

Operational review

“ We can be very proud of the continued improvements we made in our operations this year, using technology and our talented people to become more efficient and provide even better service to policyholders. While we still have a lot to do, we are on a great trajectory as we mature as a cohesive business. ”

Megan Beer

Group Chief Operating Officer



Operational review continued

This was a year that gave us confidence and optimism: about our existing portfolio of businesses, about the levers we have to improve the performance of those portfolios, and about the opportunities we have for growth, given our access to new capital. Having completed our two major separation programmes related to businesses we acquired in the US and Australasia, we are now able to rely fully on our own state-of-the-art digital systems, and our people, to administer these policies. As a result, our service to policyholders continued to improve. And we worked purposefully to share information, resources and good practices across the global operations.

The benefits of digital transformation

Our new digital claims management systems in Australasia and the US are seeing increased use and will help us manage claims quicker and more accurately in the future, reducing the time to pay claims to our policyholders. While the systems in the two businesses are configured differently, the development teams shared knowledge and learning as they worked – a good example of the operational synergies that are possible in a global business. We also saw increased usage of our online portals, which enable policyholders and their financial advisers to service their policies on their own. In Australasia, around 60% of policyholder and adviser administration is done on these portals. In the US, we are up to around 15% for policyholders and agents, but we expect this to rise as we roll out the service to more policyholders. At Resolution Re, investments in technology have made us significantly more efficient when integrating new business. We have implemented curated and controlled data marts within a cloud infrastructure in our business in Bermuda. This enables us to reduce reconciliation, model risks, automate daily investment compliance checks, and ultimately focus our talent on value enhancing activities.

We continued to invest in AI to help us manage our operations more efficiently. In the US we're exploring how to use AI to help us prepare data for claims, in Australasia to swiftly allocate claims to assessors, and in both businesses to manage policy documentation. While we are learning a lot through our work, and are excited about the potential of AI tools to help us deliver faster service, it will not change our empathy-driven approach when dealing with a claim. Decisions traditionally made by people will always be made by people.

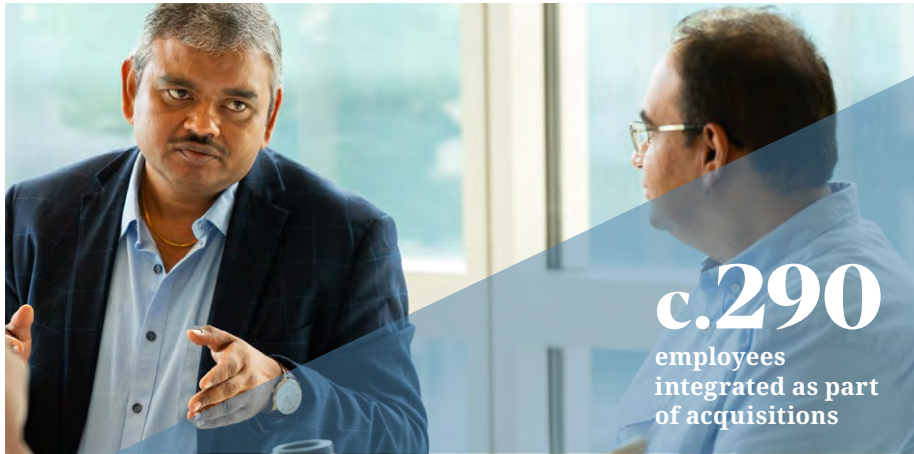


60%
of interactions with
policyholders and advisers
in Australasia are now
through our online portals

A separation ends and new integration begins

In the US, we completed our separation from Voya Financial, on time and on budget, a significant achievement and a great credit to our team. This followed the separation from AMP in Australasia in 2022 – also on time and on budget. As we noted in the 2022 annual report, we experienced some teething customer service issues during the separation programmes, and these continued into the early part of 2023. But we worked hard to fix them, and our service levels are now back on track.

This year in the US we signed a new reinsurance transaction with Farmers New World Life Insurance Company (FNWL). The deal includes a long-term administration agreement to service their policyholders, which is a real vote of confidence in our operational and digital administration capabilities. We have started the integration of the FNWL administration systems, and it is progressing to plan.

Operational review continued

c.290
employees
integrated as part
of acquisitions

Working together across our global businesses

A key priority this year was deepening collaboration across the company. When we started Resolution Life, in 2018, we were focused on setting up the individual businesses, in Australasia, Bermuda, and the US. As we became a bigger, more established company, we needed to ensure we were fit for purpose, with one united culture. To manage our financial resources and our people's time to deliver the best results for the company as a whole, we need a cohesive approach.

In 2023, besides sharing knowledge on digital projects, as noted above, and among our investment teams in the different businesses, we focused on developing leaders and helping them build professional capabilities. We brought around 60 of our global leaders to London for our inaugural leadership summit. Besides receiving leadership coaching, it was also a chance for colleagues in distant offices to meet face-to-face and explore opportunities to work together. The summit was also a useful opportunity to build an understanding among our leaders of how the company comes together, the part that each business plays in it, and how we can retain our ability to be nimble and to make quick decisions as we grow.

“Having built up a good track record of completing separations, and establishing our own robust digital systems, processes and ‘ways of working’, we can now integrate new businesses more quickly and at a lower cost.”

Supporting our people, strengthening our teams

Our people continued to drive our success this year. Our ‘way of working’, which is based on ‘Agile’ principles, is now firmly embedded across our operations, empowering our people and creating good outcomes for our policyholders. While we work hard, and fast, we also give our people flexibility, especially regarding remote working. When they come to the office we focus on creating purposeful connection.

In Australasia, where we brought on board more than 200 people from AIA Australia as part of the acquisition agreed in 2022, we continued to focus on learning this year. This includes partnering with a local university to build and uplift our data and analytics capability, an important part of our business. In the US, we welcomed 92 new colleagues from FNWL.

At a Group level, we improved our performance review process, and worked on new incentive plans across the businesses that are linked to the overall performance of the company. Our HR technology platform is now in place, and data relating to 97% of our employees are now captured in a single system.

The road ahead

In 2024, we will continue the integration of AIA Australia's superannuation and investments business, and FNWL's administration operations. We will also remain focused on improving our processes using technology, and expect to see further benefits for our policyholders and our business from our digital transformation work. And we'll keep supporting the development of all our people, making sure that Resolution Life remains a great place to work.

Megan Beer

Megan Beer, Group Chief Operating Officer