Russian Insurance Market Survey

2019

KPMG in Russia and the CIS

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Introduction

2019 marks the 10th anniversary of the KPMG Russian insurance market annual survey. In our survey we traditionally discuss how Russian insurance executives assess the near-term outlook for the local insurance market.

2018 saw yet another year of robust financial performance in the insurance market, in particular due to a recovery in the CMTPL1 market and sound profit margins being maintained in the Casco2 segment. Against that backdrop, insurance companies are now actively seeking ways to enhance customer experience, integrate new technologies, and boost internal process efficiency.

Life insurance has regained leading positions in the insurance business, accounting for over 30% of total premiums in the sector. In H1 2019, however, we saw a significant reduction in premiums, resulting from a new set of regulatory measures aimed at controlling the sale of life investment contract policies3.

The car insurance market experienced a recovery in 2018 after several years of stagnation. For the first time since 2014 Casco premiums grew, and a positive trend in CMTPL sales emerged. While a rise in Casco fees was, according to the insurers surveyed, driven by greater affordability and growing car sales, growth in CMTPL premiums was as a result of effective anti-fraud measures and a partial liberalisation of tariffs. The above factors may also impact the CMTPL loss ratio in 2019, which, according to respondents’ expectations, will decline substantially (to 70%).

Other segments in the general insurance market also demonstrated positive dynamics in 2018. The most noteworthy growth (+13% to 2017) was seen in personal property insurance policy sales, comprising mainly mortgage insurance and combined policies4. Most respondents view this segment as having the greatest upside potential. Cyber insurance, a new type of insurance on the Russian market, is also attracting interest from insurers seeking to cater to the needs of corporate clients.

New technologies are growing in importance in the insurance sector. Leading insurance companies have already launched online sales of Casco policies, with some also offering online claim settlements. However, there still appears to be considerable room for improvement when it comes to the quality of customer service and developing the customer relationship management (CRM) tool. Many companies are at an early stage of integrating new technologies.

We are delighted to share the results of our survey with you, and we hope that the insights it contains will be of benefit to you. And a special thank you to our respondents and all those colleagues who helped prepare the survey.

Sincerely,

Julia Temkina
Head of Insurance and Actuarial Services, KPMG Russia and the CIS

1 CMTPL – compulsory motor third-party liability that is required under Russian Law and is aimed at protecting other people, vehicles, and property in the event of an accident that is caused by a policyholder.

2 Casco – comprehensive car insurance where the policy covers risks associated with your own car, such as damage (including write-offs), vandalism, fire, falling objects (e.g. trees), natural disasters, and theft. The policy does not cover risks such as medical expenses, damage to another person’s car from a collision, or any damage to objects being transported in your car.

3 A life investment contract policy is a Russian-specific type of life insurance contract that consists of two parts: a standard endowment and a unit-linked product.

4 Review of Key Performance Indicators of Insurers, CBR, 2018
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2018 saw significant growth in the insurance sector – insurance premium collections rose by 16% compared to 2017 and exceeded the annual inflation rate. As in the previous year, growth was driven by life insurance policy sales (related premiums went up by 37%, while general insurance sales saw a growth rate of 8%). But with that said, in 2019 insurers anticipate a 2% decline in life insurance premiums, which will be offset by a rise in general insurance, resulting in overall market growth of 4%.

In 2018 the life insurance segment retained its leading market position. Life insurance premiums reached a new record for the past decade (RUB452 bln), chiefly due to life investment contract sales. According to the survey findings, insurers project the share of future life investment contract renewals to be only 11%. A low expected level of renewals, as well as market contraction by 2%, reflect unjustified policyholder expectations vis-à-vis effective yields on life investment contracts, as well as tougher regulatory requirements for sales of life investment contracts. According to the CBR, the yield on completed five-year policies averaged 2.4%, while for three-year policies the figure was 1.9% per annum.

An emerging trend towards sales growth in the general insurance market. Non-life insurance premiums rose by 8%. The most noteworthy changes were seen in personal property insurance (+13%) and accident insurance (+40%). Substantial growth in accident insurance may be due to a new approach to acquisition cost accounting adopted by some market players.

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5 CBR, Economist Intelligence Unit, KPMG analysis.
6 https://www.vedomosti.ru/finance/articles/2019/05/27/802507-rinok-strahovaniya
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The CMPTL market is stabilising; insurers have recovered from the downturn witnessed in recent years. Insurers mainly attribute this to increasingly effective methods for combating market fraud. Remote online sales were also an important contributor to greater premiums in 2018. According to respondents, the CMPTL market will keep up this growth trend, and premiums will go up by at least 5% in 2019. Market players expect the CMPTL loss ratio in 2019 to drop to 70%, due to the effectiveness of previously taken anti-fraud measures and a partial liberalisation of tariffs.

For the first time since 2014, Casco premiums have grown, thereby delivering on last year’s expectations. Half of respondents believe that the loss ratio has reached an acceptable level (last year, only a third shared this view). Growth in Casco premiums is due to a personalisation policy being adopted in relation to rates.

In 2018 actual administrative and acquisition costs were below expected, testament to the effectiveness of measures taken to reduce these costs. Expected 2019 costs are lower than for 2018 and, therefore, closer to actual costs. This may indicate that respondents believe the current level of costs is optimal. Insurers expect acquisition costs to rise in 2019.

A number of projects to integrate new technologies have already proved effective. For example, over 75% of insurers that use new technologies in the underwriting and rate-setting area describe their effect as positive. In the future most insurers intend to proceed with assessing and integrating new technologies. Survey respondents expect the payback horizon for investments in these technologies to be five years.
Insurance market trends

Insurance premiums in 2018 grew by 16%, exceeding the expectations of the previous year’s survey participants, who projected a level of only 7%.
Traditionally, the Top-10 insurers have been the main contributors to market growth, with their market share reaching 76%. In addition, based on 2018 performance, the share of the Top-5 insurers rose from 51% to 54%, as a result of Sberbank Life Insurance significantly expanding its market share and Sberbank Group being ranked number one in insurance premiums in 2018.
Based on respondents’ estimates, 2019 will see insurance premiums go up by 4%, through contributions from the Top-20 insurers.

As expected, consolidation rose in 2018, and this trend is currently projected to continue in 2019. In 2018 VTB Group and SOGAZ Insurance Group closed a deal involving the sale of 100% of VTB Insurance shares. Currently, the combined company’s market share exceeds 20%.

According to expert estimates, the value of Russian insurance companies remained at the same level as in the previous year. The survey findings show that the multiplier remained largely unchanged, at 1.02, which indicates that investors are still interested in the sector.

75% of those surveyed believe that one-or-two of the Top-10 companies will be involved in an M&A transaction in 2019.

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7 https://www.sogaz.ru/sogaz/pressroom/aboutus/827654/

8 The multiplier is equal to the company’s market value to the volume of gross written premiums.

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Insurance premiums broken down by lines of business (RUB bln)

<table>
<thead>
<tr>
<th>Year</th>
<th>CMTPL</th>
<th>Casco</th>
<th>Property</th>
<th>Life</th>
<th>VMI</th>
<th>Other (incl. accident insurance and liability)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>218</td>
<td>138</td>
<td>216</td>
<td>204</td>
<td>171</td>
<td>234</td>
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<tr>
<td>2017</td>
<td>232</td>
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<td>332</td>
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<td>288</td>
<td>152</td>
<td>452</td>
<td>193</td>
<td>169</td>
<td>226</td>
</tr>
<tr>
<td>2019F</td>
<td>316</td>
<td>163</td>
<td>445</td>
<td>207</td>
<td>176</td>
<td>237</td>
</tr>
</tbody>
</table>

Average annual growth rate: 8% 16% 4%
Life insurance

Life insurance premiums in 2018 were on a par with those projected (37%, against 30%). However, respondents believe that 2019 will see a substantial drop in life insurance premiums. These expectations are mainly due to a tightening of regulations by the CBR. Respondents believe premiums will shrink by at least 2%. In our view, this estimate is rather optimistic, and the decline may reach 10%, which is confirmed by Q1 2019 performance.

Casco

The new car market, with 12% growth in 2017, remained on an upward trend in 2018, demonstrating 12.8% growth, to reach a new record for the past six years. Growth in new car sales and lending (backed by continued state aid) boosted the number of insurance contracts by 20% compared to 2017, with growth in premiums reaching only 4%, due to the personalisation trend and deductibles becoming more popular. In 2017 the average premium fell to RUB41 thousand, while in 2018 it hit RUB35.7 thousand, the lowest level in eight years.

Against this backdrop, Casco premiums saw minor growth (+4%), but still did not exceed the 2018 inflation rate.

According to insurers’ expectations, growth in Casco premiums in 2019 will amount to around 4%, and remain at the rate of inflation.

CMTPL

After the market slump in 2017, CMTPL premiums experienced positive momentum in 2018, which was broadly in line with the prior year’s expectations of those surveyed (+1.8% at year-end).

Further growth in CMTPL premiums is expected in 2019 (by at least 5%), as a CBR directive to extend minimum and maximum insurance tariff base rates (‘the tariff corridor’) by 20% comes into effect.

Property insurance

In 2018 the previous year’s positive expectations from respondents did not fully materialise, due to poor growth in the sector (1%, vs. an expected 5%). Personal property insurance was still on an upward trend (+12% in 2017 and +13% in 2018), and primarily related to mortgage insurance and fully-packaged products.

General insurance premiums demonstrated 8% growth in 2018.

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8 Review of Key Performance Indicators of Insurers, CBR, 2018
9 CBR
10 Review of Key Performance Indicators of Insurers, CBR, 2018
11 Review of Key Performance Indicators of Insurers, CBR, 2018
12 https://www.kommersant.ru/doc/3849699
Growth potential for the next year (>10%) is expected in the following areas: personal property insurance, cyber risk insurance, and additional insurance risks as part of Casco.

In addition, respondents believe there are exciting prospects for other types of insurance (third-party liability insurance). In support of this assumption, it is worth noting that growth in other types of insurance in 2018 amounted to 24%, against an expected 12% reduction in premiums.

The most promising types of non-life insurance, according to respondents (upside potential of over 10%)

- Personal property insurance: 67%
- Cyber risk insurance: 42%
- Additional insurance risks as part of Casco and VMTPL (e.g., GAP insurance): 33%
- Car insurance: 25%
- Liability insurance: 17%
- Cargo insurance: 8%

Source: KPMG analysis.

Expected short-term growth drivers for non-life insurance

- Enhanced availability of online insurance products: 8%
- Personalisation of insurance products and improved customer experience: 42%
- Improved financial literacy of customers: 33%
- Developing mortgage lending: 50%
- Developing medical insurance: 67%
- Launching new products on the market (incl. expanding the line of fully packaged products, and enactment of the law on mandatory home insurance): 42%

Source: KPMG analysis.
When summarising 2018 results, insurers indicated that the following measures were effective: optimising tariff rates, developing new insurance products, improving client retention, and working with selling partners.

Over 70% of respondents that took measures related to up- and cross-selling programmes remarked on the insufficiency of such measures, which indicated a need to develop CRM systems in the insurance business.
Short-term top-priority measures to expand the insurance portfolio (2018 and 2019)

- Improved client retention rates (loyalty programmes): 75% (2019), 71% (2018)
- Developing new products: 75% (2019), 93% (2018)
- Increased product penetration per client (up-selling): 67% (2019), 64% (2018)
- Improved customer experience, a simplified claim settlement process*: 67% (2019), 0% (2018)
- Optimising tariff rates: 58% (2019), 57% (2018)
- Personalisation of insurance products: 50% (2019)
- Leveraging the online sales channel/developing a mobile app to boost sales**: 50% (2019)
- Optimising cross-selling programmes: 42% (2019), 29% (2018)
- Participation in M&A transactions: 25% (2019), 7% (2018)
- No plans for portfolio expansion; portfolio to expand in line with market growth: 8% (2019), 0% (2018)

* For example, via a mobile app.
** Including improved customer experience when using the website/mobile app to obtain an insurance policy.

Note: the “Personalisation of insurance products”, “Leveraging the online sales channel/developing a mobile app to boost sales”, “Improved customer experience, a simplified claim settlement process” options were first offered in the 2019 survey.

Source: KPMG analysis.
As for their plans for 2019, insurers are broadly focusing on the same portfolio expansion methods as in 2018. The percentage of respondents specifying cross- and up-selling was up on the previous year, regardless of the insufficiency of these measures in 2018. In the absence of other growth areas, insurers acknowledge the importance of working with the current client base.

This is also supported by other meaningful actions planned for 2019, specifically, improved customer experience and further enhancing new distribution channels.

Insurers believe that working with selling partners will facilitate portfolio expansion in 2019. The next priority is to develop loyalty programmes for current clients and new products.
Life insurance

In 2018, substantial growth in life insurance premiums was, as before, due to increased activity from key players. The Top-5 life insurance companies raised premiums by 30%.
In 2018 life investment contract policy sales were a key growth driver for the entire sector. The life investment contract premiums of the Russian market leader, Sberbank Life Insurance, accounted for around 70% of its total portfolio. In future, however, industry players expect a reduction in life insurance premiums, following regulatory changes to rules related to life investment contract policy sales and due to unjustified expectations on the part of insurers vis-à-vis their effective yields.

**Factors impacting the life insurance market in 2019**

- **Investment appeal of insurance products**: 64%
- **Regulatory changes related to life investment contract policy sales**: 64%
- **Lending rates**: 45%
- **Legal reforms in the insurance market**: 27%
- **Consumer purchasing power**: 18%
- **Development of the agent network**: 18%

Source: KPMG analysis.

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13 https://www.sberbank-insurance.ru/news/22_02_19+13-16
In 2019 the percentage of companies that plan to increase life investment contract policies has decreased threefold. This suggests that the segment is gradually becoming saturated and that clients are reverting to a more regular instrument with a guaranteed income rate (bank deposits).

According to the survey, in 2019 insurers generally plan to expand their life insurance portfolios. Critical illness insurance and endowments are set to become top-priority offers.

Projections for the rate of life investment contract policy renewals have become more pessimistic; last year’s respondents expected a rate of 16.3%, while for this survey the figure was only 11%.

Respondents believe that, in view of 2019 regulatory developments and the declaration of returns on first tranches under expired contracts, the life investment contract market will shrink by more than a third.
In 2019 insurers expect moderate growth in the share of agency network distribution and direct internet sales, leading to a 2% decline in the banking segment’s share.

A trend towards a decline in the share of the banking sector in sales reflects insurers’ interest in further developing endowments, with their distribution to be potentially expanded via agency networks.
Car insurance

In 2018 the car insurance market rebounded after a number of years of stagnation.

For the first time since 2014, Casco premiums grew (+4% to 2017). The increased affordability of CMTPL drove up its premiums by 1.8%. Based on 2018 results, the average Casco premium fell to RUB35.7 thousand\(^{14}\), the lowest level since 2010.

\(^{14}\) CBR
CMTPL

2018 measures that were the most effective in overcoming the 2017 CMTPL market decline

According to the survey, the key factors that drove the recovery of the CMTPL market in 2018 comprise improved anti-fraud practices and reduced activity on the part of traffic lawyers, due to the prioritisation of in-kind settlements.

70% of respondents expect that in 2019 three-to-five Top-20 CMTPL market players will withdraw from the market; the remaining respondents believe that no more than two companies will leave the market.

Tariff liberalisation in CMTPL remains one of the hottest topics in the insurance market. Over 40% of respondents believe that insurers will set tariffs independently in the near future (less than five years). According to last year’s survey, only 14% of respondents believed regulatory restrictions would be lifted on these tariffs.

Currently, only 29% of respondents do not see grounds for the full liberalisation of tariffs. This is likely the result of the CBR’s first step towards liberalising CMTPL prices (extending the tariff corridor from 2019), and insurers anticipate further strategic regulatory decisions in this area.

Expected tariff liberalisation terms of CMTPL

Source: KPMG analysis.

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According to insurers, growth in Casco is mostly driven by personalisation in terms of rates. Over half of respondents believe that the market stagnation was overcome due to a reduced policy costs.

**Priority measures aimed at reducing the loss ratio of Casco**

- Using big data technology (as part of claim settlements, underwriting, etc.) 67%
- Developing new products 33%
- Increasing rates 33%
- Expanding subrogation collection 33%
- Combating external fraud 33%
- Improving insurance claim settlements in court 33%
- Exchanging data on losses with other insurers 33%
- Expanding the underwriting analysis and optimising the terms and conditions of insurance products 33%
- Using telematics 0%
- Optimising the regions of presence 0%
- Expanding deductibles 25%

Note: the "Using telematics" and "Using big data technology" options were first offered in the 2019 survey.

*Source: KPMG analysis.*

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**Casco**

The measures in 2018 that most helped overcome the 2017 decline in the Casco market

- Personalisation in terms of rates 71%
- Improved affordability of policies, due to cost reduction (e.g. as deductibles began to spread) 57%
- Upward movement in car demand 40%
- Increase in the average value of a car 29%
- Developing cross-sales and increased product penetration per client (up-selling) 14%
- Expanding online sales 14%

*Source: KPMG analysis.*
50% of respondents believe the loss ratio for Casco is acceptable, and have no plans to take further steps to reduce it.

Priority measures to expand the Casco portfolio in 2018 and 2019

- Optimising contracts with partners (agents, car dealers) 67%
- Improving client retention rates 67%
- Developing new distribution channels 33%
- Improving customer experience, simplifying the claim settlement process (e.g. through a mobile app) 33%
- Developing new products within classical Casco 33%
- Developing cross-selling 33%
- Increasing sales of GAP insurance 33%
- Leveraging the online sales channel/developing a mobile app to boost sales 33%
- Reducing rates 33%
- Optimising deductibles conditions 33%
- Boosting sales of extended warranties 33%

The remaining respondents view optimising the terms and conditions of contracts with partners to be a priority measure to reduce the loss ratio. Meanwhile, an expansion in underwriting analysis and a respective optimisation of the terms and conditions of insurance products are becoming less relevant (only 33% of respondents indicate these to be a potential measure, as against 100% last year).

Currently no survey respondents are considering using telematics, which is likely due to there being no clear benefits from using this technology.

~70% of respondents are considering revising contracts with partners in order to expand their portfolios.

Client retention remains a key priority in 2019. Also, compared to last year, a smaller percentage of players are choosing to leverage the online sales channel / develop a mobile app and reduce rates, perhaps because these measures are already in place.

Developing new products within classical Casco and increasing cross-sales and sales of GAP insurance were indicated as being priority measures by a third of respondents. The same share of respondents are seeking to improve customer service and to speed up the claim settlement process.

Note: the “Improve customer experience, simplify the claim settlement process (e.g. through a mobile app)” option was first offered in the 2019 survey.

Source: KPMG analysis.
50% of insurance companies participating in the survey believe the loss ratio for Casco is currently at an optimal level (as against a third of respondents last year). At the same time, respondents believe their efforts in this area will ensure a further reduction in the loss ratio, by four percentage points.
In 2018 the actual loss ratio for CMTPL was below the expected level indicated by the previous year’s survey respondents. Market stagnation was chiefly overcome by implementing effective measures to combat fraud.

Movements in the average expected loss ratio, 2016–2019

Source: KPMG analysis.

Respondents’ expectations vis-à-vis the development of the CMTPL market improved significantly: according to the executives surveyed, the loss ratio in 2019 will decline to 70%. The reasons for this likely include the priority of in-kind compensation, efforts to combat fraud, and a decrease in the activity of traffic lawyers.
Historical levels of average expected administrative and acquisition costs, 2016–2019

Sources: the actual shares of administrative and acquisition costs were calculated as average ratios, based on the IFRS financial statements of the Top-10 companies; the expected shares were calculated based on KPMG analysis.

In 2018 actual administrative costs were below expected levels.

This means that the measures taken by insurers to cut administrative costs in 2018 were effective.
### Priority methods for cutting administrative costs in 2018 and 2019

<table>
<thead>
<tr>
<th>Method</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automation of business processes</td>
<td>82%</td>
<td>100%</td>
</tr>
<tr>
<td>Process and function standardisation</td>
<td>45%</td>
<td>100%</td>
</tr>
<tr>
<td>Centralisation of certain functions (shared services)</td>
<td>36%</td>
<td>55%</td>
</tr>
<tr>
<td>Integrating new technologies (machine learning, optical character recognition, loss analysis, etc.)</td>
<td>27%</td>
<td>0%</td>
</tr>
<tr>
<td>Reducing IT costs</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Headcount optimisation</td>
<td>18%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Note: the “Reduced IT costs”, “Integrating new technologies (machine learning, optical character recognition, loss analysis, etc.)” options were first offered in the 2019 survey.

Respondents are still placing a greater focus on business process automation. Meanwhile, the share of respondents that selected a different priority measure in the last year (process and function standardisation) declined by more than half.

>40% of insurers have no short-term plans to reduce administrative costs significantly, as these costs are, on average, viewed as acceptable in the market for 2018 (the 2018 forecast value was above the actual value).
Efficacy of measures taken by insurers to cut administrative costs in 2018

Based on the survey results, it is safe to say that process and function standardisation has had a positive impact on reducing administrative costs.

83% of respondents implemented this measure, with 60% viewing it as being effective.
Priority methods for cutting acquisition costs in 2019

- Increasing the share of renewed agreements: 55%
- Optimising relationships with intermediaries and partners: 55%
- Developing online sales/telesales: 45%
- Developing cross-sales: 36%
- Developing brick-and-mortar sales: 18%

The company does not plan any significant reduction in acquisition costs: 45%

45% of companies have no plans to reduce their acquisition costs significantly. This demonstrates that insurers are continuing to compete for clients, following cross-selling and up-selling proving ineffective in 2018.

The respondents indicated improved relationships with intermediaries and partners and developing online sales/telesales and policy renewals as being the key methods for cutting acquisition costs.

Source: KPMG analysis.
New insurance technologies

The survey respondents plan to take further steps to develop new technologies in 2019.

Progress in the introduction of new technologies

Machine learning models in sales and marketing
- No plans for use: 8%
- Feasibility study: 34%
- Getting ready for implementation: 25%
- Pilot projects: 8%
- Full-scale use: 8%

Machine learning models in actuarial calculations
- No plans for use: 34%
- Feasibility study: 8%
- Getting ready for implementation: 50%
- Pilot projects: 25%
- Full-scale use: 17%

Machine learning models in claim settlement
- No plans for use: 50%
- Feasibility study: 42%

Machine learning models in rate-setting
- No plans for use: 50%

Source: KPMG analysis.
Insurance companies are increasingly implementing new technologies. With most not yet adopting these full scale, they are, nonetheless, carrying out feasibility studies or launching pilot projects. In the near future new technology will no longer be a competitive advantage, but a common market practice.

Pilot projects have been launched to test machine learning models for use in rate-setting (50% of respondents).

In the near future the majority of respondents have no plans to use blockchain, the Internet of Things, or robotic process automation.

Based on the results of 2018, 8% of respondents transferred the entire cycle of interaction with insurers to an online platform.

Obstacles to developing new technologies

Most insurers view a lack of qualified human resources as being a key obstacle to developing innovative technologies. Another factor impeding progress in this area is a high level of uncertainty surrounding returns on such investments.

* For example, when entering into insurance agreements, claiming losses.

Source: KPMG analysis.
Also worth noting is that Russian companies representing different industries indicate a lack of competencies as being a key barrier to adopting new technologies\(^\text{15}\).

Over 70% of respondents believe the budget for new technology implementation will not exceed RUB50 million in 2019. 2018 saw the same level of expenses related to new technology.

This appears to be due to a lack of relevant specialists, which was indicated by respondents as being a key barrier to adopting new technologies.

**CDO**

Most companies participating in the survey (42%) have a committee represented by various functions, which is responsible for implementing new technologies, and only 17% of respondents have chief digital officers (or chief transformation officers).

According to respondents, the average payback period on new technology implementation projects will be three years, which is slightly more than the same period across Russian companies as a whole. According to KPMG research, investments into new technology will yield gains after two years\(^\text{16}\).

**Expected payback periods for investments into new technologies**

- 34% 1–2 years
- 58% 3–5 years
- 8% 5–10 years

\(^{15}\) KPMG survey “Digital Technologies in Russian Companies”, 2019

\(^{16}\) KPMG analysis.
Based on the results of last year’s survey, most insurers had plans to implement IT solutions in marketing and claim settlements, as well as in big data analysis, for underwriting and scoring purposes.

>70% Currently, over 70% of respondents using new technologies in underwriting are reporting a positive impact.

Companies view the effect of all implemented initiatives as being positive. This stresses the need to keep up with the digitalisation trend in order to remain competitive.

Effect of new technologies in various activities of insurance companies

- Underwriting and rate-making: 78% positive, 22% not yet possible to assess
- Claim settlement: 91% positive
- Call centre: 64% positive
- Combating fraud: 55% positive
- Calculation of the loss reserve: 50% positive
- Marketing: 45% positive
- Other back-office functions (accounting, finance, HR): 82% positive, 11% not yet possible to assess

Note: the figures in the charts indicate the percentage of respondents that have implemented new technologies in a particular area.

Source: KPMG analysis.
In 2019 the survey respondents would like to see the following insurance market developments, which they believe would have a positive impact on their business:
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