InsurTech: New Market, New Ecosystem and New Engine

SHANGHAI FORUM 2017 Sub-Forum 06   Session One

8:30-12:15, May 28

Chair：Xu Xian   Director, China Insurance and Social Security Research Center
Moderator：Xu Wenhu   Director, Institute of Insurace, Fudan University
            Xu Xian   Director, China Insurance and Social Security Research Center
            SUN Furong   Chief Correspondent, *China Finance*

Yao Qinghai President, Insurance Society of China	**China's InsurTech Development-*China InsurTech Development White Paper (2017)* Analysis**

1. China wants to take the road of science and technology, science and technology innovation to support the insurance industry products, services and business model innovation.
2. Five main areas of insurance technology application: insurance distribution, risk-based pricing, product design, customer service, operations management.
3. The main advances in insurance technology applications: Internet + insurance, big data + insurance, vehicle networking + insurance, block chain + insurance, artificial intelligence + insurance, unmanned aerial vehicles-based satellite remote sensing + insurance, mobile Internet and biotechnology + insurance, Cloud Computing, Internet of Things and so on.
4. *China InsurTech Development White Paper (2017)*: the insurance ecosystem is changing, 10 new industries affecting the development of the industry, 4 innovative channels 1 subdivision field, 5 countries and regions insurance technology supervision experience.

Wang Zhongmin Vice President, China National Council for Society Security Fund	**The Future of FinTech and InsurTech**

1. The relationship between people and other things, and the relationship of yesterday, today and tomorrow are exactly what about insurance. Ke Jie vs. Alphago, Alphago uses a humanlike nerve perception system to defeat Ke Jie.
2. Credit mechanism and punishment mechanism are indispensable condition for mature market, when the credit cost maximization will make the credit mechanism become effective.
3. All things are interconnected, and I Ching has been seen as a mystery until quantum physicists have pointed out that it has quantum entanglement. And the organic combination of technology and every finance can weigh future risks.

4. Finance and technology can increase the wealth of some people without reducing the wealth of others.

Wu Chung-Chuan Preside, Taiwan insurance Institute	**FinTech's Perspectives on the Development of the Insurance Industry in Future**

1. FinTch and InsurTech: financial technology has a significant impact on insurance industry. Similarly, insurance technology also has a huge impact on insurance industry. At this stage, insurance technology has been used in big data, block chain and other fields. Insurance technology's features: insurance value chain deconstruction, insurance connectivity devices.
2. Insurance technology to change business model: non-life vehicle networking insurance (UBI), build health database in insurance industry.
3. Insurance technology to change design patterns for commodity: insurance technology trends are transferred from loss compensation to loss prevention.
4. Insurance technology to change the product marketing pattern: by relaxing requirements for the network insurance.
5. Insurance technology changes the insurance underwriting claims pattern.
6. Insurance technology to change the risk management pattern: risk side, management side.

Ma Botao Executive Director, China InsurTech Lab, Fudan University	**Make InsurTech a New Engine for Serving the Public**

1. The risks of individuals and enterprises are everywhere and need to be managed effectively.
2. General techniques of risk management: risk control, risk transfer, risk retention
3. Risk management objectives: program optimization, the lowest total cost of risk
   Optimize risk retention / risk transfer strategies to reduce total risk
4. Traditional insurance and risk management
   The role of insurance technology, the use of insurance technology to solve the industry pain points
5. Insurance technology laboratory: get through the data, with technology, the formation of capacity, applied to the scene

Sun Lijian Central Committee Member, China Zhizhong Party & Distinguished Professor, Fudan University

Technoogy Finance and Financial Technology Help China's Insurance Industry Grow

1. the formation and development of financial technology industry status:financial innovation and the virtual chaos to challenge the prosperity of China's economy; technological innovation and control to relax the birth of financial innovation expansion; Internet financial and financial technology, the inherent linkage; venture capital and financial technology development space.

2. The application of financial technology scenarios and trends:China's financial technology development strategy characteristics; financial technology mode of operation: business model, technology mining; financial technology business trends: Bitcoin, large data and artificial intelligence.

3. The external impact of financial technology and future challenges. The impact of the development of financial technology on traditional finance; the inherent defects and innovative bubbles of financial technology; the risk management of financial technology business.

W. Jean Kwon Director of Center for the Study of Insurance Regulation, ST. John's University

InsurTech and Cyber Insurance: Market and Regulatory Perspectives

1. Insurance operations: importance of solvency, capital and operational efficiency

2. Product design & pricing; Marketing & Distribution; Underwriting; Claims management; Investment and etc.

3. Room for improvement: an income statement analysis, including financial & operational efficiency; asset-liability management; operating expenses; to improve efficiency and business transparency.

4. Cyber risk: Insurance companies' own exposures and coverages; global risk landscape; economic cost of cyber breaches; obstacles in the cyber insurance market

（Editor: Yin Jiakang）

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SHANGHAI FORUM 2017 Sub-Forum   Session Two
14:00-17:00, May 28

Chair：Xu Xian   Director, China Insurance Regulatory Commission(CIRC)
Moderator: Jiang Chongguang   Deputy Secretary General, Insurance Society of China

Zhao Lei   Secretary General, Insurance Society of Shanghai

Weili Lu **Director of** **Center for** **Insurance** **Studies,** **California State** **University**	**The Application of InsurTech in the U.S.** 1. Insurance Technology Overview: definition and classification. Insurance technology three growth trends: turn to the prevention of risk, database, high return on investment. 2. The development trend of emerging insurance technology companies: big data, software research and development and other value-related areas are of the larger proportion. 3. Insurance technology products: the characteristics of new insurance products, features. 4. Cases: Praedicat Technology transfers the emerging risk from risk aversion into growth opportunities; Lemonade provides housing insurance, fast, low-cost, high technology. 5. The advantages of insurance technology: digital distribution platform. 6. Disadvantages of insurance technology: the initial business difficulties. 7. Traditional insurance industry how to deal with the impact from insurance technology: customer education, and make cooperation with insurance science and technology. 8. Ten trends in the development of insurance industry. 9. S & P views on insurance technology.
Song Xuanbi **Project Director,** **Zhongan Online** **P&C Insurance** **Co., Ltd.**	**Opportunities for China's InsurTech in internationalization** 1. Insurance technology is the Chinese insurance industry's important strategic weapon as reply to 'the Belt and Road' initiative. 2. China 's insurance technology has formed a certain basis. 3. China's unique environment has provided insurance technology with a good space to develop rapidly: the advantages of information technology, a strong real economy, a complex insurance environment, the rise of the Internet economy, active investment in science and technology. 4. China's insurance industry enjoys advanced level of innovation in technology, bringing a wide range of opportunities for globalization: cloud technology, block chain, product innovation, Internet of things, big 'data.

Xu Xian **Director, China** **Insurance and** **Social Security** **Research Center**	**Driverless Car – What will happen to the 70% Market Share of the Chinese Insurance?** 1. The study originated from an automatic driving accident. 2. Automatic driving technology and development: automatic driving level classification and responsibility to define, the initial implementation of L3 level. 3. The challenge of self-driving technology to the insurance market: the change of business performance caused by the improvement of vehicle driving performance, the auto insurance business outside the compulsory insurance will shrink. 4. Self-driving technology development and insurance response: the definition of liability insurance and the emergence of new risks. 5. Challenge: for the Chinese insurance industry, auto insurance market accounting for more than 70% market can be a severe test. 6. Opportunity: R & D technical risks such as the emergence of new risks will result in newinsurance needs.
Ge Beibei **General** **Manger, R&D** **Department of** **Alltrust** **Insurance**	1. In the short term, insurance companies in China wouldn't be affected by self-driving technology. 2. In the face of science and technology everyone is equal, so is the country. China is the big and strong economic force in the world ,and our insurance business is already the second volume around the world, but in some relatively backward countries, even if its economy is not very developed, as long as the technologies in the country can witness development to some extent, I believe that the future of the country is bright enough as others' future.
Shen Yu **Ph.D Program** **director, School** **of Finance,** **Southwest** **University of** **Finance and** **Economics**	1. Underwriting is very important to be fair and open to the public, the information must be transparent, and machine may perform better than humankind in terms of underwriting for more fairness relatively. 2. Currently, there is an urgent need for a certain big data company to assemble the insurance company's data together, and China Insurance Regulatory Commission need to do the integration of data to improve the quality of data.

Wang Min
Senior
Underwriter,
Gen Re

1. Technology is ultimately operated by people. There are many factors when the decision was made by people, including cost risk assessment, and in what kind of rates and terms of insurance, that the machine can not represent the machine can be helpful for you to make the means of underwriting decision.
2. But like a lot of assurance based on experience, also based on their own value judgments and policies, made subjective judgments, this is with a person's emotional factors inside Think artificial intelligence can not do, but can be a very good supplement to solve the insurance practice information asymmetry problem.

Xie Fei
Senior
Underwriter,
China Property
& Casualty
Reinsurance
Company Ltd.

1. Internet technology, it has three characteristics and the financial industry is very consistent, the first is to do the optimal allocation of resources, the second is to change our credit base. The third is to focus on large data analysis.
2. I feel that this is an inevitable trend, for our challenges is inevitable, but I personally do not need to be so pessimistic, in the new form of the formation of the time, in fact, there may be more new The risks and challenges.

Kang Wei
Secretary
General, China
InsurTech Lab,
Fudan
University

1. Take car insurance as an example to analyze the basic principles, the most essential is to build a model, from what dimension to determine the final score to judge the value of this person.
2. First，it is the user's basic information in the Ali model inside the so-called credit points, that the credit.
3. The second is the industry data, the user's driving behavior, high German map is Ali's, the information is very detailed.
4. The third aspect of the data is the insurance company's past claims, including pricing data, This data in the end how to form a model, in fact, depends on the insurance company in this area of historical data.

（Editor: Yin Jiakang）