



Analysis of the Insurance Product Development Process for Bancassurance Distribution

Karin Amelia Safitri¹, Muhammad Thariq Fadhilah², Sri Astuti³

¹ Vocational Education Program, Universitas Indonesia, Depok, Indonesia

² Vocational Education Program, Universitas Indonesia, Depok, Indonesia

³ Vocational Education Program, Universitas Indonesia, Depok, Indonesia
karinamelia@ui.ac.id

Abstract. Along with the growth of insurance in Indonesia, insurance companies need to innovate and develop, both from company profiles to presenting products that are marketed to the Indonesian people. Product development is also required to meet changing customer needs and wants. The bancassurance distribution channel is effective in reaching a wider range of customers through branch offices owned by the bank. This study aims to determine the insurance product development process in bancassurance distribution at PT XYZ Indonesia. Also knowing the supporting and inhibiting factors that can influence the product development process along with its solutions and SWOT analysis on insurance products for bancassurance distribution at PT XYZ Indonesia. This research uses a descriptive method. The data used are primary data derived from company data and employee interviews, as well as secondary data derived from literature, books, journals and previous research. Based on the results of this study, PT XYZ Indonesia carried out the process of developing insurance products in the bancassurance distribution through several stages, namely with 4 Gate. There are 3 (three) supporting factors in the product development process, namely collaboration between divisions, market research that is always updated on products, and digital insurance product transactions. There are also 2 (two) inhibiting factors in the insurance product development process, namely limited and immature technical support for the migration of the insurance product marketing system, as well as insufficient product sales due to an inadequate system. These obstacles can be overcome by increasing the existing system base testing and increasing public awareness of existing products.

Keywords: Bancassurance, Insurance, Product, Product Development

1 Introduction

The Covid-19 pandemic has almost made everyone around the world experiencing uncertainty about his health condition as well as his life. During the Covid-19 pandemic, uncertainty arose which raised concerns from an economic and health perspective, so that risk mitigation was required for each individual. Insurance, especially in the life

insurance sector, has a role in helping the financial resilience of each individual or Indonesian people in difficult times like that.

Over time, Indonesia has managed to rise and recover from the Covid-19 pandemic. The community has started to adjust to the return to normal of their activities after the pandemic has slowly disappeared from Indonesia. Many Indonesian people have returned to continue their work as usual, carry out their hobbies, and carry out other activities that they used to do before the pandemic.

In carrying out normal activities again after the pandemic, the Indonesian people certainly need a guarantee to protect themselves. This guarantee needs to be owned in order to avoid risks that will occur in the future. Risk is a hazard, result, or consequence that can occur as a result of an ongoing process or event that will come (Hanafi, 2006) [1]. Risks can come from various things such as illness, accidents, and other risks that may occur. This increases public awareness about the importance of insurance. AAJI stated that based on the Life Insurance Industry Performance Report in the fourth quarter of 2022, the number of insured persons in the life insurance industry has consistently increased. As of December 31, 2022, the total life insurance industry insured amounted to 85.01 million people, this figure increased by 30.4% when compared to by 2021 (Indonesian Life Insurance Association, 2023) [2] [13].

The performance of the life insurance industry in Indonesia is improving straightly with public awareness about the importance of having insurance, especially for Indonesian people who cannot be separated from a consumptive lifestyle (Luthfianto D., 2018) [3]. If these activities take place over a long period of time, it will certainly disrupt finances so that people are less able to maximize their opportunities to save, have insurance, and invest. If you want to have life and health protection in the future, Indonesian people need to prepare insurance early on. There are 4 reasons why insurance is important to have, (1) cheaper premium costs: if you have insurance at a young age, the premiums paid will be much cheaper. Health conditions that are still healthy at the age of 20-30 years are the reason for the low premium costs. It's different if you have insurance at the age of 40-50 years, the insurance company will charge a higher premium fee because health conditions are different than at a young age and the risk of getting a disease is also higher tall; (2) provide protection: insurance will provide protection when a person experiences a risk in the future. The protection you get depends on the type of insurance you choose. By preparing insurance early on, there is no need to worry about losses from uncertainties that will occur in the future; (3) greater chance of applying for insurance: If applying for insurance immediately or at a young age, then the chance of being accepted by the insurance company will be greater because it is assumed that the person applying for insurance is in good health without any co-morbidities; (4) to manage finances by having insurance, money that is often used for temporary lifestyles, can be used to pay insurance premiums every month. That way, someone can feel the benefits and get protection in the future (PT Prudential Life Assurance, 2023) [4].

Along with the growth of insurance in Indonesia, insurance companies need to innovate and develop, both from company profiles to presenting products that are marketed to

the Indonesian public. It is important for every insurance company to carry out these innovations and developments in order to remain competitive in the market and to be able to provide the best service to customers. Insurance companies that are unable to innovate and develop have a very large possibility of experiencing setbacks because they fail to compete in the market with other insurance companies.

Fandy Tjiptono in his book entitled *Marketing Strategy* (2008), defines product development as a strategy for new products which include original products, enhanced products, modified products, and new brands developed through research and development efforts (Tjiptono, 2008) [5]. Insurance companies can innovate by modifying existing products and developing new products that are different from those currently on the market. In general, there are three stages of product development at PT XYZ Indonesia, namely Idea Creation/Initiative, Development and Implementation, and Monitoring. Products that have been developed then marketed through existing distribution channels [14]. PT XYZ Indonesia in this case uses 4 (four) product distribution channels, namely Agency, Bancassurance, Corporate Care, and Digital. Product development is also required to meet the changes customer needs and desires; match new competitive offerings; and meet market segments. This can be done by replacing or reformulating existing products, or expanding product lines (Masrifah, 2010) [6]. According to (Rustanti, 2010) the bancassurance product development strategy is still effective in facing intense competition in the life insurance industry, opportunities in this sector are also very wide open because bancassurance is a new business in the insurance industry but promises significant results [7]. Bancassurance is a cooperative activity between insurance companies and banks in order to market insurance products through banks. is a cooperative activity between an insurance company and a bank in order to market insurance products through a bank.

This research contributes (1) to the company: it can facilitate parties in the process of developing new insurance products and can resolve existing obstacles; (2) become literacy material and reference for further writing regarding the insurance product development process;

2 Literature Review

2.1 Insurance Products

According to POJK Number 23/POJK.05/2015 Concerning Insurance Products and Marketing of Insurance Products, an insurance product is a program that promises protection against 1 (one) or more types of insurable risks arising from an uncertain event by providing reimbursement to the holder. policyholder, the insured, or participant due to loss, damage, costs incurred, loss of profit, or legal responsibility to third parties that may be suffered by the policyholder, insured, or participant, or providing guarantees for fulfilling the obligations of the guaranteed party to another party if the party guaranteed cannot fulfill its obligations.

Each insurance product must provide protection from at least 1 (one) type of risk that can be insured. Insurance products must have premiums or contributions in accordance with the promised benefits, which are set at a level that is sufficient, not excessive, and not applied in a discriminatory manner. The Insurance Product must also have an Insurance Policy that does not contain words, phrases, or sentences that can: (a) give rise to different interpretations of the risks covered, the Company's obligations, and the obligations of the policyholder, the insured, or participants; and/or (b) make it difficult for the policyholder, the insured, or participants to take care of their rights.

Every insurance company must provide a product name for each insurance product marketed. The name of the insurance product being marketed must meet the following conditions: (a) use the word insurance or other words that have a meaning (b) not give rise to the interpretation that the product is not an insurance product; and (c) according to the name of the insurance product when it is reported to the Financial services Authority

2.2 Product Development

Definition of Product Development. Product development is a strategy and process carried out by companies in improving old products or increasing the use of products to existing market segments with the assumption that customers want new elements about the product. Product development can also be interpreted as a process of making changes to existing products as well as a process of seeking innovation to add value to old goods by converting them into these products.

With product development, it means that the company already understands the needs and wants of the market. Meanwhile, according to Ulrich and Eppinger product development is a series of processes that begin with an analysis of market perceptions and opportunities, as the final stage is the production, sales and delivery of products that are considered to have more value compared to previous products (Ulrich & Eppinger, 2010) [8].

Product Development Goals. The goal of product development is to provide maximum value for consumers, maintain competitiveness against existing products by selecting innovative products. Product development can also be interpreted as a product that is modified and has a high value in the identity of the product itself. Meanwhile, according to (Alma, 2002) there are several reasons that make companies carry out product development, namely to fulfill consumer desires, to increase sales turnover, to utilize production sources, to win competition, to increase profits by using the same materials, to utilize leftovers, to prevent consumer boredom, to simplify packaging products [9].

Insurance Product Development. Product development needs to be carried out by insurance companies so that they are always innovative and able to adapt to market needs. By making innovations in the products being marketed, insurance companies

can also be better known by the public because their products are always updated so that they can increase their profits. The product development process carried out at PT XYZ Indonesia is divided into 4 (four) stages. Stage 1 (one) begins with internal approval of the product concept that has been designed and will be implemented.

The product development idea was obtained from several sources such as XYZ Group, management, product team, PT XYZ Indonesia's distribution channel, or from the results of market research. Then proceed to stage 2 (two), namely finalizing all aspects of product design and reporting and seeking approval from the Group Office regarding the Product Approval Report (PAR) document as well as reporting and seeking approval regarding reinsurance to be used and so on to the Financial Services Authority. After obtaining approval from the Financial Services Authority and XYZ Group for the proposed product, the product development process is continued to stage 3 (three), namely preparing a marketing plan that will later be used and conducting training for marketers who will sell the product. Then the product can be launched and proceed to stage 4 (four), namely the publication of products that have been launched and monitoring the product after launching.

2.3 Distribution channel

Agency. Based on SEOJK Number 19/SEOJK.05/2020 Concerning Channels Marketing of Insurance Products, an insurance agent is a person who works alone or works for a business entity, who acts for and on behalf of the company and fulfills the requirements to represent the company marketing insurance products. It can also be said that agency or agency is an alternative form of distribution in which legal entities or individuals can participate. The role of the insurance company in this system is as an underwriting office that serves all the interests of partners and customers.

Bancassurance. According to SEOJK Number 19/SEOJK.05/2020 Concerning Insurance Product Marketing Channels, bancassurance is a collaborative activity between insurance companies and banks in order to market insurance products through banks. Bancassurance activities can be classified as references [10]. Referral is a cooperation whose activity is to market products and the bank plays a role in referring or recommending its products to customers.

In practice, bancassurance offers various benefits to insurance companies. One of the advantages obtained through the bancassurance distribution channel is a wider reach of customers through branch offices owned by banks and can suppress a number of agents [12]. Online facilities such as ATMs which are one of the bank facilities can also make it easier for insurance customers to pay premiums, as well as the investment elements offered are more real (Prayoga & Islami, 2021) [9].

Corporate Care. Corporate Care is a distribution channel used to market insurance products in large quantities. The targets of the corporate care distribution channel in general are companies, both private and non-private agencies or organizations.

Digital. Digital distribution channels prioritize ease of use in terms of getting insurance protection or buying insurance products by simply accessing the company's website or using an application developed by the company for easy transactions [11].

3 Methodology

This research was conducted from 1 February 2023 to 31 May 2023. The type of data used by the authors in this study are primary and secondary data. The data used by the author were obtained from interviews with experts, books, journals, laws and regulations, PT XYZ Indonesia's official website, as well as data originating from PT XYZ Indonesia's Product Proposition division in the form of supporting documents for product development.

In this study, the authors used a descriptive method that aims to describe the insurance product development process. The descriptive method is a method of examining the status of a group of people, an object, a set of conditions, a system of thought or a class of present events.

4 RESULT AND DISCUSSION

4.1 Product Development Process

Insurance product development at PT XYZ Indonesia is divided into 4 stages or 4 Gates. The four gates are described as follows.

a. Gate 1

Gate 1 is the first stage in the insurance product development process at PT XYZ Indonesia, namely internal approval of the product concept that is designed and will be implemented. Thoughts for product development ideas were obtained from several sources such as the Group Office (XYZ Group), management, product team, PT XYZ Indonesia's distribution channel, or from market research results.

At Gate 1 there are several important points, namely the background of product development, the target market for the product to be developed, the product distribution strategy, product design or description, product financial information, risks that exist and influence product development, as well as the timeframe and product development timeline. These matters are then summarized to be submitted and presented to related divisions such as the marketing division, operational division, actuarial division, and so on.

b. Gate 2

Gate 2 is the stage of finalizing all aspects of the product design which are summarized into a single unit in the product specification document and reporting and seeking approval of the PAR (Product Document) document.

Approval Report) to the Group Office (XYZ Group). In the PAR (Product Approval Report) document, there is some information related to the product that needs to be included, including the following: (a) PT XYZ Indonesia's internal (Product Management Committee) signing and comments on the product approval report (b) the background of making the product (c) targeted customer segmentation; (d) XYZ Indonesia's brand alignment with the products to be made (e) details of the project costs proposed for approval; (f) project summary (product scope, timeline, and business case studies); (g) detailed product specifications; (h) protection ratio calculation; (i) underwriting, claims and policy administration provisions; (j) customer focus (customer insight and product conformity to the needs of targeted customer segmentation); (k) distributor focus (distributor insights, distributor positioning, and compensation/commission details); (l) internal and external distributor license requirements; (m) comparison of internal and external products; (n) profitability analysis; and (o) risk management.

After obtaining approval from the Group Office (XYZ Group), then PT XYZ Indonesia needs to report and seek approval from the Financial Services Authority. At this stage PT XYZ Indonesia through related divisions is making improvements to the product design in determining the reinsurance to be used and so on so that it can be prepared for later submission and seeking approval from the Financial Services Authority. The documents that need to be completed by PT XYZ Indonesia to be reported to the Financial Services Authority are as follows:

a. Application/Reporting Letter; b. Assessment Forms; c. Actuary Statement; d. Directors Statement; e. Product Description; f. Profit Testing; g. Policy Specimen (Policy Data, General Provisions, Attachments, Additional Provisions); h. Product Summary; i. Life Insurance Application Letter; j. Marketing Kit (Brochure); k. RIPLAY Personal (Illustration); l. Web screenshots; m. Draft Training Materials; n. Training Attendance List; and o. XYZ Indonesia Agent Certificate and License Card. After all of these reporting documents have been submitted to the Financial Services Authority, PT XYZ Indonesia will receive their response from the Financial Services Authority regarding the proposed product design. PT XYZ Indonesia needs to respond to this response and then obtain approval from the Financial Services Authority.

c. Gates 3

After obtaining approval from the Financial Services Authority above product proposed, the Product Proposition division needs to discuss with the Marketing Division, Corporate Communication Division, and related distribution channels to develop a marketing plan that will be used later. After the marketing plan has been prepared, the Product Proposition division needs to organize and conduct training for marketers who will sell products. Then the product can be launched to the general public.

d. Gate 4

At this stage, the publication of products that have been launched and a post-launch review of the product is carried out by comparing actual data with product design plans

or targets, analysis of product performance from each distribution channel, as well as enhancement plans for the product.

In this study, the authors limit the discussion related to the insurance product development process only to the previous stage reporting on the final product design to be reported to the Group Office (XYZ Group) and the Financial Services Authority. The process of developing insurance products at PT XYZ Indonesia begins with designing product ideas and/or concepts. Thoughts on the idea of the product concept were obtained from several related sources such as the Group Office (XYZ Group), company management, product team, PT XYZ Indonesia's distribution channel, or from the results of market research conducted by the related team at PT XYZ Indonesia. In this case the author takes the example of the XYZ Warisan Handal product, which has an idea based on the unavailability of a whole life insurance product at partner banks. Realizing that some of its competitors already have a type of whole life insurance product with partner banks in bancassurance distribution, this has encouraged PT XYZ Indonesia's desire to develop a whole life insurance product.

Group Office (XYZ Group) is the holding company of PT XYZ Indonesia which houses all XYZ companies in several countries. The Group Office (XYZ Group) has the capacity to provide design ideas and/or concepts for product development that are in line with the company's vision and mission. Company management can also provide product ideas and/or concept designs based on data held by the internal company such as experience studies, claim experience, and customer experience. Design ideas and/or product concepts can also come from the distribution channels available to the company, in this case PT XYZ Indonesia, namely agency, bancassurance, corporate care, and digital. Based on data owned by PT XYZ Indonesia, design thinking most product ideas and/or concepts are obtained through agency distribution channels. This is because insurance agents can deal directly with customers in the field, so that they can get product design ideas or concepts directly based on what exists and is happening in current society.

Design ideas and/or product concepts can also be obtained from market research conducted by the company, in this case PT XYZ Indonesia. Companies can find out what products are already on the market and see if these products are appropriate and meet people's needs. This market research can be carried out on all distribution channels owned by PT XYZ Indonesia. In this study, the authors limit the scope of discussion of PT XYZ Indonesia's product distribution channels, namely the bancassurance distribution channel.

The thought of the product design idea or concept is then continued at the next stage at Gate 1, namely internal approval from the XYZ Indonesia Product Management Committee for product ideas and concepts that are designed and will be implemented, so that later these ideas can be submitted and known by the Group Office (XYZ Group). Prior to requesting the approval, there are several things that need to be prepared and submitted so that the design ideas and product concepts that are made can be approved by internal parties (Product Management Committee), namely: (a) Product

development background (b) Product target market to be developed (c) Product distribution strategy (d) Product design or description (e) Product financial information (f) Existing risks that affect product development (g) Product development timeline and timeline.

The preparation of several important matters is arranged as a single unit in the Gate One Paper document. Simultaneously with the preparation of the Gate One Paper, the Product Proposition Division can hold discussions with the Group Office (XYZ Group) regarding the brand alignment of products that have previously been proposed so that they are in line with and in accordance with the company's vision and values. Document product specifications which include a complete specification summary for the product being developed have also begun to be prepared together with the preparation of the Gate One Paper.

This can be done in parallel so that the product development process can be carried out effectively and efficiently. The preparation of the Gate One Paper and the product specification document was carried out simultaneously on the grounds that these two documents were needed at a later stage. The Head of the Product Proposition Division will distribute the two documents to the heads of the relevant divisions and then submit them to the company leaders, in this case PT XYZ Indonesia.

The distribution and submission of these documents is intended to request suggestions and/or comments on the proposed product concept and specifications. If there are suggestions and/or comments on the two documents or one of the documents, the Product Proposition Division needs to update the document. After all documents have been prepared and updated, the Product Proposition Division together with related divisions will hold a Focus Group Discussion to discuss in order to determine whether the product can be continued for development or not. If there is agreement and approval from the relevant divisions to continue product development, then the Product Proposition Division will prepare these documents to then seek approval from the Product Management Committee.

If the Product Management Committee has given approval to the Gate One Paper for the product to be developed, then the process can proceed to Gate 2 to seek approval from the Group Office (XYZ Group) for the product specification documents that have been prepared. Before the Group Office (XYZ Group) gives approval, a re-examination of the proposed product design will be carried out. If there are comments from the Group Office (XYZ Group) on the proposed product development, the Product Proposition Division needs to update the related documents according to the comments given so that the product development process can be approved and proceed to the next stage, namely requesting approval from the Financial Services Authority.

Things that support the Product Development Process

a. Cooperation between divisions

The involvement of teams between divisions or related functions can support the performance of the designed insurance product development process. In this case PT XYZ Indonesia involves several divisions in its product development process such as the actuarial division, marketing division and operational division. Collaboration carried out by all relevant divisions improves the company's operational efficiency by optimizing existing human resources. Relevant divisions that work together can divide tasks and responsibilities so as to achieve results more quickly and effectively. Team involvement and collaboration can certainly produce better and more innovative products or services according to the community's needs for insurance protection.

b. Always updated market research on products

Market research conducted by the Product Proposition Division and always updated is the key in developing innovative products and winning market competition. Updated market research can help understand customers' changing preferences and needs. By understanding customer preferences, competitor strategies, and the latest trends in the market, companies can take the right steps to develop better products.

c. Digital insurance product transactions

System automation can also be carried out in the insurance industry, such as presenting a digital transaction experience. This of course can make it easier for customers to buy insurance products anytime and anywhere without having to go to the insurance company's office. Only by accessing an insurance website or application, insurance product transactions become easier, faster and more efficient. Customers are also facilitated because they can easily submit insurance claims online. Websites or insurance applications generally provide online claim formulas that can be filled out and submitted online. This certainly greatly assists the insurance product development process because companies do not need to spend a lot of time processing documents manually and can be done automatically through the technology systems used.

Obstacles in the Product Development Process

In order to create an easier, simpler and faster insurance product transaction experience, PT XYZ Indonesia has an initiative to migrate and improve the system used to sell its products. This of course has good intentions for the seller, in this case the company insurance and the buyer in this case is the customer.

System improvements that are carried out with the aim of having a smoother sales system and more detailed product monitoring will certainly not always work as expected. Limited technical support can be one of the obstacles in perfecting the system. The new digital system for conducting sales transactions for insurance products requires good technical support.

However, technical support can be limited in new digital systems that are not fully mature or have technical problems. This has an impact on the delay in the product development timeline which is not in accordance with expectations at the beginning of product design. Due to setbacks in the product development timeline, the timing of product sales may not match how it should be and result in sales targets not being achieved as planned.

Completion of Obstacles in the Product Development Process

Barriers to the effectiveness of the system used can be overcome by increasing the existing system base testing. If testing is carried out in detail, it will be possible to find all the problems that exist in the system down to the core. So that the company can take the right steps in choosing treatment to solve problems that exist in the system.

Companies can also adapt the use of the system to system service providers from outside the company to then develop and improve it so that it becomes a mature system for the company's product development needs.

Obstacles that result in less than optimal product sales due to an inadequate system can be overcome by increasing public awareness of existing products through campaigns, launching events/press releases, and product teasers on social media. This is an effective strategy for promoting the product and increasing public awareness of the existence of the product. Increasing public awareness of the existence of a product can bring several benefits, including the following:

- a. Organizing campaigns, launching events/press releases, and product teasers on social media can make products more easily recognized and found by potential customers. This will increase the product's visibility among the wider social media community.
- b. Increasing awareness of the existence of a product can increase interaction between customers and insurance companies. This can help build long-term relationships with potential customers and increase customer loyalty to products and insurance companies.

The long-term relationship between the customer and the insurance company can also be enhanced by showing a concrete commitment to the customer for product sales so that the insurance company can then build a stronger and successful brand in the market. Strengthening identity or details of insurance product specifications can also be a way of solving existing obstacles. Sales of a product will be more targeted and meet the target if detailed insurance product specifications can be designed and realized properly.

Segmentation, Targeting, and Positioning

This study takes the example of insurance products on bancassurance, namely XYZ Warisan Handal from PT XYZ Indonesia with details of segmentation, positioning and market targets as follows.

a. Segmentation and Target Market:

mass-market individuals; Not married and/or new family; Age 18 – 60 years; and Individuals who wish to set up a retirement fund, savings, and planning for children's education.

b. Positioning:

XYZ understands that customers want to ensure that their loved ones can enjoy a happy life forever. Even though sometimes life doesn't live up to expectations, however customers want their family's future to remain secure and happy. Therefore, XYZ

provides lifelong life protection which provides a certain amount of funds to be used by the customer's family whether or not the customer is with his family anymore. In addition, if the coverage is still active, the customer has the opportunity to enjoy a certain amount of funds when he reaches a certain age and at the end of the insurance period.

SWOT Analysis & Business Model Canvas (XYZ WARISAN HANDAL)

a. Strengthness (Internal)

XYZ Warisan Handal products can be an option for those who want to set up a retirement fund as well as an inheritance. By owning the XYZ Warisan Handal product, customers can benefit from the sum insured if the insured reaches a certain age and the rest will be given if a risk occurs. So customers don't have to worry about financial planning when a family member stops working (retires) or dies.

Customers can also have lighter premiums with higher protection. The higher the sum insured chosen, the premium paid can be more economical. This is due to the application of premium discounts to customers, the greater the sum insured chosen, the greater the premium discount that will be obtained. By choosing a higher protection (sum assured) with a certain nominal value, the customer will also be exempted from the medical check-up process. This is based on a mutual agreement with the reinsurance partner. It can also be said that the health and financial examination (underwriting) process will be easier when taking a high sum insured, in accordance with the applicable underwriting provisions.

b. Weaknesses (Internal)

XYZ Warisan Handal's insurance product is a lifetime insurance product. Whole life insurance products generally have a fairly long premium payment term. This product requires long-term premium payments which can become a financial burden for the policyholder, especially if there is a change in the policyholder's financial condition. The lack of public awareness of this insurance product also needs to be of more concern to PT XYZ Indonesia. Companies need to increase their marketing efforts in a more effective and innovative way. This can be done by conducting campaigns, launching events/press releases, and product teasers on social media. Increasing awareness of the presence and benefits of these products can increase public interest and expand the market. With the right marketing efforts, PT XYZ Indonesia can introduce their products to potential customers in a more effective and measurable way.

Opportunity (External)

Having a bancassurance distribution channel certainly provides an opportunity for PT XYZ Indonesia to get more customers. PT XYZ Indonesia can have a wider range of customers through branch offices owned by the bank and can suppress a number of agents. Efforts to mature the product sales system through digital are also an opportunity for PT XYZ Indonesia in product sales. Selling digital products can save a

company's operational costs related to administrative costs and distribution costs. The use of digital systems can also reach the target market for product sales, namely the younger generation, and facilitate the process of submitting claims, because policyholders can submit claims and view the status of their claims through the digital insurance portal. This can speed up the claim process and reduce costs associated with the claim process.

d. Treats (External)

Premium price competition from similar products can be a threat to the company. The more rapid advancement of technology and information, the easier it is for potential customers to compare the prices of insurance products offered by various insurance companies. As a result, insurance companies need to offer insurance products at competitive prices in order to remain competitive in the market.

<p>Key Partners</p> <ul style="list-style-type: none"> Bank ABC 	<p>Key Activities</p> <ul style="list-style-type: none"> Pengembangan produk Pengembangan aplikasi dan website wadah penjualan produk Periklanan Pencatatan penjualan produk Evaluasi penjualan produk <p>Key Resources</p> <ul style="list-style-type: none"> Aplikasi dan website PT XYZ Indonesia Bank Rekanan Divisi Product Proposition PT XYZ Indonesia dan divisi-divisi terkait 	<p>Value Proposition</p> <ul style="list-style-type: none"> Premi yang ringan dan terjangkau Nilai pertanggungan yang besar Kesudahan akses pembelian produk Inovasi layanan yang modern 	<p>Customer Relationship</p> <ul style="list-style-type: none"> Transaksi produk yang mudah dan cepat Memberikan pelayanan yang cepat Menjamin kepuasan dalam layanannya <p>Channels</p> <ul style="list-style-type: none"> Bank rekanan Brosur Media sosial 	<p>Customer Segments</p> <ul style="list-style-type: none"> Individu pasar massal Belum menikah dan/atau keluarga baru Usia 18-60 tahun Individu yang ingin menyiapkan dana pensiun, tabungan, dan perencanaan untuk pendidikan anak
<p>Cost Structure</p> <ul style="list-style-type: none"> Biaya pengembangan aplikasi Biaya pemeliharaan sistem Biaya promosi Biaya gaji karyawan 			<p>Revenue Streams</p> <ul style="list-style-type: none"> Layanan transaksi berbasis digital 	

Fig. 1. Analysis Business Model Canvas

The results of the Business Model Canvas analysis in Figure 1 are obtained based on the results of the analysis carried out on segmentation, targeting, positioning, and SWOT on XYZ Warisan Handal products. The existence of a Business Model Canvas analysis for XYZ Warisan Handal product development is intended so that PT XYZ Indonesia can reduce the risk of errors in carrying out the product development execution, as well as increase the company's focus on important points in the XYZ Warisan Handal product development plan.

5 CONCLUSION

The process of developing insurance products for bancassurance distribution at PT XYZ Indonesia starts from designing product ideas and/or concepts. Thoughts on the idea of the product concept were obtained from several related sources such as the Group Office (XYZ Group), company management, product team, PT XYZ Indonesia's distribution channel, or from the results of market research conducted by the related team at PT XYZ Indonesia. The ideas and concepts that have been designed are then summarized in one document, namely the Gate One Paper, and then seek approval from the Product Management Committee for the ideas and concepts for designing the product. Simultaneously with the preparation of the Gate One Paper, the Product Proposition Division can hold discussions with the Group Office (XYZ Group) regarding the brand alignment of products that have previously been proposed so that they are in line with and in accordance with the company's vision and values. Product specification documents which include a complete summary of the specifications for the product being developed have also begun to be prepared together with the preparation of the Gate One Paper. If the Product Management Committee has given approval to the Gate One Paper for the product to be developed, then the process can proceed to Gate 2 to request approval from the Group Office (XYZ Group) and the Financial Services Authority for the idea and concept of product development accompanied by documents that needed.

b. There are several supporting factors in the insurance product development process through the bancassurance distribution channel at PT XYZ Indonesia, namely: (1) inter-division cooperation; (2) market research that is always updated on products; (3) digital insurance product transactions. As well as there are several obstacles in the process of developing insurance products through the bancassurance distribution channel at PT XYZ Indonesia, namely limited and immature technical support in the migration of insurance product marketing systems. Barriers to the effectiveness of the system used can be overcome by increasing the existing system base testing. Barriers that also result in less than optimal product sales due to an inadequate system can be overcome by increasing public awareness of existing products through campaigns, launching events/press releases, and product teasers on social media.

c. XYZ Heritage Handal products can be an option for them who want to set up an old-age fund as well as an inheritance. Product of Life insurance such as XYZ Warisan Handal requires long-term premium payments which can become a financial burden for the policyholder, especially if there is a change in the financial condition of the policyholder which can result in less than optimal product sales to the public. However, the use of the bancassurance distribution channel and efforts to mature a digital product sales system can be an opportunity for PT XYZ Indonesia to reach a wider market in the community. The rapid advancement of technology and information can also be a threat to the company. Prospective customers find it easier to compare the prices of insurance products offered by various insurance companies. As a result, insurance companies need to offer insurance products at competitive prices in order to remain competitive in the market.

For future research, it is necessary to link product development in the insurance industry with technology or digitalization. Completion of this research can be carried out by continuing the stages of the insurance product development process for bancassurance distribution to the next stage.

References

- [1]. Hanafi. (2006). *Manajemen Risiko Operasional*. Jakarta: Pendidikan dan Pembinaan Manajemen.
- [2]. Asosiasi Asuransi Jiwa Indonesia. (2023, August 3). Ruang Media. Retrieved from Press Release Laporan Kinerja Industri Asuransi Jiwa Full Year 2022: <https://aaji.or.id/RuangMedia/press-release-laporan-kinerja-industri-asuransi-jiwa-full-year-2022>
- [3]. Luthfianto, D. (2018). Pengaruh Pengetahuan Keuangan, Pengalaman, Kompetensi Perusahaan Asuransi terhadap Keputusan Membeli Asuransi yang Dimediasi Variabel Kecenderungan Konsumen.
- [4]. PT Prudential Life Assurance. (2023, March 21). Retrieved from 4 Alasan Mengapa Asuransi Penting untuk Generasi Milenial: <https://www.prudential.co.id/id/pulse/article/empat-alasan-mengapa-asuransi-penting-untuk-generasi-milenial/>
- [5]. Tjiptono, F. (2008). *Strategi Pemasaran*. Yogyakarta: Andi.
- [6]. Masrifah, E. (2010). Analisis Pengembangan Produk Takaful Mikro Sakinah. 33-34.
- [7]. Rustanti, C. K. (2010). Analisis Strategi Pengembangan Produk Bancassurance Dalam Industri Asuransi Jiwa di Indonesia.
- [8]. Ulrich, K., & Eppinger, S. (2010). *Perancangan dan Pengembangan Produk*. Jakarta: Salemba Teknika.
- [9]. Alma, B. (2002). *Manajemen Pemasaran dan Pemasaran Jasa*. Bandung: Alfabeta.
- [10]. Otoritas Jasa Keuangan. (2020). SEOJK Nomor 19/SEOJK.05/2020 Tentang Saluran Pemasaran Produk Asuransi. Jakarta.
- [11]. Prayoga, R., & Islami, N. (2021). Saluran Pemasaran Dalam Memasarkan Produk Asuransi. 132.
- [12]. OJK. (2020). SEOJK Nomor 19/SEOJK.05/2020 Tentang Saluran Pemasaran Produk Asuransi. Jakarta.
- [13]. Asosiasi Asuransi Jiwa Indonesia. (2022). Laporan Kinerja Industri Asuransi Jiwa.
- [14]. Suparni, E. (2018). Pelaksanaan Klaim Asuransi Pada Asuransi Bumiputera 1912. 127.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial 4.0 International License (<http://creativecommons.org/licenses/by-nc/4.0/>), which permits any noncommercial use, sharing, adaptation, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if changes were made.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

