



From our previous article, we get to know more about innovations such as Blockchain and peer-to-peer online network which essentially powers insurtech. In this article, we find that Thai embracing social media as a trend and becoming more health conscious will be the key enabler for insurtech to flourish.

Insurance Revolution #5: InsurTech vs Lifestyle

How do markets embrace innovation?

Markets are an essential part of the Thai economic heritage. Evolving through the centuries, they reflect the realities of the players' collaboration at any given time. As the global insurance industry undergoes a major makeover, due to technological innovation, so does its marketplace. We are observing Thailand and other countries, as they work towards integrating technology into all aspects of commercial operations.

The trend of "living life to the fullest"

What can possibly be more trendy than sharing photos of yourself working out at the gym, while sporting chic sneakers, with your friends on social media?

Social media has become a huge and inseparable part of our daily lives. It's a trend that has become the norm.

Another trend that has become extremely popular is to become more health conscious. Many businesses are viewing the combination of these two trends as a golden opportunity. They are turning their attention to



In This Issue

How do markets embrace innovation?

The trend of "living life to the fullest"

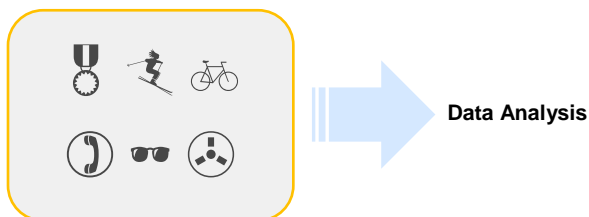
How can insurers benefit from this trend?

An example of a health insurance product

Health insurance in Thailand - legal constraints

What is the right move for insurers?

customers who are increasingly concerned about their health and are not afraid to share their concerns on social media. The commercial success of activity tracker brands like those offered by Fitbit and Jawbone, are proof that this trend is on the rise.



These two trends are of course, familiar to the insurance industry. In fact, a number of insurers and their intermediaries have aggressively used the combination of health awareness and social media to their advantage.

“
"Another trend that has become extremely popular is to become more health conscious."
”

How can insurers benefit from this trend?

Insurtech's ultimate goal is to reinvent the insurance business. Connecting to and becoming part of our lives rises to the top of their agenda. Many insurtech start-ups focus on the lifestyles of potential customers. As evident from the success of athletic companies, this strategic move gives them a competitive advantage. These insurtech companies offer personalized health insurance products, allowing customers to feel as if they have a personal trainer, pharmacist, or even a doctor taking care of them.

Imagine receiving a service that is tailored to your unique health concerns. Imagine an insurance plan that takes your loved ones into account as well. Many would agree that bespoke policies are more attractive than generic ones.

“
"Many insurtech start-ups focus on the lifestyles of potential customers."
”

An example of a health insurance product

Oscar Insurance was founded in December 2012 following the launch of Obamacare. The company offers health coverage to individuals, families and small businesses in six US states, including New York; Texas; California; New Jersey; Ohio; and Tennessee.

The most prominent feature of its product is the "Doctor-On-Call" service, which allows policyholders to talk to a doctor any time, over the phone, via an online application. Policyholders are able to receive medical advice and prescriptions without having to leave their homes.

www.bakermckenzie.com

Bangkok

5th Floor and 21st-25th Floors
990 Abdulrahim Place
Rama IV Road, Silom, Bangrak
Bangkok 10500
Thailand



Health insurance in Thailand - legal constraints

From a Thai legal perspective, health insurance is considered non-life insurance. Insurers can only underwrite health insurance products if they hold a non-life insurance license in the health insurance category. Life insurers may sell health insurance products, in addition to their life insurance products, under certain circumstances and conditions. Compliance with relevant laws and regulations is key to the operation of health insurers.

What is more challenging, though, is how insurers can ensure they will still be in compliance with local regulations after the inclusion of health-related technology to their business.

More information on the regulations of insurance and online platforms can be found in our previous article.

What is the right move for insurers?

There is an opportunity for health insurtechs to partner up with traditional health insurers and co-develop products that respond directly to consumer needs. This can be done by drawing upon data owned by traditional insurers and combining it with the technological expertise of start-ups. A strong network of health related service providers is key to success for such a collaboration while an online platform is no longer sufficient, with consumers demanding even easier access to services on-the-go.

Given fierce competition in the Thai market, those who move and respond to the trend the quickest, will most likely be in the best position to harvest gains.

For more information, please contact our insurtech team at Baker McKenzie.

Insurtech Team

Sivapong Viriyabusaya
Ampika Kumar
Sumet Orsirivikorn
Amnart Pitakgorn
Jarae Sithiwong

Previous articles:

<https://www.bakermckenzie.com/en/insight/publications/2018/04/insurance-revolution-main>

Contacts

For further information, please contact:

Sivapong Viriyabusaya
+66 2666 2824 ext. 4101
Sivapong.Viriyabusaya
@bakermckenzie.com

Jarae Sithiwong
+66 2666 2824 ext. 4207
Jarae.Sithiwong
@bakermckenzie.com

Disclaimer - Baker & McKenzie International is a global law firm with member law firms around the world. In accordance with the common terminology used in professional service organizations, reference to a "partner" means a person who is a partner or equivalent in such a law firm. Similarly, reference to an "office" means an office of any such law firm.

This may qualify as "Attorney Advertising" requiring notice in some jurisdictions. Prior results do not guarantee a similar outcome.