

Business Model of Insurance Technology Company in Indonesia (Case Study on Premiro.com)

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ABSTRACT

The rapid increase in internet usage in Indonesia has fueled the rise of Insurtech, addressing low literacy, inclusion, and insurance penetration levels. Insurtech companies are pivotal in offering digital-based insurance services to increase the number of insurance users. This research aims to examine the business models employed by Indonesian Insurtech firms and identify the strengths of these companies through a case study on Premiro.com. A descriptive research methodology and qualitative approach were utilized, including interviews and secondary data collection through literature reviews and company information. The Business Model Canvas and Value Design Model frameworks were employed in this research. Premiro's business model elements were detailed, including customer segments, value proposition, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure. Value drivers, nodes, exchanges, and extracts were also examined. The findings revealed that Premiro's strength lies in its lean and efficient cost structure. Practical recommendations were offered to Premiro to enhance operational effectiveness, expand market share, and boost competitiveness.

INTRODUCTION

Data from Indonesian Internet Service Providers (APJII, 2022) reveals that 210.03 million Indonesians used the internet during the 2021-2022 period, representing a 6.78% increase from the previous period. The growth of internet usage across various segments of society has introduced new innovations in technology and information systems, particularly in the financial sector through Financial Technology (Fintech). Fintech aims to address various societal needs such as access to financial services, thereby aiding the growth of financial literacy and financial inclusion among the populace (Marginingsih, 2021). In Indonesia, both financial literacy and financial capability significantly influence people's decisions regarding the adoption of Fintech services (Firli & Fanesa, 2022). Despite these advancements, a significant portion of the Indonesian population remains without access to banking and financial services, particularly insurance. The National Financial Inclusion Survey (SNLIK) conducted by the Financial Services Authority (OJK) in 2019 revealed that financial literacy in the insurance sector in Indonesia was only 19.40%, up from 15.8% in 2016. Additionally, financial inclusion in the insurance sector showed a modest increase of 1.05% from 12.1% in 2016 to 13.15% in 2019 (OJK, 2020).

Despite these increases, insurance penetration in Indonesia remains notably low. According to data from the Organization for Economic Co-operation and Development OECD (2022), in 2020, Indonesia had an insurance penetration rate of 1.6%, significantly lower than other Asian countries like Malaysia at 5% and Singapore at 10.9%. Even though they remain relatively low, both the total gross insurance premiums and insurance density in Indonesia have shown an upward trend, indicating a growing demand for life insurance protection. This trend is partly driven by the increasing insurance penetration in Indonesia, supported by digitalization in the insurance sector (Saputra & Wicaksono, 2020). Insurtech represents a strategic initiative for insurance companies to expand the utility of their products. Insurtech can be applied as a digital agent for anti-money laundering and fraud detection, online financial management and procurement, 24/7 customer service applications, as well as online actuarial and underwriting services. These applications ensure that all processes are clear, transparent, and aligned with company business processes (Uyun et al., 2020).

With Indonesia's population reaching 270 million, the market potential for Insurtech companies is very bright, especially considering the relatively low number of Insurtech companies compared to other types of Fintech (OJK, 2022). Consequently, the potential for developing the Insurtech industry should be effectively utilized by insurance companies and startup firms seeking entry into this sector. Leveraging the accessibility afforded by digital technology, Insurtech companies are revolutionizing the entire insurance sector, ushering in a new era of business models (Greineder et al., 2019). All businesses, regardless of industry or size, are impacted by digitalization, including the insurance sector. Therefore, every company needs to reevaluate its strategic direction and create a digital strategy that suits its needs (Sudrajad et al., 2023). According to Osterwalder & Pigneur (2010), a business model comprises guidelines that depict how organizations organize, plan, implement, and measure their business activities. Broadly, a business model is a

method employed by companies to generate revenue and sustain their operations. Research by Suriman et al. (2023) employs business models as a key element supporting innovation for corporate success. They suggested that innovative business models within these firms can accelerate transaction processes, enhance security and customer satisfaction, and promote company growth through strategic collaboration. On the other research, the Business Model Canvas has proven to be an effective tool in shaping the business strategies of digital company, fintech aggregators in Indonesia (Puti et al., 2024). Therefore, selecting an appropriate business model is essential for understanding how a business operates Aagaard (2019a) and serves as a source of innovation for the business model itself, potentially leading to competitive advantage (Dodgson et al., 2013).

While Fintech and Insurtech have garnered significant research attention (Alt & Puschmann, 2012), empirical assessments and strategic overviews of the ongoing industry transformation within Insurtech remain scarce (Puschmann, 2017). Insurtech introduces new and innovative technologies and creates new digital platforms that fundamentally alter existing business value creation and operations (Greineder et al., 2019). One widely popular framework for business modeling is the Business Model Canvas (BMC) developed by Osterwalder & Pigneur (2010), which serves as a strategic management template aiding companies in describing, designing, and analyzing their business models comprehensively. BMC consists of nine blocks or segments: customer segments, value proposition, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure, useful for swiftly and easily defining and communicating business ideas or concepts. Veile et al. (2022) advocates for BMC due to its comprehensibility, enabling the depiction of entire business models and their constituent elements, understanding complex interrelationships among these building blocks, and its widespread adoption in management science, demonstrating its effectiveness through extensive application.

In addition to BMC, another conceptual framework called the Value Design Model (VDM), proposed by Westerlund et al. (2014) is relevant. VDM is suitable for companies with IoT-driven business models, offering a comprehensive approach to mapping companies and their relationships in value creation through their business models (Aagaard, 2019b). Insurtech companies require strategies to effectively operate and grow their businesses. To formulate these strategies, it is essential to adopt a business model that aligns with both the internal capabilities and external conditions of the Insurtech firm. Therefore, this study aims to dissect and map the business models utilized by Insurtech companies in Indonesia using two conceptual business model frameworks: BMC and VDM. Additionally, this research aims to identify the strengths of Insurtech companies in Indonesia in conducting their business to create competitive advantages. Previous research on Fintech has failed to clarify how Insurtech can be categorized and to uncover the creation of business value at both the company and industry levels within Insurtech (Stoekli et al., 2018). This study seeks to address this gap by detailing the business models of Insurtech companies in Indonesia, providing insights for improving revenue and fostering business growth.

THEORETICAL REVIEW

Business Model Canvas

The Business Model Canvas (BMC), developed by Osterwalder & Pigneur (2010) in their book "Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers", is a strategic management template designed to help companies describe, design, and analyze their business models. BMC provides a modern business strategy to address various business challenges by outlining a company's structure and operations through nine interrelated blocks. These blocks are customer segments, value propositions, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure. The customer segments block identifies target groups based on demographics, behaviors, and needs, which can be categorized into mass markets, niche markets, segmented markets, diversified markets, and multi-sided markets. Value propositions define unique offerings that solve customer problems or fulfill needs, incorporating elements like novelty, performance, customization, and job completion. Channels outline how the business communicates and reaches its customers to deliver value, which includes raising awareness, helping customers evaluate the value proposition, and supporting post-purchase.

Customer relationships describe the types of interactions a company establishes with its customers, ranging from personal assistance and dedicated personal assistance to self-service, automated services, and community building. Revenue streams represent the ways a company earns money from each customer segment through various methods such as asset sales, usage fees, subscription fees, lending, leasing, licensing, brokerage fees, and advertising. Key resources are the critical assets needed to make the business model work, including physical, financial, intellectual, and human resources. Key activities are the essential actions required to operate the business and achieve its objectives, which can be categorized into production, problem-solving, and platform/network activities. Key partnerships highlight the external collaborations that help optimize the business model, reduce risks, or acquire resources, such as strategic alliances between non-competitors, partnerships between competitors, joint ventures, and buyer-supplier relationships. Finally, the cost structure encompasses all expenses incurred in operating the business model, which are crucial for defining the viability of the business. Costs are determined after identifying the necessary resources, activities, and partnerships, and can be approached through cost-driven models focusing on minimizing expenses or value-driven models prioritizing value creation regardless of cost.

Value Design Model

The research by Westerlund et al. (2014) focuses on designing business models for Internet of Things (IoT) businesses. They conclude by proposing foundational principles for a new design tool for ecosystem business models, arguing that value design may be more appropriate when discussing ecosystem business models. They suggest that ecosystem business models consist of pillars akin to Osterwalder & Pigneur (2010) value propositions but adapted for ecosystem contexts. These pillars—drivers, nodes, exchanges, and extracts of value—are interrelated and differ from existing business model frameworks in their focus on explaining business model flows and actions rather than components. Therefore,

these pillars form a value design concept that parallels traditional business models but is tailored to ecosystem dynamics. Value drivers are the motivations of individuals or groups that drive the formation of an ecosystem or company to meet the need for value creation. These include customer needs, technological innovation, and market trends that drive the demand for IoT solutions (Westerlund et al., 2014).

Value nodes are entities or actors in the IoT ecosystem that contribute to value creation. These can include companies, individuals, or devices that play a role in the ecosystem. In the context of IoT, value nodes may consist of IoT device manufacturers, connectivity service providers, application developers, and end-users (Westerlund et al., 2014). Value exchanges are the interactions or transactions that occur between value nodes in the ecosystem to recognize and realize the company's maximum potential (Westerlund et al., 2014). In the IoT ecosystem, value exchanges include the exchange of information, services, or products among various actors involved. An example is the value exchange between a company and its suppliers, illustrating the relationship between the company's value flow and its value nodes (Aagaard, 2019b). Value extract is a tool that allows companies to explore and identify opportunities to capture value and create new revenue streams by zooming in or out on the value flow. By using Value Extract, companies can gain deeper insights into value streams and find ways to optimize them. This tool is crucial for companies to develop their business and stay relevant in a competitive ecosystem. Through Value Extract, companies can strengthen value drivers and create mutually beneficial value exchanges for all parties involved. Thus, Value Extract helps companies optimize potential and create richer and more diverse value within the ecosystem (Westerlund et al., 2014).

In this research, there are two approaches to analyzing business models in Insurtech companies in Indonesia: the Business Model Canvas, which consists of 9 interconnected elements (customer segments, value proposition, channels, customer relationships, revenue streams, key resources, key activities, key partnerships, and cost structure), and the Value Design Model, which comprises four main interacting blocks: Value Drivers, Value Nodes, Value Exchanges, and Value Extracts.

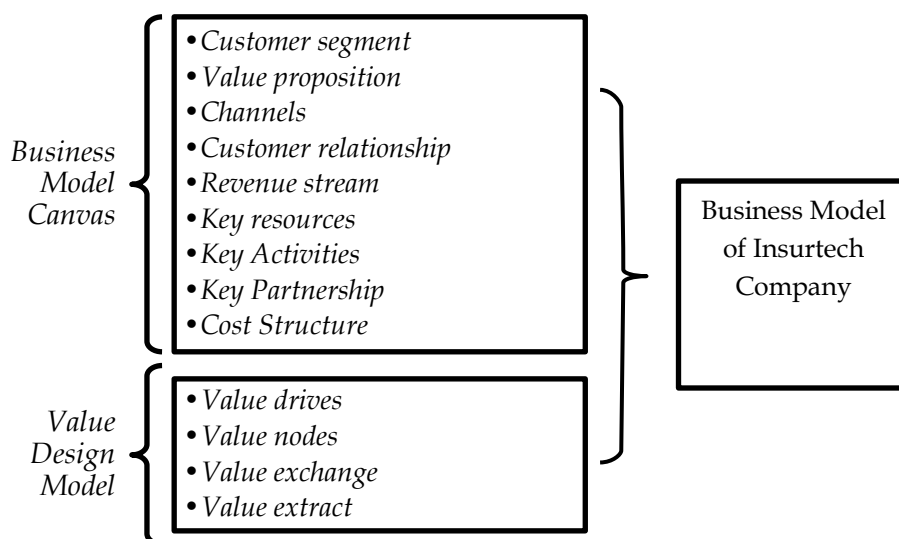


Figure 1. Mind Map

METHODOLOGY

This study employs a descriptive research method with a qualitative approach, focusing on the Premiro.com, Insurtech company based in Jakarta, Indonesia that is fully owned and supported by PT. Mitra Iswara & Rorimpandey, MIR Insurance Broker, a prominent insurance broker in Indonesia with over 40 years of experience. By interviewing Premiro's Founder and CEO, Aditya Budi, the research aims to gather comprehensive insights into the company's operations, market positioning, innovation strategies, and future directions. Based on theoretical foundations and prior research, each variable is formulated into questions that encapsulate its conceptual essence. These questions are structured according to the Business Model Canvas theory by Osterwalder & Pigneur (2010), and the Value Design Model theory by Westerlund et al. (2014).

Secondary data is collected through literature reviews, company reports, and corporate websites to explore general and technology-based business models, specifically in the Fintech and Insurtech sectors. By leveraging multiple sources of information, including primary interviews and secondary data sources, the study aims to provide a thorough analysis and comprehensive overview of business model dynamics in the context of technology-driven and insurance-related industries. The result, presented using the Business Model Canvas and Value Design Model frameworks, aims to provide a detailed understanding of business model dynamics and offer recommendations for revenue enhancement and business development.

RESULT AND DISCUSSION

Business Model Canvas

Customer Segment

Premiro, an insurance company, targets three main customer segments. Firstly, they serve corporate clients, including businesses and financial institutions that require insurance policies to manage their business risks. This segment encompasses products such as employee health insurance, property insurance, and liability insurance. Secondly, Premiro caters to individual customers, offering insurance protection for personal needs such as health, travel, life, and vehicle insurance. Thirdly, in a B2B2C context, Premiro sells insurance products to other businesses (B2B), which then distribute these products to end consumers (B2C). This diversified approach allows Premiro to address a wide range of insurance needs across different customer demographics and business channels.

Value Proposition

The value proposition outlines how a company's products or services create unique and relevant value for customers. It aims to meet customer needs, solve their problems, and differentiate the company from competitors (Osterwalder & Pigneur, 2010). According to Osterwalder & Pigneur (2010), a strong value proposition begins with understanding the problems or needs faced by customers and offering relevant solutions. Premiro has successfully identified the main challenges in financial services, particularly in insurance, such as complex and poorly understood products and limited information availability. Moreover, insurance is highly regulated, making it challenging for widespread acceptance among the general public. By identifying these issues, Premiro demonstrates a deep understanding of the

challenges facing Indonesian society regarding insurance. This is a crucial first step in building a strong value proposition: understanding and responding to specific customer needs (Osterwalder & Pigneur, 2010).

From these challenges, Premiro creates value for customers by making it easier for them to access insurance. Premiro acts as a companion in meeting their insurance needs. As an insurance broker, Premiro is responsible for representing the interests of customers in obtaining suitable insurance products, selecting the right partners, and ensuring regulatory compliance. Premiro's role as a companion demonstrates their commitment to providing the right solutions for customers. By assisting customers in selecting appropriate insurance products and complying with regulations, Premiro ensures that customers feel supported and guided through this complex process.

Furthermore, Premiro creates value by providing convenience and ease of transactions for its customers. Premiro continuously innovates to facilitate customer transactions, such as ease in purchasing insurance independently and making digital payments. Premiro's unique ability to innovate and create new products sets it apart from other companies. Premiro builds a strong value proposition through a deep understanding of customer problems, offering relevant solutions, and distinguishing itself through innovation and superior service. They focus not only on price but also on the value provided through efficient claims services and advanced technology. Moreover, their commitment to customer security and privacy enhances trust and customer loyalty. With this strategy, Premiro successfully creates significant value for customers and differentiates itself from competitors in the insurance industry.

Channel

Channels refer to how a company introduces its products to the public and delivers its services to customers. It encompasses various distribution channels, communication methods, and ways the company interacts with customers (Osterwalder & Pigneur, 2010). Premiro utilizes two primary channels for its operations. The first channel employed by Premiro is social media. As a digital company, Premiro builds its brand and promotes itself using social media platforms to market its products extensively online, convey product information, and engage with customers. Unlike other firms, Premiro does not engage in mass marketing. While it maintains profiles on social media platforms such as Instagram, Twitter, LinkedIn, and Facebook, these channels are not prioritized and are not regularly maintained, appearing somewhat neglected. This strategic decision by Premiro stems from its corporate client base orientation and preference for developing partnerships over public campaigns.

The second channel is its website. Premiro utilizes its website as a communication tool with potential customers by providing company information, details about its products, a list of insurance partners, and knowledge support services related to insurance. Prospective customers can also purchase insurance policies directly through the website. Additionally, Premiro maintains two primary contact channels for customer interaction: customer service via WhatsApp and email. Through these contact points, Premiro communicates with its customers,

addressing inquiries, providing support during the claims process, and ensuring customer satisfaction.

In summary, Premiro strategically employs social media and its website as key channels to promote its offerings and interact with customers effectively. This approach underscores Premiro's commitment to leveraging digital platforms while maintaining personalized customer engagement through direct communication channels.

Customer Relationship

According to Osterwalder & Pigneur (2010), this section describes the various types of interactions companies establish with their customers. The primary goals include acquisition (gaining new customers), retention (maintaining customers), and upselling (offering both existing and new products or services to current customers). Referring to the BMC theory, Premiro adopts several types of customer relationships.

Personal Assistance involves customers communicating via WhatsApp or email with customer service agents to receive support during the purchase process and claims submission. Premiro provides brokers and experts to assist customers in resolving insurance-related issues. Brokers offer personal assistance by addressing customer inquiries and escalating issues to experts when necessary, demonstrating Premiro's use of personal assistance to provide responsive and personalized support. Another form of personalized service is through education. Although the education provided is minimal and focuses on risk mitigation, risk awareness, and the importance of self-disclosure, it helps customers better understand insurance products and avoid issues during claims. This educational component is part of the personal assistance strategy aimed at ensuring customers have sufficient knowledge to make informed decisions.

Self Service involves Premiro offering free digital-based services that enable customers to compare and purchase products from Premiro's insurance partners independently. Additionally, the use of various payment options such as payment gateways, virtual accounts, and QR codes implies elements of self-service, where customers can conduct transactions independently without direct assistance from the company. Monitoring Customer Satisfaction, as highlighted by Osterwalder & Pigneur (2010), is crucial in customer relationship management. Premiro monitors customer satisfaction by ensuring claims are handled effectively, maintaining good communication, and timely policy renewals. This indicates the company's attention to customer feedback and satisfaction as part of its personal assistance strategy. Notably, Premiro does not employ loyalty programs or incentives in its business strategy, underscoring its focus on maintaining customer satisfaction as a benchmark for retaining existing customers.

Revenue Stream

According to Osterwalder & Pigneur (2010) the revenue streams block describes how companies generate cash flow from each customer segment. This block is crucial for understanding how various activities and value propositions of the company translate into revenue. Premiro's revenue streams demonstrate that the company has identified and capitalized on various relevant sources of income

aligned with their business model. Premiro's revenue streams align with the Business Model Canvas theory, where their primary revenue comes from brokerage services and commissions. This illustrates a transaction-based revenue source, where income is generated each time customers utilize their services. From their primary revenue sources, it is evident that the company leverages professional services to generate income. Not offering significant discounts indicates that the company relies on service quality to attract customers rather than competing solely on price.

Respondents stated that additional revenue is derived from consulting fees. This diversifies their income sources by offering high-value services to customers requiring specialized expertise. This aligns with Osterwalder & Pigneur's (2010) research suggesting that strong business models should not rely solely on one type of revenue. Furthermore, to enhance revenue, Premiro provides various payment options and collaborates with digital wallets. Premiro demonstrates flexibility and innovation in meeting customer needs. This strategy not only boosts cash flow but also strengthens the company's value proposition by providing accessible and convenient services for customers.

Key Resource

The main resources block encompasses critical assets needed to operate the company's business model and deliver value propositions to customers (Osterwalder & Pigneur, 2010). Premiro's primary resource is its human resources (HR). HR is a key factor in the success of any company. At Premiro, HR plays a vital role in various activities, from sales processes to customer service. Therefore, effective HR management strategies are necessary to enhance company performance and achieve desired goals. This is achieved by Premiro through regular training and development programs. Thus, Premiro ensures that its HR is of high quality, productive, and capable of providing the best service to customers.

The second primary resource is the insurance products that will be marketed. Insurance products themselves are contracts offered by insurance companies to policyholders or customers. The products offered include life insurance, vehicle insurance, property insurance, and others. The third is technology. For digital companies like Premiro, technology is a crucial resource for business sustainability. The technology used can be divided into two categories: technology for managing business processes and technology for providing services to customers. This includes customer data storage and management, risk management, financial management, and operational management. With technology, the company can expedite business processes, increase productivity, and reduce operational costs. Besides being used to manage business processes, Premiro uses technology to provide services to customers. Services offered through digital media, such as the website, allow customers to access insurance information, purchase policies, and file claims easily and quickly.

Key Activity

The main activities in the Business Model Canvas encompass crucial operational steps that a company undertakes to realize and deliver superior products or services

to targeted customer segments (Osterwalder & Pigneur, 2010). Premiro's key activities includes; as an insurance broker, Premiro provides consultancy services to its clients. This involves analyzing the insurance needs of customers and recommending suitable products, in compliance with legal mandates governing insurance broker operations. Premiro also assists clients in risk placement by selecting appropriate insurance products from their insurance partners. This ensures that customers receive protection tailored to their needs.

Furthermore, Premiro provides assistance when clients file claims. Their brokers and experts assist clients through the claims process, ensuring quick and efficient resolution. Premiro offers comparison and self-service purchasing of insurance products through digital platforms. This allows customers to compare various insurance products from Premiro's partners and make direct purchases. Premiro builds strategic partnerships with other companies. These partnerships enable Premiro to expand its market reach without significant expenditures on mass campaigns. They also help in building a strong and collaborative network with insurance partners. Premiro engages in continuous product research and development, enabling ongoing innovation and service enhancement and ensuring transaction security and customer data integrity in accordance with applicable regulations.

Key Partnership

Key partners, as defined by Osterwalder & Pigneur (2010), are strategic entities that collaborate with Premiro to support business needs and resource fulfilment. Premiro maintains several business partnerships, starting with insurance companies. Partnering with insurance providers is critical for a brokerage firm like Premiro. The company collaborates with 26 general insurance companies and approximately 5-6 life insurance companies. These partnerships grant Premiro access to a wide range of insurance products that they can offer to customers, ensuring they meet diverse insurance needs. Beyond enhancing product and service offerings, these partnerships facilitate knowledge exchange and joint product development. Moreover, they contribute to monetization efforts, assisting Premiro in expanding and refining its product portfolio.

Additionally, Premiro partners with Cekaja.com, a Fintech aggregator company that aids in marketing products and provides insurance product comparison services. Furthermore, Premiro collaborates with Fintech payment gateways to offer convenient payment services for customers.

Cost Structure

Cost structure describes a company's expenditures necessary to conduct its business activities (Osterwalder & Pigneur, 2010). Premiro's largest and fixed costs consist of three main components: salary expenses, office rental costs, and technology expenses. These elements are crucial to sustain and grow the company in delivering digital insurance services. In efforts to achieve cost efficiency, Premiro considers reducing the number of employees as a primary strategy. This indicates their commitment to enhancing operational efficiency by optimizing human resources. Furthermore, Premiro focuses on technological development to improve operational efficiency and reduce long-term costs.

According to Osterwalder & Pigneur (2010), there are two main approaches to cost structure: cost-driven and value-driven. The cost-driven approach emphasizes minimizing operational costs to achieve efficiency and generate high profit margins through strict cost control. On the other hand, the value-driven approach prioritizes increasing the value provided to customers, even if it requires additional costs. The goal is to build long-term customer relationships, foster customer loyalty, and attain high profit margins through product or service differentiation. Based on this theory, as a digital-based insurance broker, Premiro adopts a cost-driven approach. Their largest market segment is corporate clients, for whom significant expenses for promotional activities, discounts, and other costs to attract customers are not necessary. Premiro emphasizes operational efficiency by leveraging technology for automation and reducing HR costs.

Therefore, Premiro's cost structure is a competitive advantage. They operate with a highly efficient cost structure, enabling them to run operations at low costs. They adopt a bootstrap approach, managing and developing their business with minimal external funding dependency. Despite having relatively few employees, they maintain effectiveness, achieving a good Turn-Around Time (TAT), demonstrating high efficiency and productivity. Despite not having extensive business lines, Premiro excels in their core competencies, indicating deep expertise and capabilities in their key areas, making them competitive and capable of delivering high-quality services. From the analysis above, Premiro's business model is formulated as follows:

<i>Key Partners</i>	<i>Key Activities</i>	<i>Value Proposition</i>	<i>Customer Relationships</i>	<i>Customer Segments</i>
1. Insurance companies.	1. Insurance comparison services.	1. Providing innovative services to customers through developed digital platforms.	1. Directly interacting with customers through the company's channels.	1. Companies needing insurance products for their employees.
2. Insurance brokerage firms.	2. Purchase of insurance products or policies.	2. Assisting customers in purchasing insurance according to their needs.	2. Offering automated services that allow customers to access information and conduct transactions independently.	2. Individual customers needing insurance.
3. Fintech payment gateway companies.	3. Insurance claim assistance services.	3. Supporting customers from the purchase process to insurance claim submission.		3. Companies selling insurance to end customers.
4. Fintech aggregator companies.	4. Consulting services.			
	Key Resource		Channels	
	1. Human resources; employees.		1. The company's social media platforms, such as Facebook, Instagram, LinkedIn, and Twitter.	
	2. Insurance products.		2. The company's website.	
	3. Technology.		3. Contact through the messaging application WhatsApp.	
	Cost Structure		Revenue Stream	
	1. Salary		1. Brokerage commission	
	2. Office rental		2. Claims handling service	
	3. Technological expense and advancement		3. Consulting service	

Figure 2. Business Model Canvas of Premiro

Value Design Model

Value Drivers

Value drivers are motivations that stimulate the formation of ecosystems or companies, such as meeting customer needs, technological innovation, and following market trends. In line with Westerlund et al. (2014), Premiro, as a digital-

based company, places strong emphasis on innovation as a primary driver of its business. This innovation is aimed at simplifying complex and challenging insurance processes, making them easier to understand and access for customers. By understanding and simplifying the insurance process, Premiro aims to fulfil customer needs for convenience and efficiency in insurance coverage.

Value Nodes

Value nodes are entities or actors within an ecosystem that interact with each other to create value (Westerlund et al., 2014). The key actors in the value creation process at Premiro are the founder, the technology team (tech), and the business team. These three entities collaborate synergistically to ensure the value creation process runs smoothly. A collaborative approach and regular communication through weekly and monthly meetings ensure that all parties are aligned and focused on the same goals. This reflects the concept of value nodes in VDM, where various actors collaborate to create value.

Additionally, there are actors from external companies, namely strategic partners, who interact with the company in value creation. For example, collaborations with insurance companies not only enhance products and services but also provide insights and new knowledge that can be used for further innovation.

Value Exchanges

Value exchanges are interactions or transactions that occur between value nodes within an ecosystem to identify and realize the company's maximum potential (Westerlund et al., 2014). At Premiro, interactions primarily occur among three main actors: the founder, the technology team (tech), and the business team. The value creation process at Premiro relies on the synergy and collaboration among these actors. They regularly conduct weekly and monthly check-ins to discuss innovations, business direction, and applied technologies. This collaboration helps ensure that each party has a clear understanding of the company's goals and the challenges it faces. Weekly meetings allow them to discuss day-to-day operational issues, while monthly meetings focus on long-term planning and strategic innovations.

During these meetings, there is intensive information exchange among the business team, which understands customer needs and market dynamics, the technology team responsible for platform development and technical solutions, and the founder who guides the company's vision and strategy. This exchange ensures that every decision made is based on comprehensive and up-to-date information. In addition to internal interactions, Premiro also engages in value exchanges with external partners, such as insurance companies and fintech aggregators like Cekaja.com. These partnerships facilitate the exchange of products and services, expand Premiro's market reach, and provide a broader platform to offer their insurance products. In these partnerships, Premiro and its external partners share knowledge and resources to create better products that are more aligned with customer needs. From the analysis above, Premiro's business model is formulated as follows:

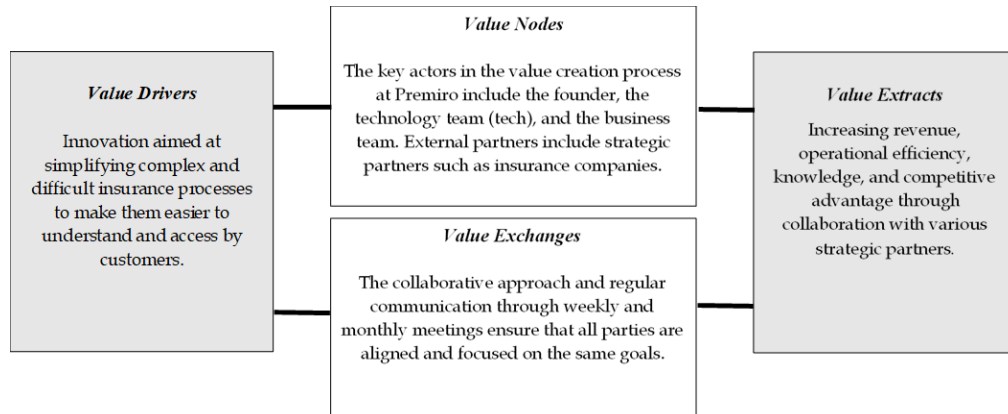


Figure 3. Value design model of Premiro

CONCLUSIONS AND RECOMMENDATIONS

Following extensive research on Premiro, an Insurtech company in Indonesia, this study draws comprehensive conclusions based on findings, analyses, and discussions. Premiro has identified market needs, simplified complex insurance processes, and leveraged technology to enhance efficiency and customer service. In terms of customer segments, Premiro serves three types of customers: corporate, individual, and B2B2C, ensuring broad and comprehensive service coverage. Regarding customer relationships, Premiro adopts various strategies such as personal assistance through communication via WhatsApp and email. Additionally, they offer self-service options through digital platforms, enabling customers to compare and purchase insurance products independently, along with various automatic payment options. Key activities include consultation, risk placement, and claims assistance in compliance with legal regulations. Revenue streams derive from various services offered, including commissions from brokerage services and consulting. Key resources include their workforce and digital technology supporting business operations. Their main activities include consultation, risk placement, and claims assistance, all contributing to value creation for customers. Furthermore, strategic partners such as insurance companies, aggregator platforms, and fintech payment gateways play crucial roles in creating value and innovation collaboratively. Premiro adopts a cost-driven approach in its cost structure, focusing on cost efficiency through workforce reduction and increased technology utilization. Premiro's strength lies in its highly efficient cost structure. The company operates with a small yet productive team, emphasizing long-term sustainability. Through a lean and efficient approach, Premiro achieves excellent Turn-Around Time (TAT) and maintains solid core competencies in the insurance sector, despite having a limited number of business lines.

Analyzing their business model through the Value Design Model (VDM) reveals innovation and process simplification as primary value drivers. Internal synergies between founders, technology teams, and business units enhance operational effectiveness, while external value exchanges optimize interactions and transactions to maximize company potential. Leveraging these exchanges and value extracts within their ecosystem enhances revenue, efficiency, knowledge base, and competitive

positioning. Premiro's strategic focus on growth and innovation underscores their commitment to sustainable business practices, positioning them favorably in the evolving Insurtech landscape. These insights highlight Premiro's operational strategies, collaborative strengths, and customer-centric approach, essential for maintaining competitive advantage in the marketplace.

This research proposes that academia should explore deeper into the evolution of business models within the insurance industry, particularly for insurance brokers, leveraging technology and innovation. This could involve comparative case studies between traditional insurers undergoing digital transformation and their pre-digital counterparts. Additionally, applying the Value Design Model (VDM) across diverse industries beyond IoT offers opportunities to explore its adaptability and effectiveness in different business contexts, enhancing understanding of value creation dynamics. Collaboration between academia and industry practitioners is encouraged to test and develop new business theories, with Premiro serving as a valuable case study for academic programs focusing on fintech advancements and modern business dynamics.

Practically, the findings suggest several strategic actions for Premiro. Firstly, enhancing social media management to broaden product visibility among individual customers while maintaining corporate clientele. Secondly, expanding partnerships with technology firms and fintech startups to augment service capabilities and market reach. Lastly, developing a mobile application to streamline customer interactions and service delivery processes represents a forward-thinking approach to enhancing customer satisfaction and operational efficiency. These recommendations collectively aim to bolster Premiro's competitive edge in the evolving Insurtech landscape, fostering growth and innovation in their business operations.

FURTHER STUDY

Future research should broaden the sample size beyond single case studies to provide a more comprehensive understanding of Insurtech business models in Indonesia. By including a diverse range of Insurtech companies, future studies can capture a wider variety of business strategies and practices, leading to more generalized and robust conclusions. Expanding the sample will also help identify common challenges and successful approaches across different organizations, thereby offering more valuable insights for both academic research and practical applications in the industry.

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