

EXECUTIVE SUMMARY

Indonesia as one of the developed country in Asia, still suffers from low car insurance penetration. If compared to other developed country such as Thailand, Indonesia has only 0,116% to total GDP while Thailand already reaches slightly higher number of 0,9425% to total GDP. Therefore, the data shows that there are certain lacking factors on insurance inclusion in Indonesia. This lack of insurance inclusion is already taken into account by Indonesian Government. OJK (Otoritas Jasa Keuangan) set target to increase it by 75% by the year 2020, compared to today of 15,76%. So, there are still gaps to fulfill the demand, resulting opportunities to provide innovation and new ideas in Insurance industry.

Present day, conventional Insurance companies in Indonesia charge premium without utilizing more beneficial proposition to customers. PT Insureal Indonesia launches a revolutionary Usage-Based Insurance product - is a pricing scheme that calculates the hourly usage of customers. The premium treated as credit that will decrease along with the usage. When the insurance period ends, customers can use the credit leftover to renew into the next insurance period. On the other hand, customer will still be able to use the insurance until 0 credit. While using the Insurance, customers will receive common protection benefit such as TLO and/or Comprehensive. This scheme operates by the utilization of latest technology, such as OBD (On Board Diagnostics - installed inside Customer's Vehicle) device that records customer's usage, connected wirelessly into customers SmartPhone through Mobile Apps that runs on an intelligent server.

Insureal targets 11.250 customers on the first year from total potential of car users in Jabodetabek and expects 1,5x growth of customer yearly. The target achieved by implementing aggressive marketing strategy such as mass media advertising, event partnership to various social media and paid promotion effort both offline and online. To provide easiness and high accessibility, Insureal only uses Mobile Apps as registration and insurance policy purchase point. Insureal aspires to promotes awareness of car insurance and answer it with solution that is beneficial and effortless for our customers.

On the financial planning side, Insureal utilizes NPV method to ensure business feasibility. With the total initial Investment of IDR 150 billion, NPV projection reaches IDR 279.234.180.611. Therefore, it concludes that the business is feasible to be executed.

