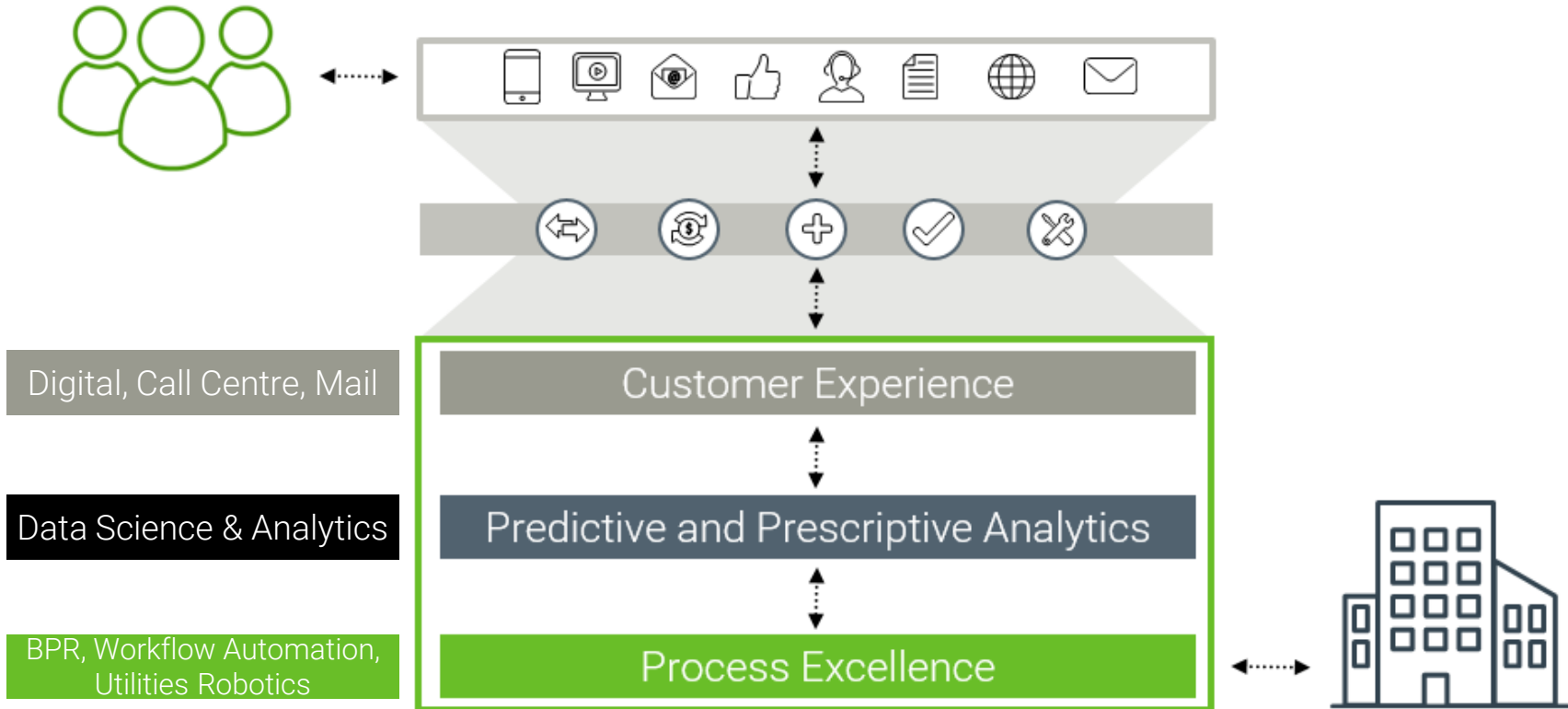
DIGITALLY-CONNECTED ECOSYSTEM



THE JOURNEY TO GREATER VALUE



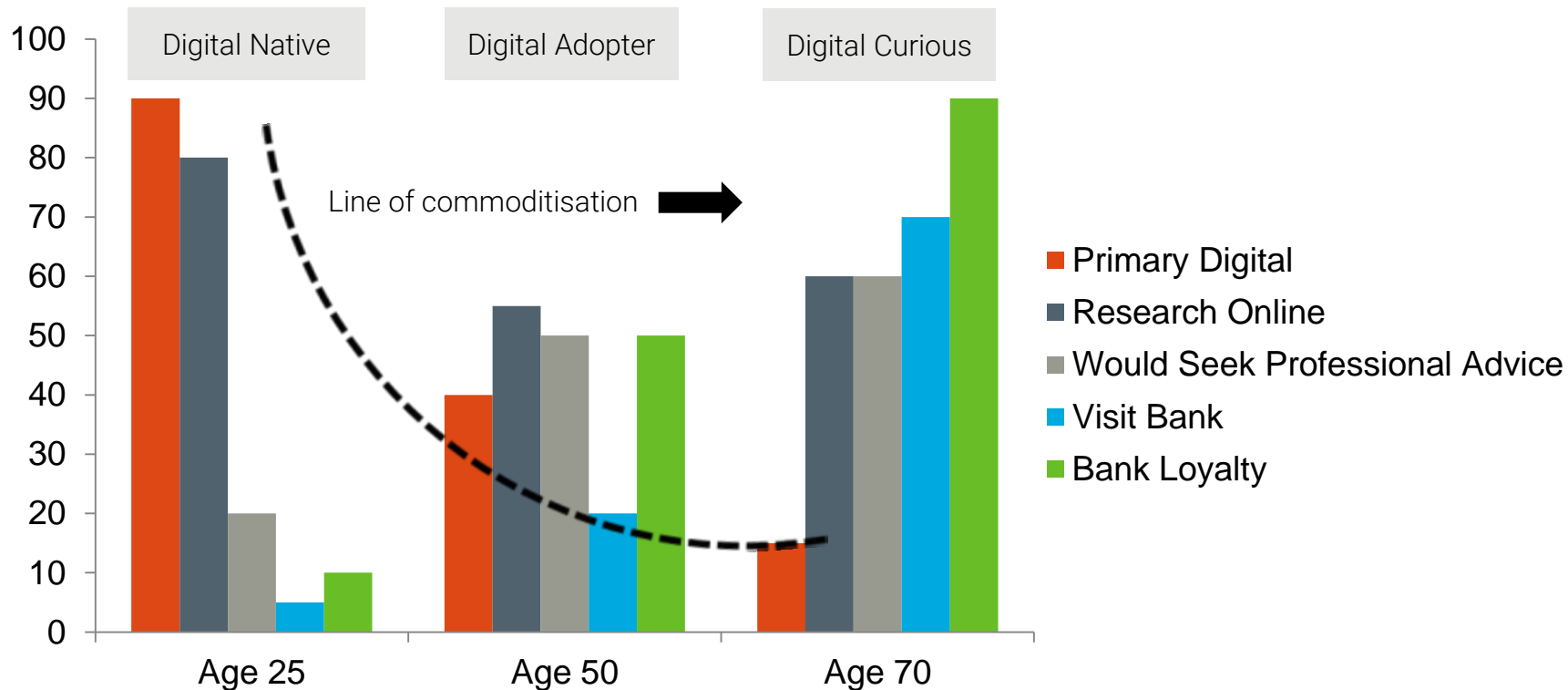
THE JOURNEY TO GREATER VALUE



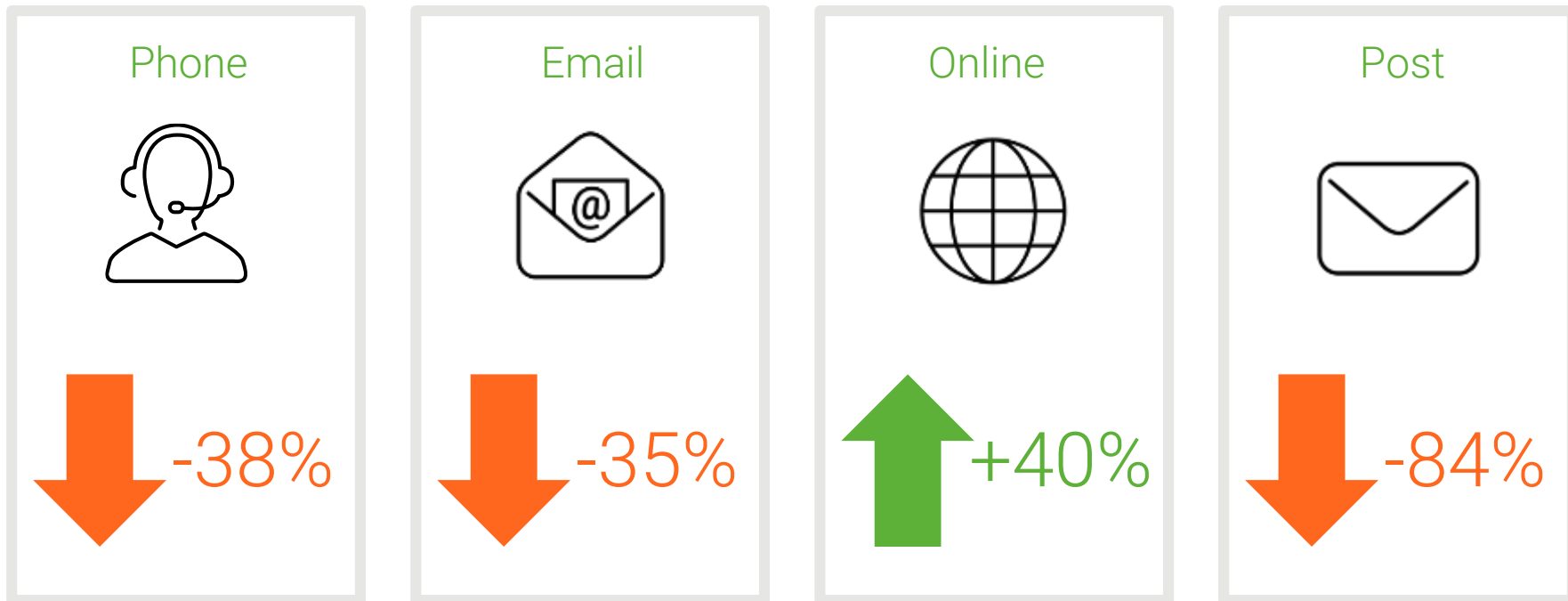
A thick, solid green vertical bar on the left side of the slide.

THE DIGITAL IMPACT

DISTRIBUTION DISRUPTION



CHANNELS: EXISTING V PREFERENCE



Source: Consumers, Claims and Key Concerns | © 2016 DST Systems, Inc.

SUCCESSFULLY EMBRACING DIGITAL



Analytics and digital by design

89% of insurers do not use past interactions to support product recommendations or customer journeys

Digitised business processes

costs are embedded within

Technology strategy

'The largest insurer of the next generation may not have emerged yet'
McKinsey

have mastered digital to a point
competitors

Business transformation strategy

companies believe they will
embrace digital

Corporate culture & organisational DNA

68% say internal culture or corporate structure is a constraint to business change

SUCCESSFULLY EMBRACING DIGITAL

Analytics and digital b

ons on how to engage

Digitised business pro

ont office / back

Technology strategy

eed IT architecture

Business transformat
strategy

ansform – it's not

Corporate culture &
organisational DNA

Ensuring Talent management and organisational behaviour is structured to innovate and support digital



A thick, solid green vertical bar runs along the left edge of the slide.

THE IMPACT OF DATA MANAGEMENT

WHERE ANALYTICS CAN CREATE VALUE



Identify and acquire the most profitable, loyal new business.



Identify who, when and how to maximise cross and up sell opportunities.



Identify valuable clients at risk of churn and proactively act to prevent it.



Engage and inform through insight reporting



Leverage data to meet compliance obligations.



Reduce costs by leveraging triggers, automation and next best action.

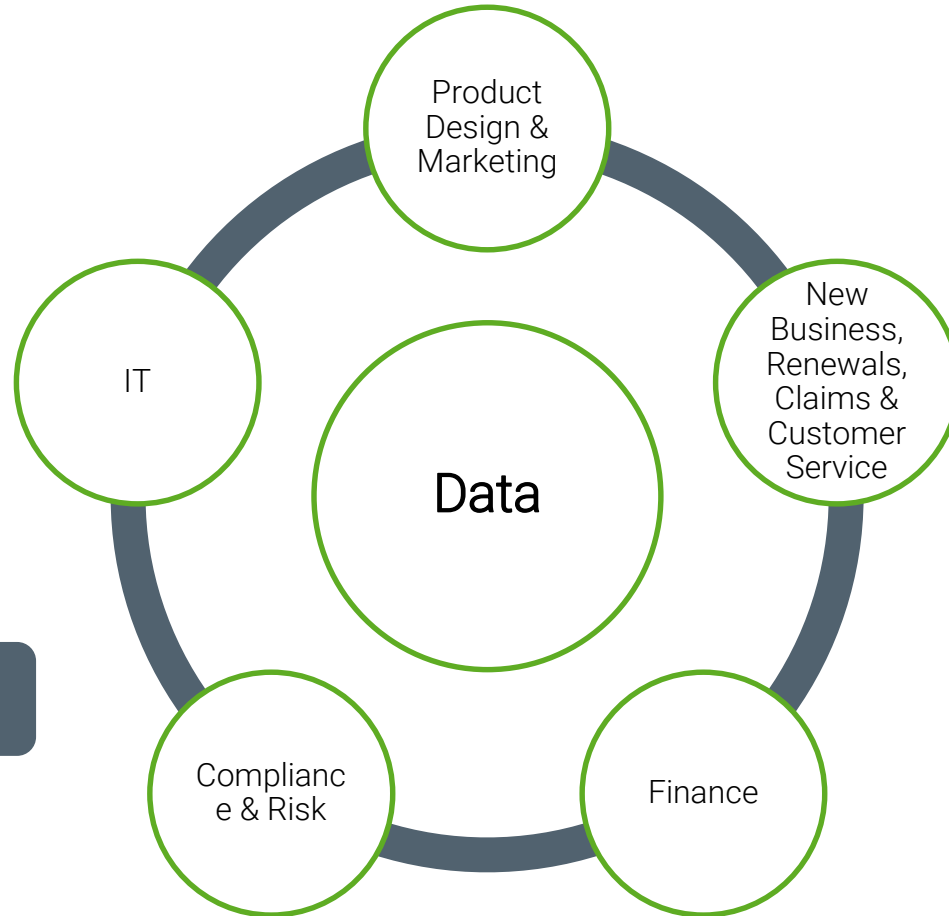


Identify and manage high risk situations, individuals and better understand entity relationships.



Reduce service costs through intelligent operations.

CULTURE



More Data
Open banking

More Data Control
GDPR

“UK FIRMS SPENT £1.3M EACH
ON GETTING SHIP-SHAPE FOR GDPR”

DATAIQ NEWS, 15TH FEBRUARY 2018

A 'SMALL' EXAMPLE



A 'SMALL' EXAMPLE



"LIVING IN A SPREADSHEET SHANTY TOWN"

A 'SMALL' EXAMPLE



“APPROXIMATELY 12% OF EMPLOYEES IN EUROPE ENGAGE IN SELF-SERVICE DATA PREPARATION USING VARIOUS SPREADSHEET SOFTWARE.”

“€55 BILLION WASTED IN EUROPE EVERY YEAR BY ADVANCED SPREADSHEET USERS.”

THE STATE OF SELF-SERVICE DATA PREPARATION AND ANALYSIS USING SPREADSHEETS IN EUROPE. IDC, NOV 2017



THE IMPACT OF INTELLIGENT OPERATIONS

INTELLIGENT OPERATIONS



Ensuring customer requests:

- Go to the right people when required
- Are automated where possible
- With the right skills
- With sufficient capacity

To achieve:

- Consistency of desired customer outcome
- Optimal revenue
- In the right time frame
- At the right cost

MULTI-CHANNEL CUSTOMER ENGAGEMENT



Mail



Online



Voice



Mobile



Email

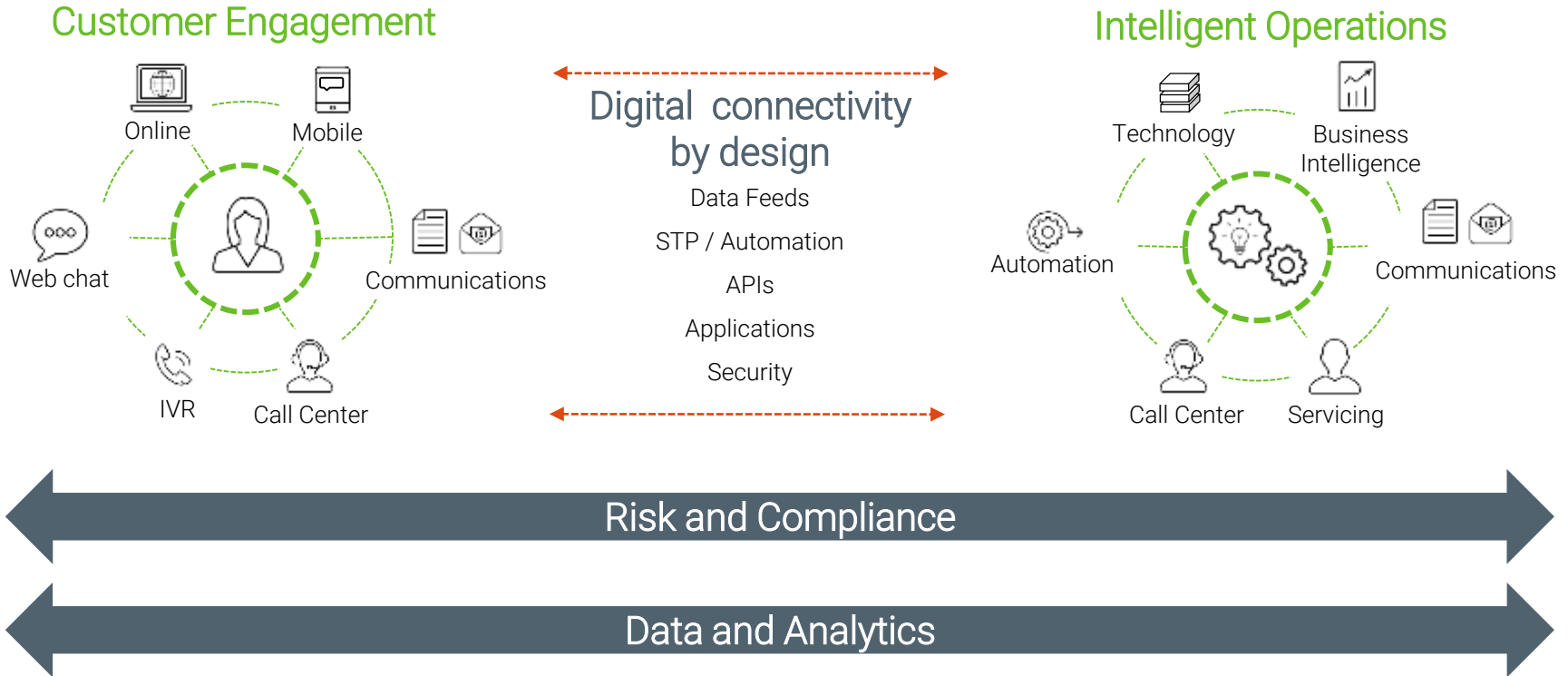


Webchat

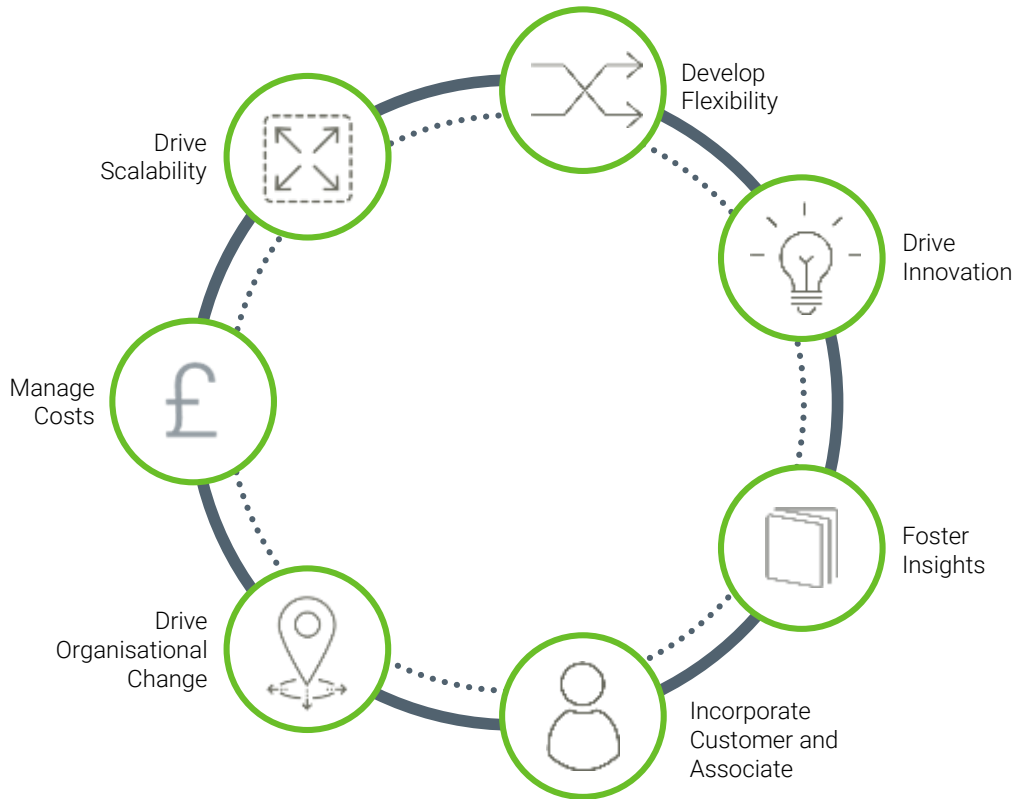


Fax

HOW WE CAN DELIVER



CAPABILITY: INTELLIGENT OPERATIONS

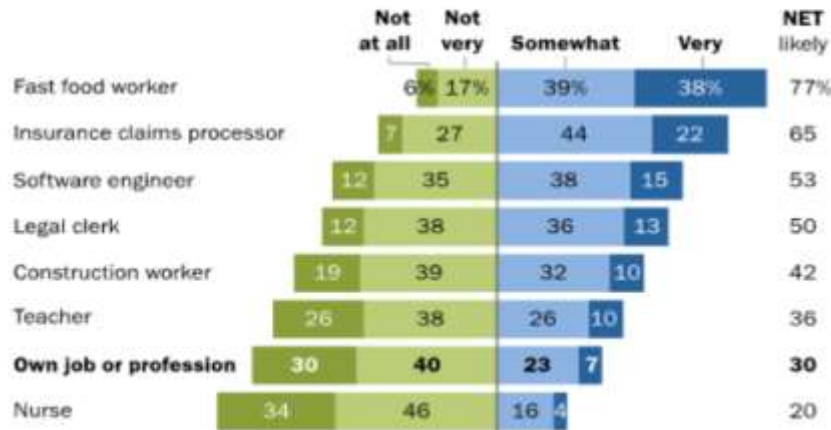


- Deliver business insights to power more dynamic and effective customer and associate experiences
- Provide transparency and control to better manage risk and quality
- Measure performance to drive a continuous process improvement environment

ROBOTICS

Americans view certain professions as being at greater risk of automation than others

% of U.S. adults who think it is ___ likely that the following jobs will be replaced by robots or computers in their lifetimes



- Reduce Costs: Typically less than 1/3 the cost of a full time employee.
- Increase Consistency: The same process is executed every time with 100% accuracy.¹
- Optimise Human Resources: The tasks and processes involved are typically those least enjoyed by employees. Relieved of these activities, employees can often focus on higher-value activities
- Optimise Technology: Quickly and cheaply automate processes without having to engage IT; IT can focus precious resources on the most strategic initiatives.
- Increase Productivity and Speed: No breaks are necessary, and robots operate 24/7.
- Enhance Scalability: Spin up or down a robot, or even re-assign, based on changing needs.
- Elevate Accountability: Leaves a clear record of the completed transaction, making compliance-related activities easier to track and monitor.

EXAMPLE – PUT IT ALL TOGETHER

DEATH CLAIM

