



RISK FRONTIERS – BRUSSELS 2015

2016 renewals and long-term insurance market evolution

- Rates and renewals
 - Influx of alternative capital
 - Pricing dynamics
 - Pressure on returns for pure risk transfer

- AIG's view
 - Terms & conditions
 - Capacity
 - Reinsurance
 - Rates

- AIG' approach to 2016 renewals
 - Services
 - Client focus
 - Global approach

Beyond Insurance

- We need to move beyond insurance – beyond just risk transfer – to offering services and competences that help our customers survive and thrive in the future
- We have experience and resources to help our customers and we need to support them not only as a business enabler but more as a business developer
- Moving beyond insurance also means better interpretation of our data and it means we need to harmonise human thinking and machine thinking to amplify our intelligence
 - Data scientists working with universities to come up with solutions to the risks that businesses face
 - Combining analytics and science with our stores of data and with our years of risk management expertise
 - New age for the insurance underwriter, synergizing best in class risk analysis with science and technology

3D revolution: Digital, Disruption and Demographic

■ Digital

- Exponential pace of change
- Computer processing power
- Speed of transition and its impact on business model
- Internet of things, liabilities evolution



■ Disruption

- Fortune 500 – 20 years to market cap of \$1bn – Facebook took 5 years, Uber and Whatsapp 2, Snapchat in one
- Concept can be embraced and competition decimated in months
- In 10 years 40% of the fortune 500 won't exist.
- Everyone is at risk



■ Demography

- The social effect of the connected revolution is to create consumers who are more informed, more vocal and with higher expectations. They demand instant gratification
- They share news and partake in global political events, they are global, they are aware and above all they are always connected
- They are your future customers, your future employees and probably your future bosses. By 2025 (in just 10 years' time) they will make up 75% of the work force
- Crowdsourcing, communities with a shared passion that expedite technology development
- Gig Economy



Conclusion

- Renewals are just a small part of how we view the future of insurance – we can no longer consider our future through this limited lens
- We are witnessing an unprecedented technological and industrial revolution and this is driving the pace of change – we all have to change
- The customer must be central to everything we do
- By working in partnership with our customers we hope that together we can survive and thrive in this uncertain environment



Bring on tomorrow

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