

Ping An Group's AI-Enabled "Finance + Service" Webcast Series

Episode 2 – From claims to care: Ping An's Service Bet Takes Shape

00:00 – 00:59

[VO]

May 2nd, 2025. A phone rings on Ping An's global emergency rescue hotline. A Chinese national working in Indonesia has collapsed with acute encephalitis. His family does not speak Indonesian. His condition is deteriorating fast. By evening, a Ping An physician is on the phone with his doctor in Jakarta.

Within 24 hours, an airborne intensive care unit with a ventilator, monitors, and full life support system departs Jakarta for Shenzhen. The patient is taken to a top-tier hospital. He survives.

[Treena]

For 300 years, insurance is run on a single model. Something goes wrong, a claim is filed, the money is paid. But in a market where products look increasingly similar, price becomes a race to the bottom. Service is becoming the most durable differentiator.

Today, I'm joined by Michael Guo, Co-CEO of Ping An Group. We're here to discuss how Ping An is rebuilding insurance from reactive compensation to proactive protection.

Michael, welcome.

[Michael]

Thank you, nice to meet you.

01:14 – 03:22

[Treena]

Michael, Ping An describes finance plus service as its core strategy. What problem does this strategy solve that the traditional insurance model cannot?

[Michael]

If you look at the traditional insurance model, we provide financial compensation after something happens to our customers. However, that's no longer sufficient. In the highly competitive world these days, purely offering something financially from the customer's perspective it can definitely make a difference, whether it comes from Ping An or from somewhere else.

So we have always talked about customer-centricity. We believe that our business model, whatever we do, has to center around the customer needs. If there's something from the customer perspective that is not met that we are able to solve, then we should be able to solve that. So that comes down to the idea that let's do something more. Let's do something before anything happens to our customer, maybe during the process, not just wait until the last minute.

So that's the whole idea of offering this finance plus service model to make sure we stay connected with our customers all the way.

[Treena]

This is a fundamental transformation that you're talking about.

[Michael]

This is the strategic focus for us for the next decade. Customer-centricity

[Treena]

So this is a shift from we hope we never see you at all this year to building a long-term relationship with the customers.

[Michael]

If you look at the history of the financial services through all the financial crisis, most of the companies have gone through that the survivors are being either the strongest balance sheet or the most resilient or the fittest. So survival of the fittest, that's a nature's law.

Moving forward, we believe it should be the survival of the customer closest who has the more frequent customer engagements, who are more deeply engaged with our customers, who are with the customers when the customer needs us, would be the customer's choice.

So, in the past, we have earned the customer trust by providing claims on time, making the customer experience as smooth as possible. In the future, we want to transform ourselves to become the life partner of the customers.

03:23 – 05:18

[Treena]

Now let's talk a little bit more specifically about the Global Emergency Rescue Service. You've described this as a hero service under your Ping An strategy. So why is Rescue Service such a powerful demonstration of your finance plus service strategy?

[Michael]

It comes back again to we don't just want to be with the customer after everything has happened. We want to be there with the customer. We actually came up with this idea through a few cases.

[Treena]

We've talked about the Jakarta case earlier, but I know that there's another case where a father was traveling in China, fell while he was hiking. His daughter was overseas. Tell us a little bit more about how Ping An helped them.

[Michael]

So, the parents were traveling in China. They were hiking in the deep of the mountains. The daughter was overseas. Then, unfortunately, the father fell down from the mountain, broke the legs, and got severely injured. We called the daughter. The daughter was overseas and couldn't do anything. Luckily, the daughter was a customer of Ping An, called us and said, listen to us.

We just straightly called the local service provider. We got the local rescue team. We got the local hospital connected. Then the service team went up to the mountain, located the customer, sent them to the hospital. Before they arrived there, local hospital was already prepared. The doctors, the emergency room, the everything was there. And we had our online representatives stay online with the customers, with their daughter, with our service partner, with us.

Local hospital, everybody was connected, got a real-time update of what's happening, what needs to be done next, who's responsible for what. Then the customer was sent to the hospital and recovered in a few days. So that was just a typical example.

In such a situation, even the friends, the relatives, the families are important. They will not be able to help. Ping An, with all our financial strengths, with our service partners across the nation, with our capabilities and connectivity across the network, we're able to help our customers in such an

emergency situation.

05:19 – 06:33

[Treena]

But as you've said, this is not just a service within China; this is international. So the scale of your global emergency rescue network is remarkable. Tell us a little bit more about the size of the network.

[Michael]

The scale is very important.

Today we have developed a service network across 200 countries, more than 100 scenarios where we could actually provide different types of services. Be it an injury or being robbed suddenly, lost a passport, sometimes got stuck in the war zone. The recent Middle East crisis is just an example. We helped some of our customers. We extracted them from the war zone.

It's about the scale; it's about the capability; it's about the connectivity across the different countries, different service partners.

[Treena]

This is all integrated into the insurance policy. Is that correct?

[Michael]

That's true.

Because any individual rescue team, rescue cost would just be so high that it wouldn't make sense for any individual customers to buy. But we have the scale. We have 250 million customers. We're able to build a large-scale network to be able to spread the costs. So that comes back to the law of large numbers. When anything happens, all these things, the cost is no longer an issue for individual customers.

06:36 – 07:59

[Treena]

Let's talk a little bit more about the financial side of this. What metrics should people be looking at to see how the strategies work?

[Michael]

The services are important.

We talk about using the service to provide, to improve customer satisfaction. So, customer experience is important, and that translates into our persistency ratio. Our 13-month persistency ratio is now 97%. Our retention rates for the customers are higher. When customers stay with us longer, they tend to buy more. So, this time we've seen for our customers, they buy with the healthcare, senior care services. The customer's purchase level, the money they spend with us, is getting higher and higher.

So all these numbers are basically saying customers recognize the value of the service we provide, and they're willing to be with us, and be with us longer, and buy more with us. So, with that kind of positive feedback loop, we're able to build this scale, and improve the scale, improve the service quality.

[Treena]

And what does this mean for margins?

[Michael]

Margins are getting higher and higher. Not because we charge customers more. No, we stay the same level pricing. However, because of the scale effect, we're able to reduce the service cost, reduce the claim cost, so that we get a higher margin. And we share some of that cost savings back with our customers, making sure our price for insurance policies stay competitive.

07:59 – 09:35

[Treena]

I know that you've said before that actual preventative health services are actually reducing claims. Tell us a little bit more about how that works?

[Michael]

These days, Chinese people, especially when they get to their 40s, 50s, 60s year old, they care a lot more about their health conditions. It's no longer about, oh, I want to live longer, because I want to live healthier and longer.

Everybody knows that we have to exercise more, we have to eat healthy, we have to sleep more. But these are very difficult things to actually do on the long-term basis. So what we have done is to basically provide this type of services.

We have the online family doctor; we have the nutrition team online; and we have the local service provider providing this type of services constantly remind our customers. This is time to go to sleep now, just put down your phone. This is the time to take on medicine. Now, this type of food, you should eat more; this type of food, don't eat too much unhealthy food.

And be there all the time, and make this kind of activity routine, and remind our customers that they need to do more exercise. Now, these days, with all these wearable devices, with the ring, with the digital watches, we got all these digital electronic signals, data connected with our service network, feedback from our medical team, our nutrition team, and then we actually can provide more tailored, personalized medical and health services to our customers.

09:36 – 10:20

[Treena]

Looking ahead to the next decade, what do you think will be the real differentiator between industry winners and losers?

[Michael]

If you look at Ping An's evolution and history, for the past, we always emphasized integrated finance, so, we are able to provide insurance, banking, securities, investments - everything integrated.

For the next 10 years, we want to combine our financial strengths with our service differentiation, service capability. Finance and service will be our strategy for the next 10 years, and we believe our service capability, higher customer satisfaction level, and the lifetime partner of the customer will become the differentiator and become our competitive advantage moving forward.

10:21 – 11:42

[Treena]

Based on what Ping An has been doing, could a competitor just copy this one?

[Michael]

The devil is in the execution. It's a scale play. We have to have a large number of customers. We have to have a network across China and globally to be able to reduce the cost, service cost, and to make sure the cost is affordable for the customers in any emergency services.

Now it takes time. And also, it requires a team with a different set of skills. It's not just about people.

It's technology. It's AI. It's model. It's data. All the different elements have to come together. Everybody could build a network of Uber today, but very difficult to get that level of customers, cars, drivers all coming together and working seamlessly.

That's what we have built today. With all the financial strengths, with all the positive feedback loop I just mentioned, we should be able to improve this network much more efficiently and much faster than our competition.

[Treena]

What Ping An's competitive advantage here is you already have the scale, the network effects, and the execution.

[Michael]

They're all in place, but certainly there are a lot more that we could do, to again, meet our customers' needs, make them happier, make them live longer, live healthier, and they'll stay with us longer.

[Treena]

Michael, thank you so much for talking to us today. It's just great to get your perspective on how Ping An is taking the lead in using service as a way to reshape the future of insurance.

[Michael]

It's a pleasure.