INSURANCE DISTRIBUTION TRENDS

Tony van Niekerk – Editor COVER Publications – IIZ 2018

COVER IN NUMBERS

33 000 readers -17 500 print / 15 500 digital.

13 African countries

45 000 website page impressions staying on average **2 minutes**

Up to 8 000 views per online interview

8 300 LinkedIn connections

7 000 newsletter subscribers

5 000 Twitter followers

A Income readers

COVER is distributed at most major conferences

COVER - 30 YEARS OF EXCELLENCE

➢ Attend on average (Locally and continental)
- 33 x conferences
- 48 x technical seminars
- 48 x product launches
- 12 x results presentations

➢ Host 150+ interviews with senior industry executives

➢ Study/ comment on more than 70 major international research reports

➢ Study 1000+ technical editorial submissions

➢ Speak at various events on industry topics

➢ Editor has 24 yrs industry experience, holds a law degree, Post-grad Diploma in Finance, an MBA (PTA) and qualified as a CFP

Short Term/ Financial Planning/ Risk Management/ Investments/ Technology

TRADITIONAL DISTRIBUTION VIEW

- ➢ **Direct (Call Centre, Mailing, Mobile, TV)**
- ➢ **Face to Face (Broker, Agent, Retail/Bank Staff, Network Marketing)**
- ➢ **Integrated (Telcos, bancassurance, retailers)**
- ➢ **Workplace Marketing**

"Traditional segregation of distribution models have disappeared"

"Technology and data are now considered the most important global trends disrupting the (insurance) industry"

- **Mobile phones**
- **Social Media**
- **Data Analytics**

PWC report – '*Ready and Willing: African insurance industry poised for growth'*

Will insurtechs drive growth in microproducts in the next 3 to 5 yrs?
Insurtechs – 78%
Outperforming Insurers – 65%

WHY CHANGE?

- ➢ **Knowledge (risk, underwriting)**
- ➢ **Competition (channels, clients, connected)**
- ➢ **Technology (data, cost, accuracy, personal)**
- ➢ **Client behaviour (informed, connected, particular)**
- ➢ **Corporate Responsibility**

"The drivers of insurance distribution are still the same but accessibility have changed the way they influence distribution"

PARTNERSHIP MODEL

- ➢ **Intermediary**
- ➢ **Risk carrier**
- ➢ **Risk carrying intermediary**
- ➢ **White labelling**
- ➢ **Cell Captive**

Distribution

- **Naked Insurance**
- **Pineapple**
- **Granadilla**
- **Click2Sure**
- **JaSure**
- **Yalu**

- **Simply**
- **Cntrl**
- **Mycybercare**
- **Fo-Sho**
- **Indie**
- **Riziki Cover / Ingoboka Cash**

INSURTECH

Distribution Partners

- Brolink
- wiCOVER
- Click2Sure

- Claims Central Africa
- ClaimVantage
- Finchatbot

THE BIG HITTERS

- Amazon/ Alibaba
- Google
- Apple/ Samsung etc

- Uber
- AirBnB
- Motor Manufacturers

INSURTECH 2018

Common Themes

- Mobile
- Quick execution
- External data sets
- Behavioral analytics
- Inclusivity

Variable Themes

- Peer to Peer
- As & when/ On demand
- Item by item
- Aggregators

MAGNET FOR SERVICE

"Insurtech is pushing to enter the customer's ecosystem while the traditional insurance model tries to pull the customer into the insurance ecosystem"

Loyalty systems / Telematics / Gamefication

UNEXPECTED CONSEQUENCES

Sharing Economy

- Cars
- Bicycles
- Computers

- Offices
- Homes
- Slash Generation

UNEXPECTED CONSEQUENCES

Barter Economy

- Instagram
- Burning Man
- Expertise

Car rental
TradeMade/ Freecycle/ Letgo/ Gumtree
House Swap

UNEXPECTED CONSEQUENCES

Self-insurance

- Crowd/ Peer funding
- Black Insurance. (Using Blockchain)
- Car Rental
- Retail

"THE ASSUMPTIONS ON WHICH THE ORGANIZATION HAS BEEN BUILT AND IS BEING RUN NO LONGER FIT REALITY" — *PETER DRUCKER 1994*

- Strengths and Weaknesses

- Markets

- Customers

- Competitors

- Values and behaviour (Culture)

- Technology

DISTRIBUTION IN A DIGITAL FUTURE

- Clear, well-differentiated customer value proposition
- Tight market segmentation
- Sophisticated analytics
- Compelling digital offering
- Lean, Agile operations

"although technology may help accelerate and facilitate distribution, claims handling, and risk monitoring, it has to rely on the expertise of the industry and its ability to effectively pool and distribute risk. Eventually, it will still be the insurance company behind the digital solutions that has to inspire trust."

Swiss Re Sigma