

PIRA MEMBERS' VOICES



PIRA Member Companies share how they are coping with the Covid-19 challenge

PHILIPPINE INSURERS AND REINSURERS ASSOCIATION



Let's all learn from each other!

The Covid-19 pandemic has taught us so many important lessons. I believe that as an industry, we could maximize those lessons by sharing them with one another.

This is the reason for this publication. This contains informal interviews with our members on lessons they have learned and are still learning from this crisis.

This is far from complete. We have 58 member companies, and the next editions of this publication will feature the rest of them.

In the meantime, I hope you will enjoy this.

Let us all learn from each other and grow together!



Mitch Rellosa
PIRA Executive Director



You talk, we listen!

We in PIRA value the insights of our members. We believe that all our members have something important to say. And we in the PIRA Secretariat are here, always ready to listen.

As our industry and the whole world continue to grapple with the pandemic, we have come up with the idea to document what our members could say about this historic crisis.

This PIRA Members' Voices is meant to share the industry's practices to benefit all insurance companies. As our Executive Director said, this is far from being complete. Expect more in the coming months!

In PIRA, we believe that we are always stronger together. I hope this publication would make us more united.

Dahil sa PIRA, kayang-kaya, pag sama-sama!



Roger Concepcion
PIRA General Manager



ROMEO BERNABE
Executive Vice President
Alpha Insurance



Ito 'yung battlecry namin: 'Yung laging mailapit ang ahente sa may-ari ng kumpanya.



Alpha Insurance navigates Covid crisis

The COVID-19 pandemic fast tracked our company's direction towards digitalization of our processes and operations. Even before the coronavirus arrived, preparations for this technological shift were already underway for the company. We have electronic policies that have already been approved beforehand by the Insurance Commission.

Our teams worked double-time to boost the company's portfolio, especially on products such as property, surety, and micro insurance.

I could say that our company suffered a decline in production by more than P100 million. However, because of the imposed lockdowns and the widespread national work-from-home policy for employees, very few losses were recorded. We actually experienced all-time high digits in collection.

The main challenge for us, in the beginning was in shifting to online payment facilities. Relationships with partner banks were strengthened in order to swiftly establish all transaction channels. Assistance for the elderly clientele were also attended to, and this entailed personal delivery of printed policies and forms.



The biggest challenges we experienced came during the first wave of the lockdowns in April 2020, when collections went down by 80 percent. This has been the most worrisome.. Conferences were cancelled, and without laying off employees, salaries were cut down in order to help the corporation recover.

While continuing on with the migration of operations online, a focus on remote management has been given attention and utmost effort. Ito 'yung battlecry namin: 'Yung laging mailapit ang ahente sa may-ari ng kumpanya.

We did this through Zoom which proved to be highly useful for agents, especially in recruitment and training. We used to do recruitment and training face-to-face, usually with five agents per session, four times a month. Pero dumating kami sa point na mayroon na kaming 100 attendees nationwide in one session. It has become very efficient.

Zoom was also our bridge to connect individuals to Alpha, especially clients from Visayas and Mindanao. It gave us a wider contact for people, especially for agents. Parang serendipity. Parang blessing in disguise. Because of this technology that we now have., we have become more efficient.

The work, however, is far from over. The digital transformation doesn't stop here. We are forced to step up and to think of ways how to make this better.

Looking forward, we intend to further improve our electronic productivity by fully streamlining our departments through online integration. It is a continuing process, and we are lucky that our owners are 100% supportive of this transformation.

As far as PIRA is concerned, we in Alpha appreciate our Association's initiatives. The referendum and the surveys, not to mention this interview, that PIRA is conducting are clear signals that it is listening to its members. And we appreciate that.

"The digital transformation doesn't stop here. We are forced to step up."

ROMY BERNABE
Director
Alpha Insurance



ERNIE MAURICIO
Managing Director
Asia Insurance

Asia Insurance adjusted from the start

Preceding the community quarantines in Manila, our sister companies abroad have already undergone nationwide lockdowns. This enabled the multinational sections to adapt and learn best practices at an earlier time. Ang parent companies namin sa Hongkong, Bangkok, and Indonesia, they already have some kind of fintech na. So tinuturuan nila kami to go into that operation. Key tools and software that are essential to the digitalization of their processes were quickly distributed to the significant people who will lead the company's platform shift. Kaya we were able to adjust in a manner that is swifter and prompter compared to others.

As regards to performance in 2020 – the so-called year of the coronavirus – our income through our Gross Premiums Written decreased by 7%. This occurred because the portfolio of non-renewables, such as engineering and bonds, were directly hit.



We had an overall positive increase for the past year.





Sa construction, 'yung mga non-renewable accounts – engineering, bonds – appektado 'yun. Hindi nirenew 'yun eh. Walang pumasok. Naka-sustain lang kami doon sa renewables na fire and motor car.

But despite the drop in our gross premiums written, our losses also declined in 2020. Balancing it out, we were able to increase our bottomline for the past year. The decline in losses can be attributed to the less mobility. Kokonti ang mga sasakyan sa kalsada. We also had less operational expenses because of the work-from-home setup. So we managed to survive, and we did not see the need to lay off a single employee.

So far we have retained most of the adjustments that we implemented at the start of the lockdowns up to today, even when the country returned to more lenient regulations. These adjustments include the work-from-home setup for the employees. In my case, I still go to the office two or three times a week. I love to drive from our home in Batangas all the way to Binondo. That continues to be my stress reliever.

For clients and agents who cannot go to the office and cannot do online transaction, we use messengerial .

services. Similar to same-day delivery courier services, we deliver policy forms and other papers straight to their homes.

To better advocate staying at home and to better promote precautions against coronavirus, we made sure to assist our agents by way of no-contact delivery to residences. We offer na kung mayroon silang kailangan, matanggap o kailangang ipadala, kukunin na lang namin. We bring the service to their homes. This practice, however, did not start during the coronavirus pandemic. We've been doing this messengerial work for awhile now.

Our bigger challenge in our operations was the mode or method of payments which also became electronic. Clients pay us online, pero 'yung policy, we continue to issue as paper and deliver pa rin.

For the first quarter of 2021, we grew – thanks to the fire and motor car lines.

Fortunately, itong 2021, medyo we are already recovering the 7% we lost in 2020. Doon sa first four months, mayroong growth na medyo decent naman. We are hopeful that despite the continuing restrictions sa business activities, we can recover and continue to improve our services to clients..



I believe that for this digitalization thing to truly work, the Insurance Commission and PIRA need to play essential roles. The IC, as the regulator, also needs help in understanding this technology. And PIRA, as our association, should initiate moves for the IC and the entire industry to learn and grow together.

PIRA also needs to take harder positions in key issues, such as the P1.3 billion capitalization requirement and on the discussion regarding tariffs. Kailangan i-pursue ng PIRA 'yung decision ng nakararami. For example, sa debate that is going on in tariff and non-tariff. I think PIRA should support the recommendations of the members.

Right now, the industry is divided. But in my opinion, PIRA is on the right track..PIRA is doing the right things. Kailangan lang ng cooperation together with the IC, para magkaroon ng force ang PIRA.

"PIRA also needs to take harder positions in key issues such as the P1.3 billion capitalization requirement."

ERNIE MAURICIO
Senior Vice President
Asia Insurance



AXA Philippines seizes opportunities in pandemic

The pandemic has offered us an opportunity to improve our systems even more, It also allowed us to improve on how we communicate to our policy holders, and how we sell policies. That has been quite successful. Very successful also is the transition of our employees from a mindset of going to work and doing their work, to a mindset of being productive even at home. You know, being at home brings a lot of distractions, whether errands, relatives, or kids running around. It is more challenging.

It is good that we have been able to weather this crisis so far. This pandemic has given us time to rethink what we are doing in the market. There have been a lot of product opportunities from this pandemic. As expected, there have been a lot of areas where our numbers went down. But we have seen more opportunities. And we're now developing products that basically address the new normal. People are at home, having more deliveries -- we're adjusting our product portfolio for such scenarios. We believe that not everyone is going to go back to the old way of doing things.



RONALDO RAMOS
Chief Actuary for
General Insurance
AXA Philippines



What this entails is a change in mindset. Our first challenge was that not everybody was set up to work from home.





What this entails is a change in mindset. Our first challenge was that not everybody was set up to work from home. There was that IT challenge. Luckily our IT was up to the task, moving people from desktop to laptops, improving the wide area capabilities of the company, and giving out support to people who have limited capabilities at home.

After addressing the IT infrastructure, we focused on the mindset of the people. It was tough. You're at home, nobody watches you or sees what you're doing. So there were challenges in the productivity of the employees. That's where the management and the HR came up with ingenious ways to ensure productivity.

And we're seeing the results now. We can now invite more people to participate in meetings, unlike before that we are limited to physical space. Now we can invite more stakeholders -- as many as possible -- for a particular subject and in different meetings as well.

I believe this pandemic should make us look farther ahead. As an actuary, we look at what models tell us and then try to apply it to the market either through the products or through the analysis of claims and then give that feedback to the underwriters so that

when they try to accept the risk they are more informed. One example is this pandemic. Because of this pandemic, we really had to look at the models, revisit the models, and be on our feet on our calculations. So you're looking at a 1-in-200 type of scenario, which may say that whatever we have experienced in the past may not be applicable to what we are experiencing now. Now whether we would make changes on our long-term infrastructure is also a factor. And then how do you address what's going on in the market, currently? How do you place your rates? Do you give some sort of concession? Do you give some relief to people who were hit? 'Yung mga ganun.

Kailangan talaga alisto ka, and use your technical skills in trying to come up with the framework to come up with the hard decisions.

Before coming to AXA, I was actually with Swiss Re and we were already looking at a pandemic cover. Swiss Re was able to issue one in Mexico, with a lot of support from the World Bank. What was sure at that time was there was something like this that would happen, and it's only a matter of when.



I think PIRA is on the right track when it comes to leading the industry in the right direction. I see the honorable objectives and the intent to make the industry better. I just hope PIRA could invest more in making statements on the improvement of the culture for the betterment of the whole industry.

"Kailangan talaga alisto ka, and use your technical skills in trying to come up with the framework to come up with the hard decisions."

RON RAMOS
Chief Actuary
AXA Philippines



RICO BAUTISTA
President and CEO
Etiqa Philippines



We have improved our processes and the way we do things.

A good year for Etiqa Philippines

The year 2020 was a good year for us, marked by a 6-percent increase in our overall business, and a remarkable 26-percent growth in our non-life portfolio. As a composite company selling both life and non-life products, 70 percent of our portfolio is in employee benefits like group-medical and group-life products, while around 20 percent is in individual retail products. And the rest is on a good growing percentage of our non-life products.

We must admit that just like the rest of the world, we were caught surprised by the pandemic. During this period, we tried to find ways to navigate our business operations by putting our customers and distributors at the top of our priority. We continued with our call center operations 24/7 despite the strict lockdown. We supported those who could work from home, and we realized that we are able to be effective even on a work from home setup. However, during the beginning of the lockdown, some of our employees could neither go to the office nor work from home.





Despite this situation, we continued to support them, never letting go of a single employee. We made sure that we took care of our employees by providing them compensation, and more, so we will be able to provide the services we promised to our clients accordingly. Majority of our employees have stayed with us even up to this time.

More than one year into this environment, we are very near business as usual. There are still challenges the new normal has brought us, like limited movements and other restrictions, particularly those imposed by government agencies. But we are very positive about our situation. We are actually hiring more employees now as we expand our business. We are maximizing our online presence by offering more non-life products like auto insurance, property insurance, and travel insurance. We are also offering other life products through our website. Though we continue to work extensively with intermediaries and partners, we are also expanding our online offerings so people can have access to them without leaving the comforts of their homes. We have improved our processes and the way we do things. We are developing a more robust non-life system that will connect our company with our clients, distributors, and even the network of

casas for the auto repairs side. The goal is to build and develop that in-house general insurance ecosystem with the support of our counterparts from Etiqa Malaysia and Etiqa Singapore. We are also developing other technology solutions to support all our lines of businesses.

I see this pandemic as an opportunity. While a lot of people have been affected, people now have become more reflective, more inward looking, asking the most important questions in life. Covid-19 is hitting many, even those closest to us, which makes people become more introspective.

The use of technology is offering new opportunities as well. While intermediaries will continue to be a priority for us, and we will continue to partner with them, we are exploring more ways to reach out to clients. We have put in our strategic plans on how we can further distribute our products by leveraging on technology and the use of the internet. With so big a market among Filipinos, we are putting into plans on how to reach out to more and more of our countrymen using our e-channel of distribution. This means that we are putting investments on our digital and technological capabilities as a company.



In closing, I would like to say that PIRA has been doing a very good job in ensuring that all companies are able to work as one and move as one. The webinars that PIRA has conducted were very good. I just hope PIRA will continue to be the voice of the industry, both to our regulators or/and to our members. It should be the voice of everybody. It can be challenging because we need to balance a lot of interests. But thanks to all the officers of PIRA for pushing forth the interests of our industry!

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RICO BAUTISTA
President and CEO
Etiqa Philippines



Fortune General reaps gains from IT investment

In 2014, Fortune General decided to go web-based. It was a hard decision mainly because of the substantial cost involved. We knew it would be useful, and would eventually enable us to deploy our system from anywhere in the Philippines.

Hence we were ready. Before the Philippines went into the lockdown, we have already conducted a drill. But of course we still had some challenges, and the biggest was on the equipment side. Only 30 to 40 percent of our people used laptops. So when the lockdown happened, we had to ask some people to bring their office desktops home to be able to work.

It was hard in the beginning. Our first difficulty was the mindset – the mindset that we had to see the people we're talking to. The mindset that we had to see the documents we're checking. The second difficulty was in monitoring. Prior to the lockdowns, we relied on attendance. Ngayon, hindi mo na nakikita 'yung tao. Nakikita mo na lang 'yung resulta.



MANNY MALOLES
President
Fortune General
Insurance



Before the Philippines went into the lockdown, we have already conducted a drill. But of course, we still had some challenges.





I guess that's where trust comes in – trust that our people would do what they were supposed to do even if we were not watching. We could have had a camera focused on the employee while he was working, but I don't think that would be right. No employee would accept that. So what we did was set parameters.

We invested in equipment. We bought them at a faster rate than usual. At this time, I could say we have bought about 60 to 70 percent of our equipment para lahat may gamit na in working from home.

Pero may mga employees na kailangan pa rin tumanggap ng documents from clients na hindi online. So they have to report to the office. They now use high-speed scanners. We had to invest on these since normal scanners take a lot of time to do the job.

Meanwhile, we realized we had to do meetings. So we explored Google, Microsoft, and Zoom. We got Zoom. We use Zoom also in training agents. Now it's easier for us to do this. Last month, for example, we were able to train 67 agents at the same time. Before, we did it by batches of 15 agents.

We changed also how we invite new agents and we revised our training materials too. We are now actively

promoting through our sister radio station. We have realized that people are losing their jobs and might need sidelines. As for our learning materials, we made them more suitable for online learning.

I could say that a lot of people struggle in going digital. Suddenly, we realized that not all are techies. To go digital is a rollercoaster ride. There are ups and downs and twists and turns. Our bosses actually demanded reports on productivity, especially in the first month. From these reports we found out that although we were tactically ready to serve our clients, but it was our clients who weren't ready. We already have the payment portals from the beginning, pero hirap pa rin talaga ang clients. Not everyone trusts the portals. Ngayon pa lang sila nakaka-adjust.

And not all people can adjust to digital policies. May gusto pa rin ng hard copy. Kaya some of our agents still go to the office.

May problema din with our own managers, especially the old ones – those who do not believe in the system. They are not able to explain how the system works to the agents, thus the agents would not use it. They would say baka mahirap, baka magkamali.



So we came up with tutorials. Pag nakasulat kasi hindi maintindihan. Pag videos, mas mabilis matutunan.

May mga veteran agents na minsan ayaw talaga. They are the ones who don't even use e-mails. Sila talaga yung nawala., Bumagsak ang production. We even had brokers who didn't have systems to operate. They are the local ones. The international ones were able to adjust with the help of their parent firms.

For veteran agents, we ask them how they wanted to communicate, and we made use of the channels that they gave us -- be it Facebook, Messenger, Viber, lahat. Or sometimes we actually do the work and send the policies to their clients. These agents have been with us for so long and we have moral obligations to of course help them out.

Sa payments, we had to tell our branch managers to go online. What do we need? Their account numbers. But initially our BMs mismo hindi nila pinush ang online payment. So we had to identify which managers weren't pushing the system. We wanted to find out how we can help them, to get them on board. Siguro today 80 percent of payments are online. 20 percent na lang ang hindi. These are the one-time payments na hindi mo naman kailangan na i-online. Even for claimants, we now pay online.

Sa meetings naman, ako mismo ang nagsasabi sa mga managers namin na please respect the time of our employees. We have to learn to separate work and home life. I remember 'yung isang manager namin nakikipag-meeting on a Holy Thursday. Sabi ko, patawad naman. Pinagbigyan ko na lang muna, pero next time dapat hindi, dapat relax muna. Bitaw muna. Kasi it's so easy to call for a meeting.

We know people are working at night. Some are actually more productive at night. Some naman sasabihin mas mabilis internet nila sa gabi kaysa umaga kaya sa gabi sila nagwo-work.

Now we're doing better than 2019. Ang benchmark namin is 2019. Kasi 2020 was unusual. Unique. I think the market has also changed. Nagkaroon na ng transition. Originally we had aggressive plans for 2021, thinking that by first quarter we would already be back. But the economy, did not recover. So we expect next year, 'yun na talaga.

Right now the server that we're using is in the cloud, tapos may back-up. So if one part of the server fails, automatically tatakbo pa rin siya. The beauty is that we're up 24 hours, 365 days. The other thing is, mas mabilis maka-connect. Sa security naman, should we have an attack on both servers, mayroon pa rin kaming on-premise. So that gives us some comfort



when it comes to the investment we made on technology. Now we see that it's really worth it.

As for PIRA, what we hope our Association could do is to help us members in standardizing insurance forms. The problem right now is that the Insurance Commission is becoming stricter in its audits, lalo na dahil walang face-to-face interactions. They're auditing our forms. Siguro PIRA, like organizations in the United States, should have standardized forms. Maybe PIRA can come up with such forms, tapos sila na mag pa-approve, then companies like us can already use them.

With this pandemic, we also recommend a sandbox approach. I heard about the IC's Regulatory Sandbox. That is good. We really need something like this to be able to develop new products for this New Normal. Hindi na kasi pupuwede 'yung old products. Pero kailangan may standard, and may sandbox para hindi masyado masakit if something goes wrong and the product fails. Alam naman natin na even if a company like us is ready with a new product, pero yung market pala hindi pa ready, then sayang lang. I hope PIRA can help in creating that safe space for innovation.

"I guess that's where trust comes in – trust that our people would do what they were supposed to do even if we were not watching. We could have had a camera focused on the employee while he was working, but I don't think that would be right. No employee would accept that. So what we did was set parameters."

MANNY MALOLES
President
Fortune General
Insurance



FPG Insurance harnesses the power of digitalization

We recognized early on that we needed to build a sustainable and stable business that our partners and customers can continually rely on. We also wanted to differentiate ourselves through innovation and providing excellent service while providing peace of mind to our partners and customers.

We also understood that we needed to build a robust business continuity plan to be able to do this and the Taal eruption became a prelude for us to be able to do this.

As a result of that foresight, at the beginning of the lockdown, we were already equipped, with 80 percent of our employees enabled already to work from home to continue to provide service to our customers.

That is very, very important for us—that we are able to continue to provide service to our customers and partners. But more importantly, we enabled our employees to work from home because we are also very particular in ensuring that the safety of our staff is always protected.



GIGI PIO DE RODA
President
FPG Insurance



We wanted to build something that our agents would actually use.





After that, we focused on streamlining and automating our processes to be responsive to our customers and to the market that was still evolving. And we needed to improve the support that we were giving our partners. We revisited our underwriting guidelines, and we opened up more payment options for our customers. We even streamlined our claims process, and enabled end-to-end transactions through our website.

I am very new to FPG Insurance. I could say that in my past life, in my previous work, I have been very lucky to have been given the opportunity to lead the previous companies I worked for in their digitalization journey. Right before I joined FPG Insurance, I was with AIA Philippines (Philam Life) as their COO—and that was my primary responsibility. I have seen how powerful digitalization could be as an enabler in serving our customers. Faster. Better. And we know that the more happy customers we have, the faster the business would grow. That is the mindset we have in the company right now.

We all know that not everybody is sold on the digitalization agenda. One benefit of the pandemic is it accelerated the buy-in of our partners and customers for the digital transformation initiatives that we were implementing.

We have just recently launched SIMONE by FPG Insurance, the first agent app in the non-life insurance industry. We call it our "Quarantine Baby". We worked on this with our agents in mind—for them and by them. We wanted to build something that they would actually use. We have been seeing increased usage of the app since June. We have 300 active agents to-date, and we are geared towards 100% adoption.

We hired somebody from the life insurance industry to head our Agency. Coming from the life industry, I know how important this channel could be. We wanted to differentiate ourselves. And one way of doing that is through this all in one tool. The agents can actually see their portfolio and renewals in real time.

The way I see this pandemic, it may be tough, but it has given us the chance to step back and spot exciting opportunities.

I am so grateful to be given the chance to be a part of PIRA. I am so new in the industry and I am really happy to be welcomed into the fold not only to know the industry better but also to be able to contribute from my past experience in banking.



PIRA is very exciting. I find it to be a learning experience and I aim to always contribute. This is one way for me to fast-track my learning of the industry.

I believe that PIRA has been a strong advocate for the entire industry. As our chairman Allan Santos always tells us, we have to think of the entire industry and not just our individual companies' agendas.

Though we are doing a lot for the industry, for me, I would like to have more opportunities to share best practices -- like dialogues or forums that would benefit the whole industry. We also would like to have a forum of industry leaders in the region and globally. That is the dream that I envisage for PIRA.

I am not limiting this for non-life players. There are a lot to learn from the life sector, too and we could expand it to banking and other industries, as well. The competition is no longer among insurance companies. Our competitors are the disruptors that are changing the way we do business. Let us learn from these companies. They are changing the game.

The challenge is how to stay relevant. How do we make insurance more accessible? If not to our generation then to the younger generation who buys things through their mobile devices.

I am not saying that traditional ways will disappear. But as these young people move up and become decision-makers, things are bound to change.

I am constantly learning and I look forward to being able to contribute more to the industry.

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GIGI PIO DE RODA
President
FPG Insurance



TIRSO ABAD
President
MAPFRE Philippines



Working from home
actually increased
productivity.

MAPFRE was ready from Day 1

We in Mapfre have not implemented any changes to cope with this pandemic, Mapfre was ready from Day 1. We comply with the requirements of a Mapfre company in terms of infrastructure, network capabilities, disaster recovery, and business continuity. What happened to us actually in 2020, if I am not mistaken, is during the first lockdown was implemented in March, I was coming back to Manila. I was very scared. Immediately when they announced the lockdown, our CFO took over for us and she sent everybody home and made sure everyone was able to work from home. We had 97% of our people working from home right from the start. Five days later, we had 100%. In just five days, we were able to transition. Just not 100% on the first day because people had to get their equipment here. We did not have to change anything. We were able to work from home immediately, thanks to the business continuity plan we have in place which is a requirement for us as a Mapfre company. That's what I can tell you about us. Basically, we just implemented a crisis plan.





We completed the business continuity plan in 2016, and obviously a part of it was a business recovery plan. Our systems are ready for the lockdown. We were ready from Day 1. Maybe what we increased were our online payments. That's it.

There were no difficulties in the employees. If there were, well, it was the fact that people had to adjust. There's also a plan in HR for our international offices to continue working from home. In some countries, they are already doing it. There are days when they no longer go to the office. They work from home instead. We will adapt that, too, and maybe adjust the size of our offices since not everyone is coming to the office anymore. We will continue to do this. Working from home actually increased productivity because people no longer have to spend an hour, or an hour and a half, or in some cases, maybe three hours, traveling because they live far away. And they have to do that again on the way back home. So work from home is something we are definitely considering here in the Philippines.

This year, so far, the results are positive, and we are growing over 2021. The opportunity is to increase the digitalization of everything. People have gotten used to buying things online. With that, maybe we could increase the insurance penetration.

There are still many Filipinos who are not insured. We are looking at around 1.75 percent insurance penetration only. Well, some of them have insurance, because some are driven by requirements. For a car you are required for CTPL. When you travel, especially for Schengen, you must have travel insurance.

But people have to learn that insurance is a must. On a general basis, you have to protect your life if you are the breadwinner. If you are not, then at least your family. And then your assets. Your car, your home. I know, for example a neighbor of mine, their house burned – she had no insurance whatsoever. It was very sad to see these things. People who encounter these and all of a sudden, it's gone -- their life savings are gone.

Hopefully this pandemic will teach people that access to insurance is easy, that buying insurance is quite easy, just like buying in Lazada. So if they have gotten used to that, maybe that's an opportunity. They have seen the danger of dying from a disease and not be able to do or leave anything for their family. So that's an opportunity.

Meanwhile, PIRA has to unite the membership – unite the companies. Like, unite PIRA to have one voice. I would like to see PIRA like PLIA. I would like to see PIRA drive things



forward, for the membership to think in one direction. That is something PIRA has to achieve -- the unification of all companies. Coming out with one voice, that would be one.

Then two, is to be a source of information for the industry. You see, we know that on a general basis, the numbers of the industry do not come out immediately. They don't come out until the end of first quarter, and that isn't even published. PIRA has to pick up there. Not just on the figures of the insurance companies, but on everything. They have to provide insights on everything, about everything, to the insurance industry. And also for the countrymen – for them to see what the companies are doing. So those are the two things that PIRA has for its homework. Unite and be a source of information.

Mapfre can help the industry and PIRA with ideas and show them things that can be implemented here for the benefit of the insurance industry and the public eventually. The ultimate beneficiary of all these is the public. There are many ideas. PIRA should be willing to listen to the insurance companies and show that they can really work for the industry.

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TIRSO ABAD
President
MAPFRE Philippines



Mercantile as growth champion for insurance

Even before the lockdown, we already saw that insurance as a service and as a commodity will remain the same. But its distribution through technology will change. Traditionally, insurance involved personal interface with the clients, agents, agencies, brokers and other producers. But with the onset of technology, gadgets have changed the ways we call the shots. We noticed that Filipinos were buying more online, through digital platforms like Lazada and Shopee. Like Nostradamus, we saw that eventually, insurance products will also be sold that way.

Mercantile took initial steps to make this a reality. We improved our automation systems. We got a software provider. Then the frontliners executed the digital way of transactional business deals. Ergo, digitalization happened successfully. From a semi-mechanized portion, we're now fully mechanized.

The first thing we did when the lockdown was declared was to make sure that all our branches nationwide were interconnected to the main office. Initially it was a little difficult to implement. I myself never much believed in this, I had my secretary do this for me. Until



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such time that I had to do it myself -
- from emails to zoom meetings. I decided to conform with the new normal . I armed myself with an equipment to adapt with the new business norm . I asked my IT guys, Can you buy me a laptop?

I keep on telling myself, I don't want to be like Dino the Dinosaur. He died a natural death because he did not co-exist with the changes in his environment. He thought because of his size, he could do anything he wanted. That was his mistake.

Those are the reasons that drove us to concentrate and institutionalize digitalization as a process and as a mode of distribution.

Mercantile now has an end-to-end back-up mechanism. We're fast, not just in the quotation requirements, but also in the documentation and in the assessment of losses. And most importantly we are fast in regulatory reporting.

Having that digital experience, we are now ready for digitalized packaged products. Slowly we are approaching the market in packaged products for our clients. We work with aggregators who have put resources together to attack the market using technology platforms. If you look at them -- there are three major players in the market, attacking mainly the

motor business (MoneyMax, IChoose, and EcompareMo). They are neither agents nor brokers, but they are allowed by the Insurance Commission to solicit business using the technology portals. One of these companies we work with is MoneyHero. They give us no less than P50 million a year, and I'm just one of the insurance companies they represent.

But you cannot make a 360 degrees turn. You still need agents. You may succeed here but you will lose the agents. Growth in insurance is all about addition. You put them together and adapt. The more producers, the merrier.

In 2016, we were just doing P600 million. In 2020, after four years, we were doing P2.4 billion. That's why in 2020, the Philippine Daily Inquirer and Statista, the research group, awarded us as Growth Champion in Insurance for our average growth rate from 2016 to 2020 of 32%.

The new software we bought gave us the competitive edge to be fast. Thus, when you deliver services fast, more sales results will be the outcome. Why? Because of Happy Customers. Added to this , more accurate coordination and efficiency is tantamount to shortened work time duration for



Mercantile employees and less waiting time for our customers. Things that require you two days of work can now only require a minute or two.

To be able to do this, we implemented restructuring. The company that owns majority shares in Mercantile now is a tech company. They believe that one day, insurance in the Philippines will be different. And it is happening now. Kaya my advice to the other non-life players is to look into their system – walang pinag-iba ito sa pinaglalaban noon na mga validation processes. 'Yun ang umpisa. Ngayon nagiging sophisticated na. It makes life easier, much more systematic. More and more, that is where we are going.

PIRA is very much needed. Mayroong nag suggest noon ng SRO. We have to check that. Kasi alam mo naman sa industry, may isang word or term lang pero ang daming ibig sabihin.. Ano 'yung una nating dapat tingnan? Syempre kung ano yung kahihitnanan, kung ano ang magiging produkto.

Hindi naman social institution ang insurance na bayad lang nang bayad., In the end, we have to ensure a return to the money put in by our owners. How do you do that? That's the most interesting thing in the insurance

business, and that's my question. Can PIRA teach us do to that? PIRA can take the lead para maproteksyunan ang insurance companies, so in turn maproteksyunan din ang entire market.

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MEL MALLILLIN
President
Mercantile Insurance



DERICK NARVACAN
Country Manager
Starr Philippines



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Starr Philippines invests in culture and networking

We are luckier than most in the sense that our people are all equipped with laptops so transitioning to a full work-from-home setup when the lockdown was imposed in March 2020 was easier. It didn't really disrupt our work. What changed was the engagement with our clients and intermediaries.

Obviously we had to familiarize ourselves with video conferencing tools so that we can continue to engage with them. In addition, we had to make it easy for our clients to transact with us, including payment of premiums. We expanded our payment channels, increased the number of banking partners who could accept payments, and activated online payment, bills payment, merchant billing, credit card options, and mobile payment options – pretty much everything that you can think of just to give them as many options for paying. We also promoted our digital platform so that our clients can continue to obtain insurance from us even as our physical office is closed.

STARR
INSURANCE COMPANIES



A major change as well was on employee engagement because connecting with colleagues is vastly different in a remote setting. On my part, it is even more unique because I joined STARR in June 2020 in the middle of the pandemic. Leading the team and building cohesion while in a work-from-home setup required creativity and adaptability. I had to quickly learn how to effectively conduct townhalls and team meetings by video conferencing and how to utilize other digital tools to ensure that the team engagement remains robust.

The pandemic is a global event. Being a multinational, we made sure that we collaborated with colleagues in the region and in our home office to leverage learnings from across our various operations: sharing of best practices, sharing product innovations, understanding the global shift in our business, among others. This collaboration was critical in helping us swiftly adjust to the changing business environment. To a large extent, COVID-19 is a generational disruption to our business. As with most disruptions, it also opened up new opportunities particularly in the digital space.

With the pandemic affecting some key business segments, we were encouraged to explore new ways of serving our clientele including the

introduction of new products that resonated with their changing needs. We launched several new products and enhancements to our existing products to ensure that we remain responsive to the needs of the market. COVID coverage extensions, eCommerce purchase protection, and a more affordable healthcare solution are just some of the enhancements that we launched over the past 12 months. We continue to invest in our eCommerce capabilities and we are also expanding our product breadth. At the same time, we remain committed to segments of the market that continued to carry on even with the pandemic raging. We continue to support the OFW market as well as the construction industry that has become the government's key lever for economic recovery.

In 2020, we were able to achieve a double-digit growth. Humility aside, I think it's a pretty good result considering all the challenges of the year. 2021 thus far has been a bit of a stop-and-start as the country continues the delicate balance of controlling the virus surge and restarting the economy. However, we remain optimistic that with more people being vaccinated, we will soon see business stabilizing. For the full year 2021, we still project a healthy growth versus last year.



Unless you were there during the Spanish Flu, I don't imagine anyone being fully prepared to face this pandemic. That's why I think the most important quality that organizations and leaders need to have right now is adaptability. It's a unique time so we have to equip ourselves with new tools. There's a ton of training tools that's available online. Ang galing din, kasi there's an explosion of these new tools. The people in organizational development and training have really stepped up and adjusted to the new situation. They've quickly transitioned to online training courses and most of these courses can be accessed for free. It's truly a different and difficult world now but it's a fantastic time to learn.

While we have had some modest success, it would be foolhardy to suggest that we have a firm handle of the future. It remains increasingly tough to plan for the next few years and even for the rest of 2021 when the situation changes day-to-day. With the lockdown remaining in place, a good friend of mine reminded me, "when you can't go outside, go inside." As such, we decided to invest on building the culture for the organization; to develop a cohesive leadership strategy that will sustain us even as we lose the physical connection of being in the office and seeing each other every day.

It's really a paradigm shift. The main challenge and opportunity is about making sure that everything that we're doing is aligned with the overall goal of the organization. To get there, I would have to empower my managers that they are leading their respective teams in the right direction.

I will never step in front of these veteran people in the industry who have been my mentors and teachers, and tell them, "Hey guys, this is how to do it properly." That's never going to happen. But I have tried to be as active as I can in industry organizations: sharing what we've done and allowing our peers to take some of the best practices. We've not been selfish about sharing our experiences to our friends in the industry. Some of them have asked me, "How are you guys adjusting to the situation?" And I've just been honest with them, "This is what we've been doing." I know that our success will always be dependent on the success of the overall industry. We can't do it alone. So the more we tell them what we've done and what works for us, and hopefully help them improve their own operations, the healthier the whole industry will be; and the higher the ceiling will be for us as well.



PIRA has done a phenomenal job of keeping us updated of everything that's been happening. I think I get e-mails from PIRA every day on something new whether it's a new regulation or an industry initiative. On my part, I try to participate as actively as I can. But I think PIRA can add a bit more focus on the digital transformation of the industry as a whole. Launch more initiatives, not necessarily conferences, but more like informal gatherings so that there are more opportunities for us as an industry to share best practices. A lot of these networking events happen on the sidelines of PIRA General Membership Meetings, which we don't have anymore. We don't have the PIRA Golf anymore. A lot of these networking opportunities have been lost. Maybe there's a way for PIRA to come up with different kinds of opportunities so that networking can happen again and help facilitate sharing of best practices within the industry. We are only as strong as our weakest link, and I think this is a transitional period for the whole industry.

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