

Keeping It Personal

Company of the Year - Insurance winner
MassMutual Asia talks about product design.

By Nicky BurrIDGE



Jeanne Sau, Senior Vice President and Chief Marketing Officer

Insurer MassMutual Asia has a clear policy when it comes to product design: put yourself in the customer's shoes.

This approach has led to it creating many market-leading insurance solutions, while also constantly reviewing its existing products to ensure they still meet customers' needs. Jeanne Sau, Senior Vice President and Chief Marketing Officer at MassMutual Asia, said, "Our product design philosophy is always to take a customer-first approach. We always think about what the customer wants and needs. Product design is a balance between product features and cost, but we always bear in mind that it is for the customer."

Critical illness policy

This focus on the consumer's needs is seen in the company's PrimeHealth Saver which will pay out on more than 100 covered illnesses upon diagnosis, enabling insured persons to get quality treatment sooner rather than later. Sau said, "When we first launched the product in January 2013, we covered 116 illnesses, which was then the highest number of illnesses covered by this type of product on the market."

One example of when the policy will pay out earlier than its rivals is for policyholders needing an angioplasty on blocked arteries. Sau said, "The need for an angioplasty is becoming very

common among Hong Kong people. For our product, we have made sure the customer can benefit when they are still at an early stage, before the problem has become too serious. We only require the insured to have one coronary artery that is 50% blocked before they can realize the benefit and get the money to have surgery performed, while most policies require more serious artery blockage before people can benefit." Customers who surrender their PrimeHealth Saver policy after 15 years are also given a refund of at least 100% of premiums paid.

MassMutual Asia also allows insured persons who have been diagnosed with a critical illness to take out a permanent life insurance policy without any proof of insurability. "This is a very unique and attractive feature. It is one of the reasons why the sales of our critical illness plans have increased by more than 50% since we launched this product," Sau said.

Informed decisions

The company also puts great emphasis on helping customers to make the right decisions. To this end, it launched iWealth with the objective of providing investment-linked assurance scheme (ILAS) customers with a total solution to wealth management.

iWealth is a smartphone application that helps customers monitor the performance of their investment portfolio, enabling them to make informed investment decisions. The tool includes an investment performance data dashboard to help customers gauge market sentiment for different sectors and geographical locations. "We encourage customers to have a well-diversified portfolio, with money invested in different geographical locations and sectors. When a customer goes to iWealth, they can immediately see the year-to-date performance of

different asset classes. They can see which investment choices performed the best and the worst within the same asset class category. Customers can also create their own Watch Lists to track the performance of up to 30 selected investment choices," Sau said.

The company is continually updating its applications, and it plans to launch a new application in early 2014 called IPES. Sau explained, "The essence of modern portfolio theory is that you can reduce the overall investment risk by building a highly diversified portfolio. We will give investors the tools to design a portfolio with investment choices that are low in correlation, so they can enhance potential returns while reducing investment risks." Customers will also be able to use IPES to monitor their portfolio and rebalance it if necessary.

Harnessing technology

MassMutual Asia leverages the latest in technology to deliver added value to customers. It uses sophisticated analysis software called MMPro to help determine customers' needs by looking at their cash flow, asset allocation and attitude to risk, as well as incorporating issues, such as retirement or education planning. Once all of the data has been entered, the software produces a detailed financial analysis report of where the customer stands financially. Sau said, "It offers a very good and comprehensive analysis. I do not think any other companies offer this service to their customers to the same extent." But she added that for customers who may not have time to go through the in-depth report, MassMutual Asia offers a simplified version of the analysis that can be read in just five minutes.

The analysis software can also be used interactively by customers, enabling them to look at the impact deferring their retirement date by a few years would have on the amount of money they needed to

Company of the Year - Insurance 保險企業年度大獎
Capability Awards 卓越實力大獎
Marketing Effectiveness 市場推廣
Product & Service Innovation Outstanding Achiever 產品及服務創新 - 傑出表現獎
Product Awards 金融產品大獎
Critical Illness Insurance Best-in-Class 危疾保險產品 - 最佳表現獎
Retirement Product Best-in-Class 退休產品 - 最佳表現獎

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save. Sau said, “For retirement planning, we always show investments up to at least 100 years of age. More than 2,000 people in Hong Kong are over 100, but people never plan for living longer than age 85. They need to understand that if they live for a long time, there is a potential risk that they will run out of cash.”

One area in which MassMutual Asia thinks customers need greater education is life insurance. Sau said, “The average sum insured per life insurance policy for Hong Kong people is HK\$373,000. Most people in Hong Kong are underinsured. We have to make customers understand that they are actually worth a lot more. If someone had an annual income of HK\$150,000 and they worked for 30 years, they are worth HK\$4.5 million. That’s why they have to protect themselves.”

The company also stresses to customers the importance of having medical insurance and looking after their health. It offers another application called iHealth that includes short videos presented by a medical practitioner to educate policyholders about the different stages of critical illness, early-stage diseases, carcinoma-in-situ, early-stage cancer, and severe childhood diseases to help them spot symptoms early. It also offers guidance on what the treatment is for various conditions and how much it is likely to cost.

Communicating with customers

Unsurprisingly, for such a customer-oriented business, communicating with policyholders is a high priority. Sau said, “Communication is very important; we have to communicate with our customers to understand their needs and wants.”

The company does this both by talking directly to the customer, and through getting feedback from its consultants about customers’ needs. It has also introduced the CEO Table to promote sharing and two-way communication. Sau said, “Through these conversations, we

have identified a lot of very good product ideas. We are continuously communicating with our consultants and customers to understand their needs and the market. It is a key part of our business philosophy as a company.”

Going forward, the company plans to continue innovating. “As a customer-centric company, MassMutual Asia places great emphasis on innovation, so as to deliver value-added benefits to our customers in both products and services,” Sau said. “Continuous product innovation is one of the most important strategies for the company. We believe that we have to be a leader in terms of product design.”

It has already launched a number of firsts in the market, including a guaranteed lifelong annuity. It will also continue to develop its service platform. Customers can already check their policy information online, while they can also change some information over the internet. “Customers can expect us to continually update the technology they have access to. We want to be a market leader in terms of service innovation, and how we can harness technology to create user-friendly services for policyholders wherever they are,” Sau explained. She added that the group was the first insurer in the market to introduce a smart phone application.

Investing in people

MassMutual Asia will also continue to invest in its consultants, offering ongoing training and development. Every year it delivers around 100,000 man-hours of training for its consultants, covering subjects ranging from key man insurance for businesses, to talks given by investment experts. It also works with the Hong Kong Polytechnic University to help non-graduate consultants get a degree, and offers sponsorship programs to help them become chartered financial planners. “The company continues to invest heavily in terms of human resources to help consultants become more and more professional.”

Commenting on the company’s two best-in-class awards for critical illness and retirement products, Sau said, “These awards mean that we have taken the right direction in terms of product design and positioning. These accolades are great compliments to our product capabilities and a tremendous endorsement of our business-development strategy. From a customer perspective, it shows our products provide them with the right features and benefits, and are also value for money.” **BM**