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# INCLUSIVITY OF INSURANCE SERVICES: OPPORTUNITIES, CHALLENGES & STRATEGIES AMIDST COVID

Lemmy Manje | December 10, 2020 | INSURANCE INSTITUTE OF ZIMBABWE VIRTUAL ANNUAL CONFERENCE



# About FinProbit Solutions

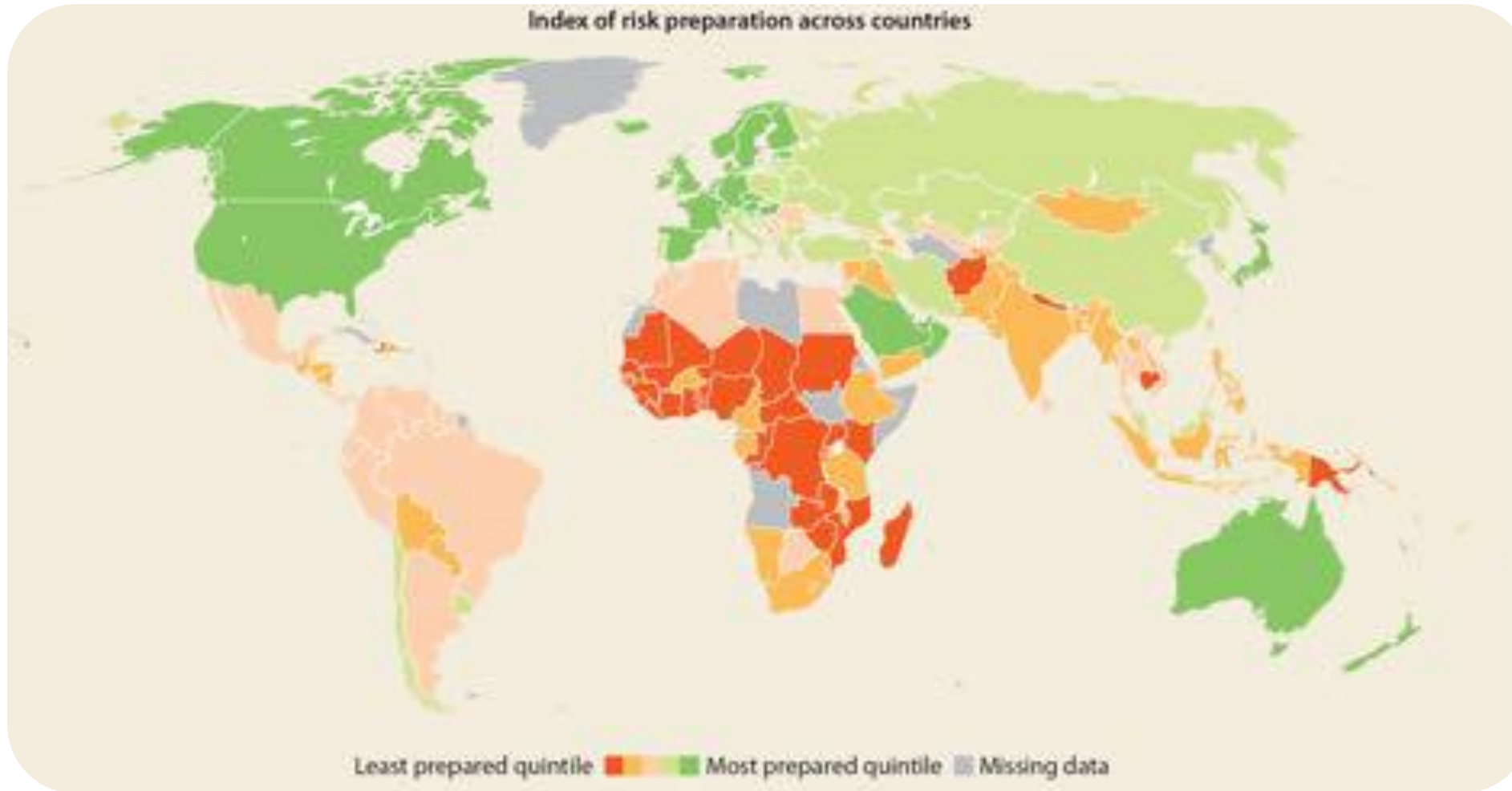
IDEAS TO ACTIONS





The case for  
inclusivity of  
insurance  
services

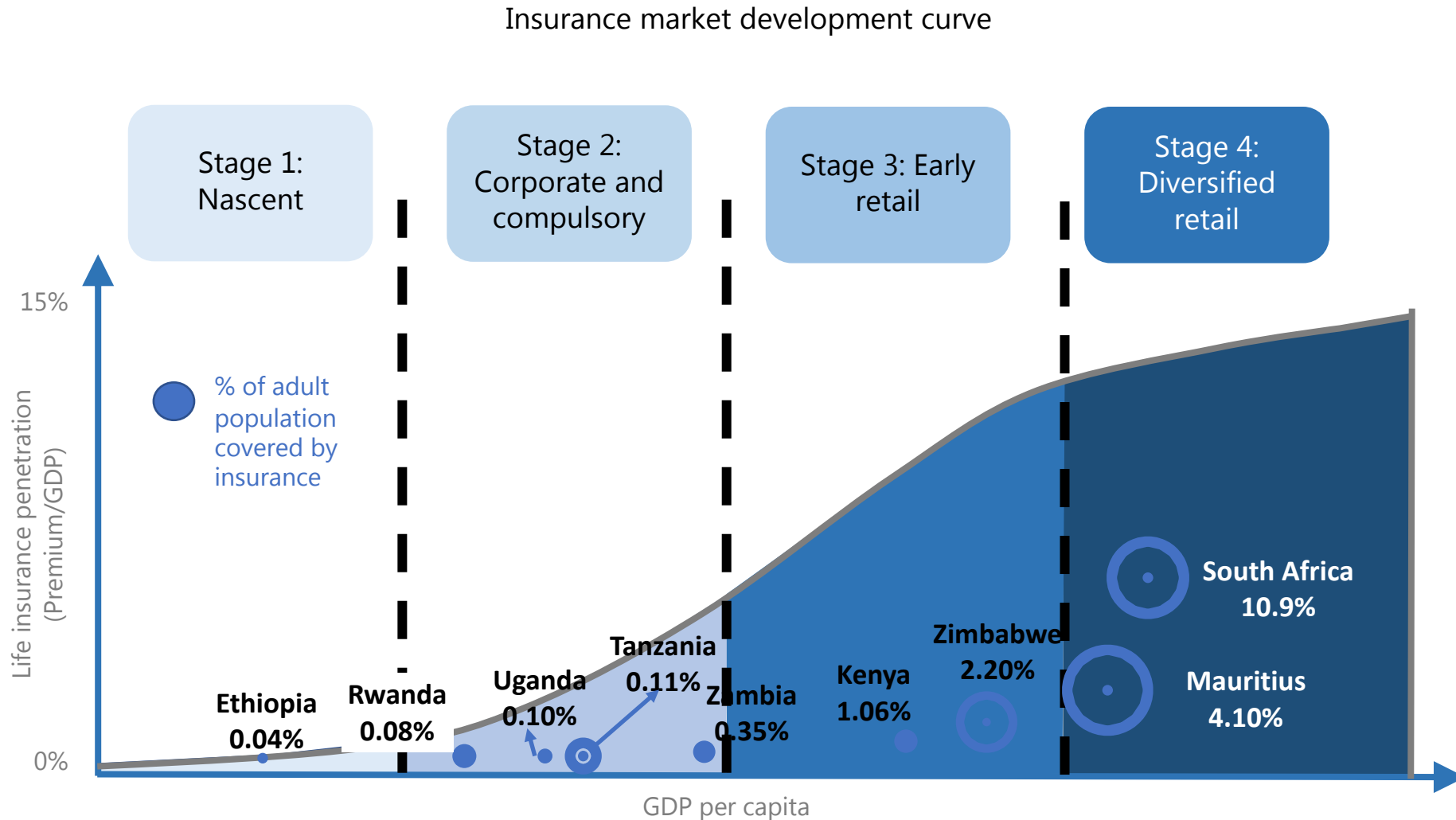
# Investment case: Why invest in inclusive insurance market development?



Most of African countries are unprepared for risks; they are in the least prepared quintile

*Source: Risk and Opportunity: Managing risk for development (World Bank, 2014)*

# Africa and Insurance



Very few African countries are in the diversified retail and competition phase

Source: Cenfri 2020

Source: Adapted from Webb (USAID, 2006), Lester (2009), OECD (date unknown), ASEA (2014), FinScope type surveys (range) and Dickinson (2000)

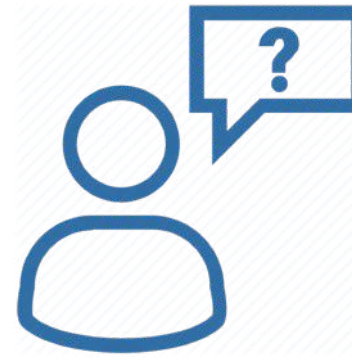
# Business case for Inclusive insurance



Untapped market  
Low penetration



Growth area  
Less competition



Better risk  
management need



Innovate  
Include  
Insure  
Impact



## Demand

- Insurance education
- Diversified products
- Customer centricity
- Financial literacy
- Demand incentives (tax exemption for microinsurance)
- Massive and innovative marketing (e.g. South Africa)



## Supply

- Technology
- Dynamic distribution partnerships
- E-commerce
- Incorporation of value added services
- Innovative insurers
- Interest from non-insurance sectors
- Public Private Partnerships



## Regulation

- Introduction of microinsurance regulations
- Regulatory sandboxing
- Market development role of regulators
- Public investments in insurance awareness and education
- Mandatory directives
- Supply side incentives

# Drivers of inclusivity of insurance services





Opportunities  
in the impact!



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# Covid 19 came!



Untapped market  
Low penetration



Growth area  
Less competition



Better risk  
management need



Innovate  
Include  
Insure  
Impact



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# Along came opportunities...clients



Realisation of the need  
to save in case of a  
pandemic



Impact related to:  
Health, life, income,  
business, employment



Rethinking risk  
mitigation strategies  
including insurance



Safeguarding source of  
income

# Along came opportunities...suppliers



Avoiding business  
closure  
Become more relevant



New products



Rethinking business  
strategy

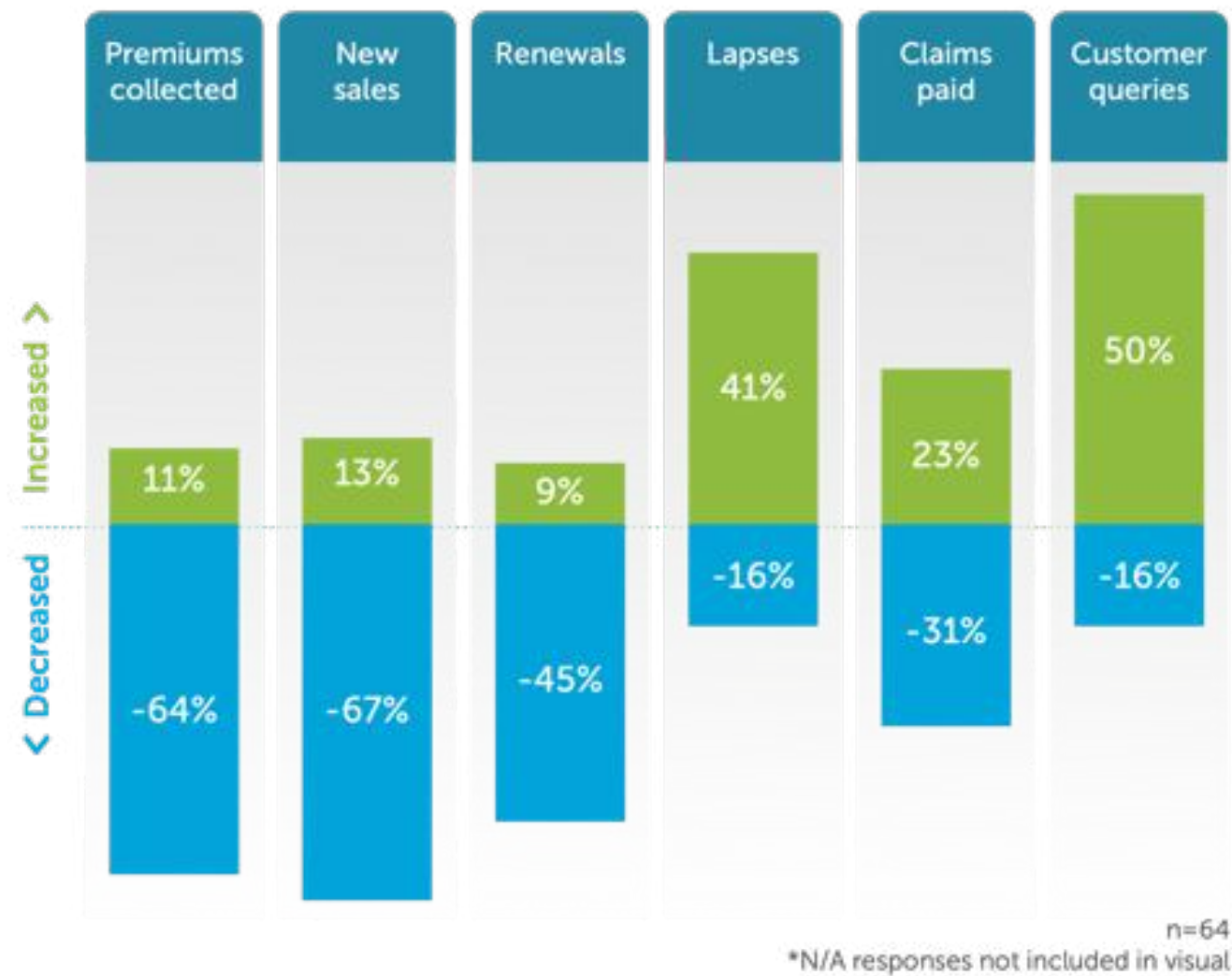


Embracing technology



# Impact of Covid on insurance companies

## Changes in business operations due to COVID-19



Source: FSDA, Cenfri 2020

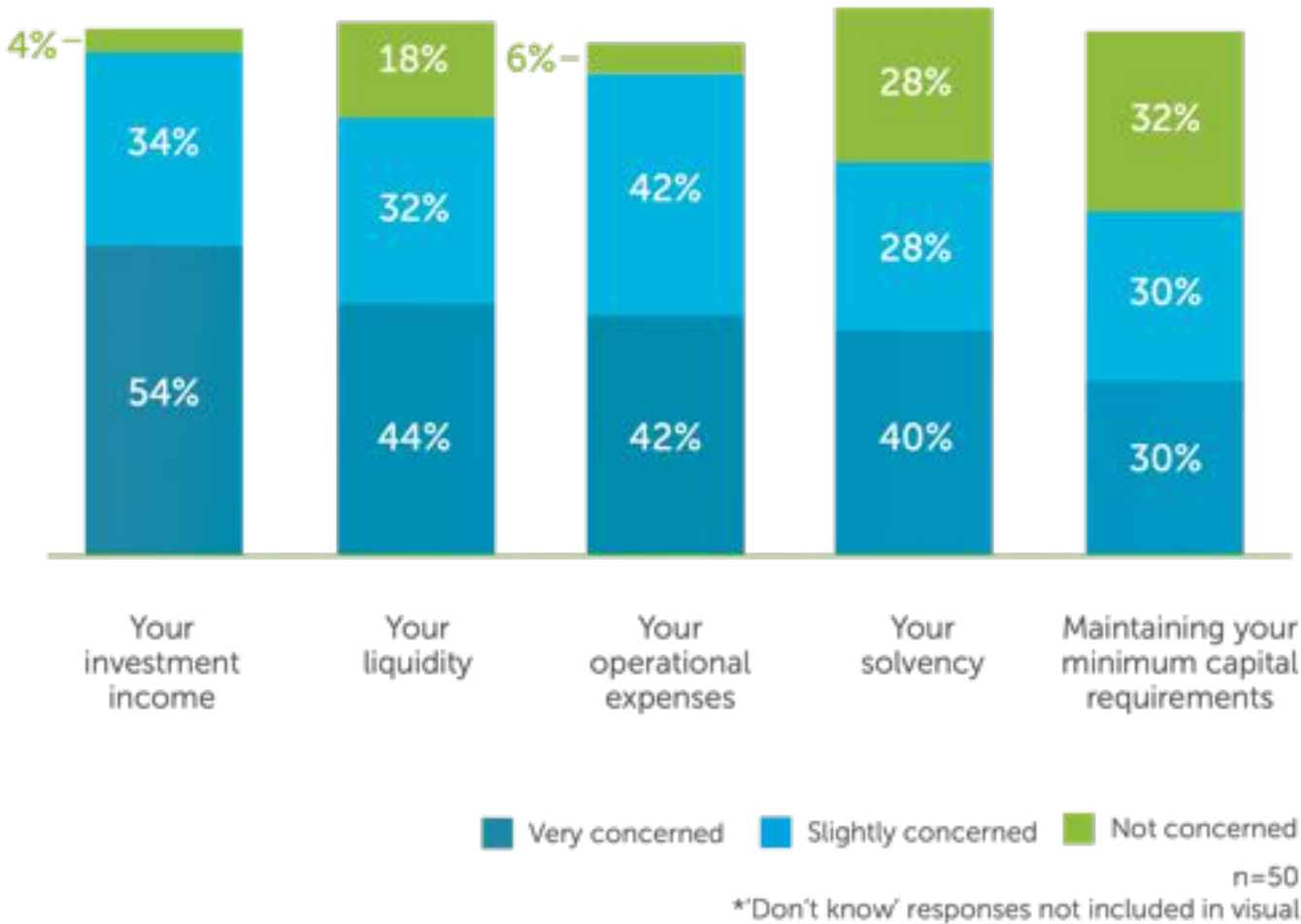
Impact of Covid on insurance companies



Source: FSDA, Cenfri 2020

Impact of Covid on insurance companies

Level of concern around sustainability



Source: FSDA, Cenfri 2020

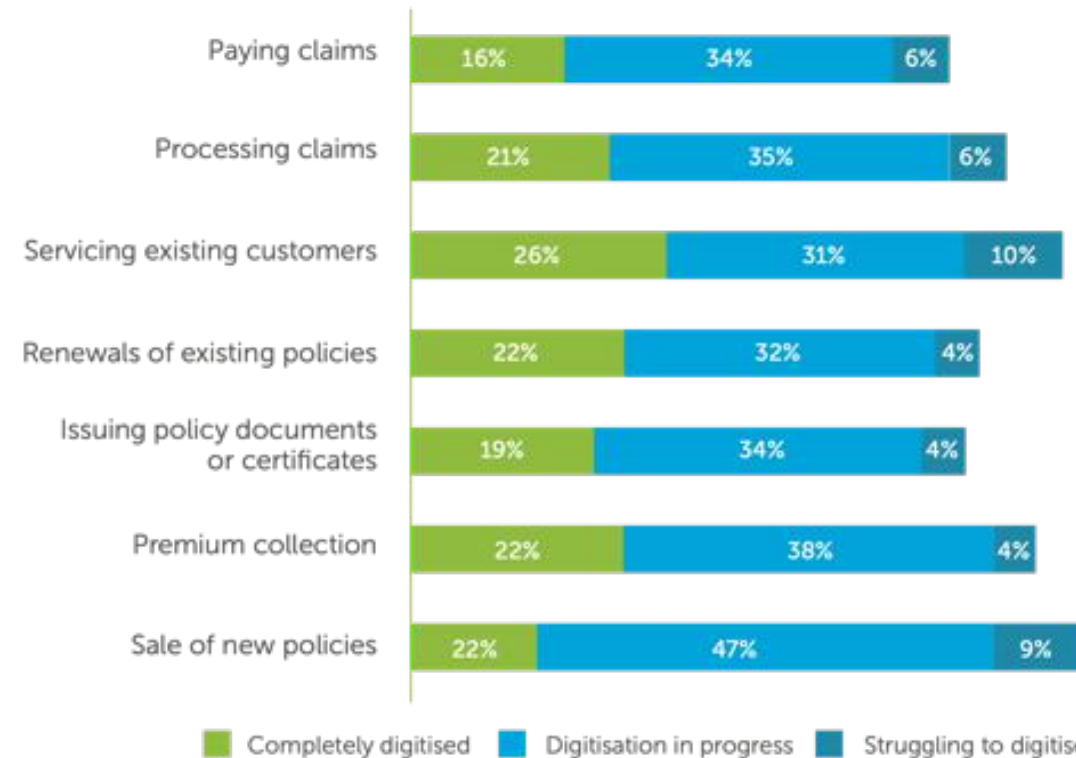


## Extent of digitalisation

Digitised prior to COVID-19



Digitised during COVID-19



n=68

\*N/A responses not included in visual

# Challenges!



# Notable Challenges

- Reduced premium income and liquidity challenges
- Decreased consumer and business income
- Reputational risk of not being able to serve clients when they need insurance most
- Reduced investment income
- Being forced to pay COVID-19 claims when not appropriately priced



## Key Challenge 1

While people have realized the importance of insurance as a product but currently their primary objective is to meet the daily needs and expenses to survive and thrive but in the due course of they will certainly work towards insurance

## Key Challenge 2

Technology while is a great enabler but has its own limitations especially for people in the lower strata as they still prefer human touch to certain extent (the extent needs to be established) at least till the time they have full confidence and trust on insurance products and providers which will come with demonstration of the right service delivery at right time.

## Key Challenge 3

**Complexity and inflexibility** of insurance products; the associated terms & conditions which are not easily comprehensible by everyone. Products need to be simplified if required over **simplified for transparency.**



# Business Strategies



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# Strategy 1



Riding on the awareness created around the impacts of pandemic and the importance of saving; awareness should be created for insurance as a solution

# Strategy 2



Reaching out to people at the right time for offering an insurance solution – Do not push insurance to people at the wrong time, it potentially creates a **negative perception of insurance** being pushed to the customer. Strategically think of the right messaging

# Strategy 3



**Simplifying the products** is still key so that both the risks covered and benefits given can be easily understood by clients without any caveats

# Strategy 4



Take advantage of claims moments and create visibility around payouts



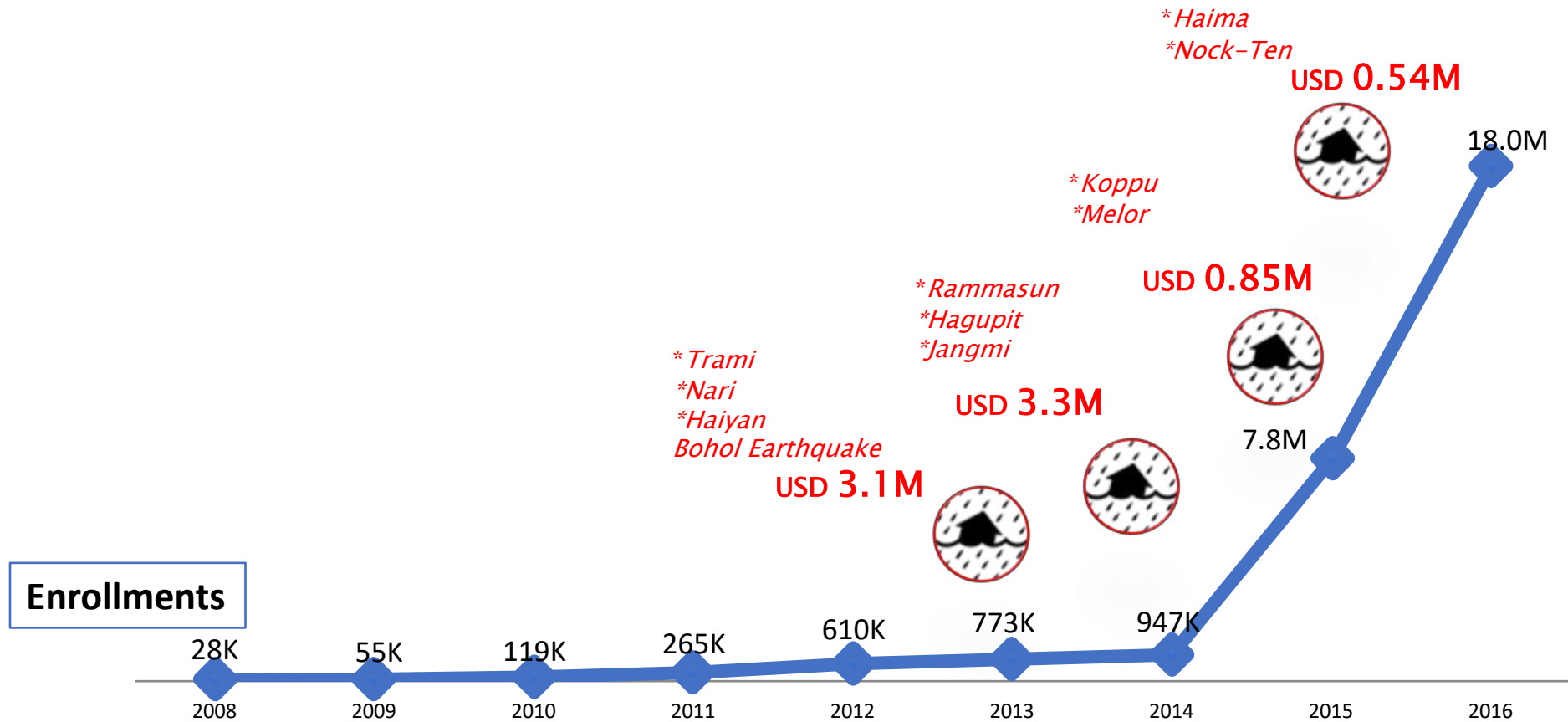
# PIONEER INCLUSIVE INSURANCE

Gross Written Premiums, Claims, Enrollment  
2008-2018



(in US\$); US\$ 1 = PhP50

# Claims Arising from Major Disasters



# Strategy 5



Making products flexible to address needs in such unforeseen situations will be helpful and perceived in the right way

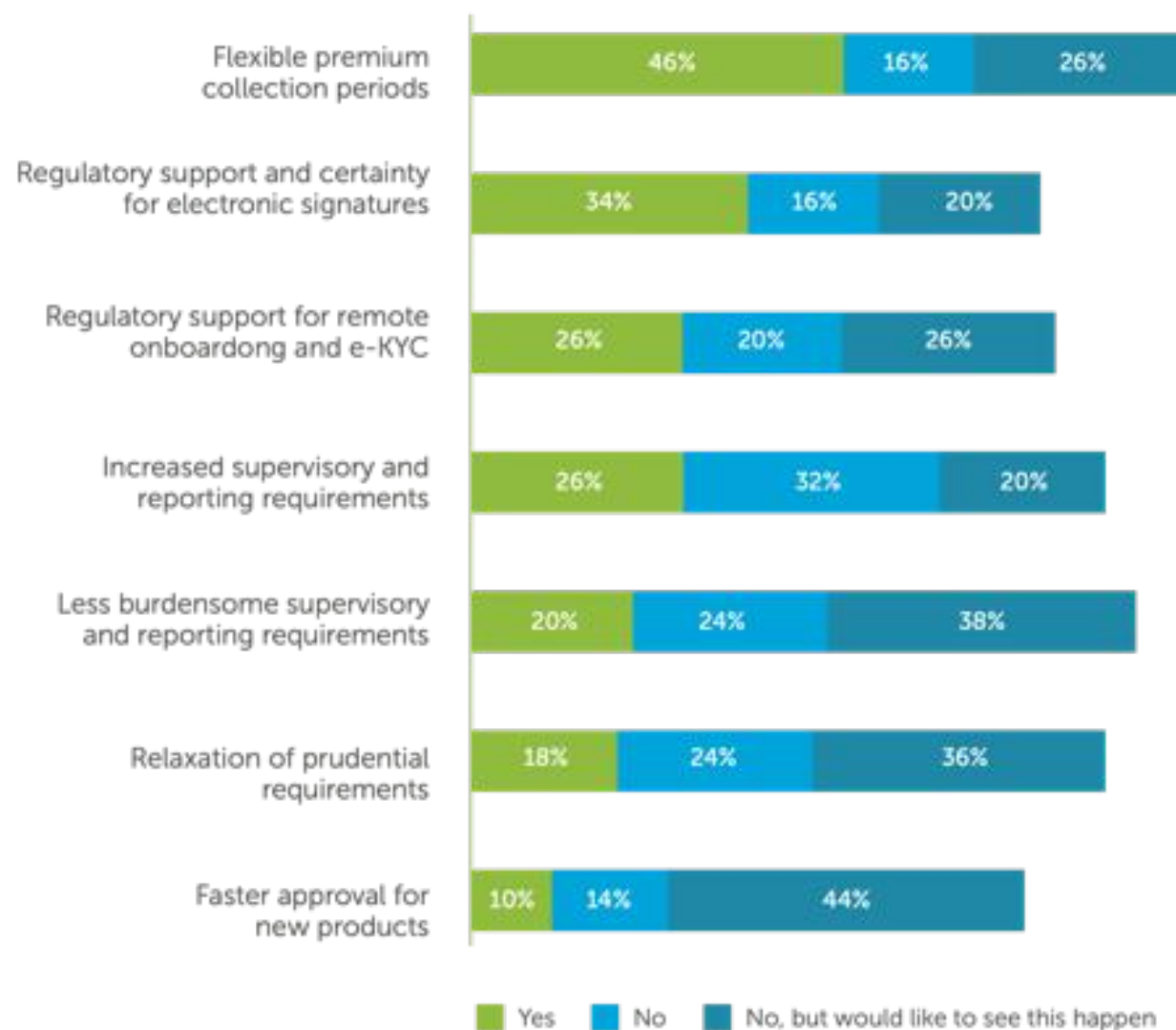
Premium level | Mode of payment | Value Added Service

# Policy responses





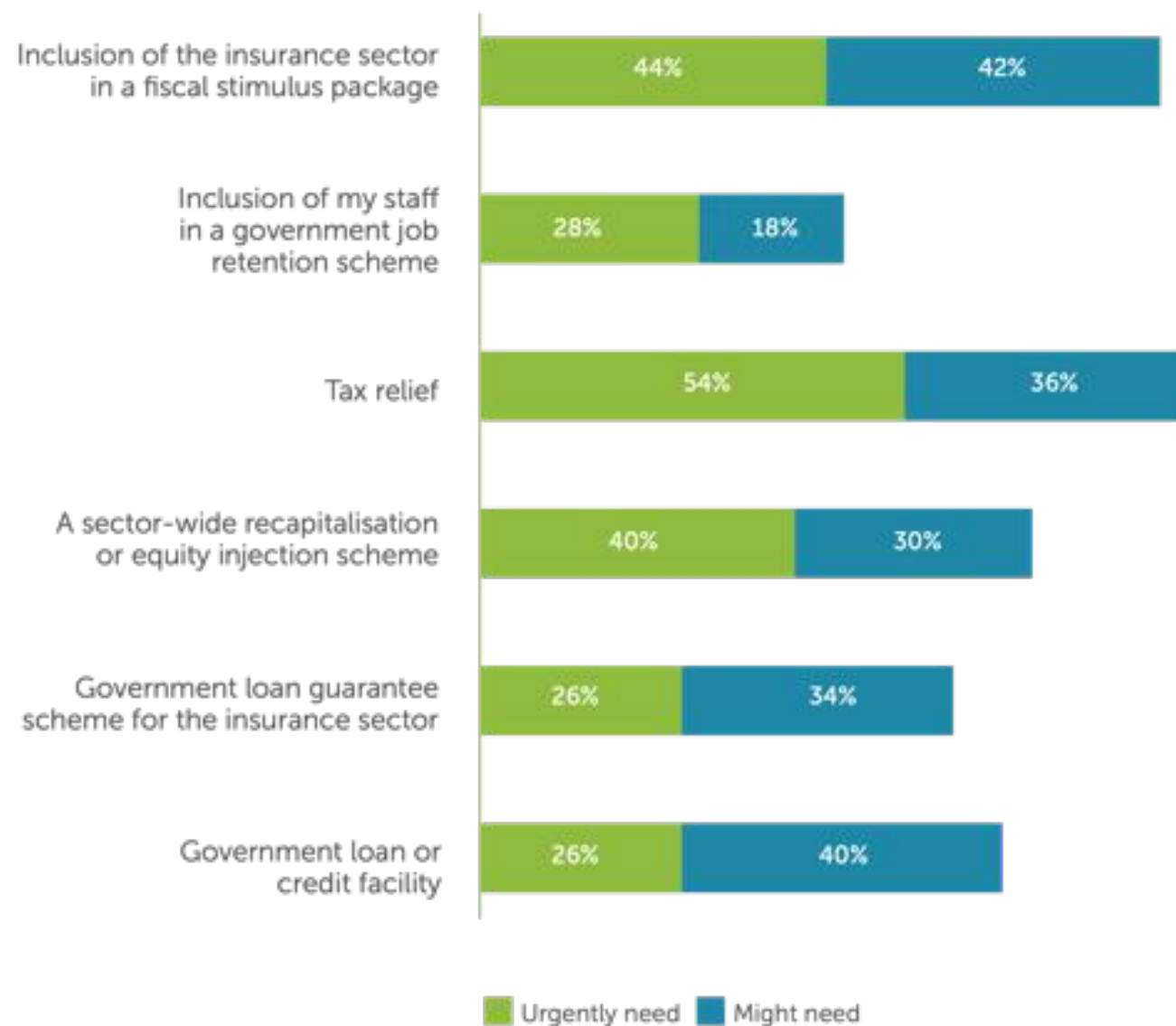
## Regulatory responses to COVID-19



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\*'Don't know' responses not included in visual

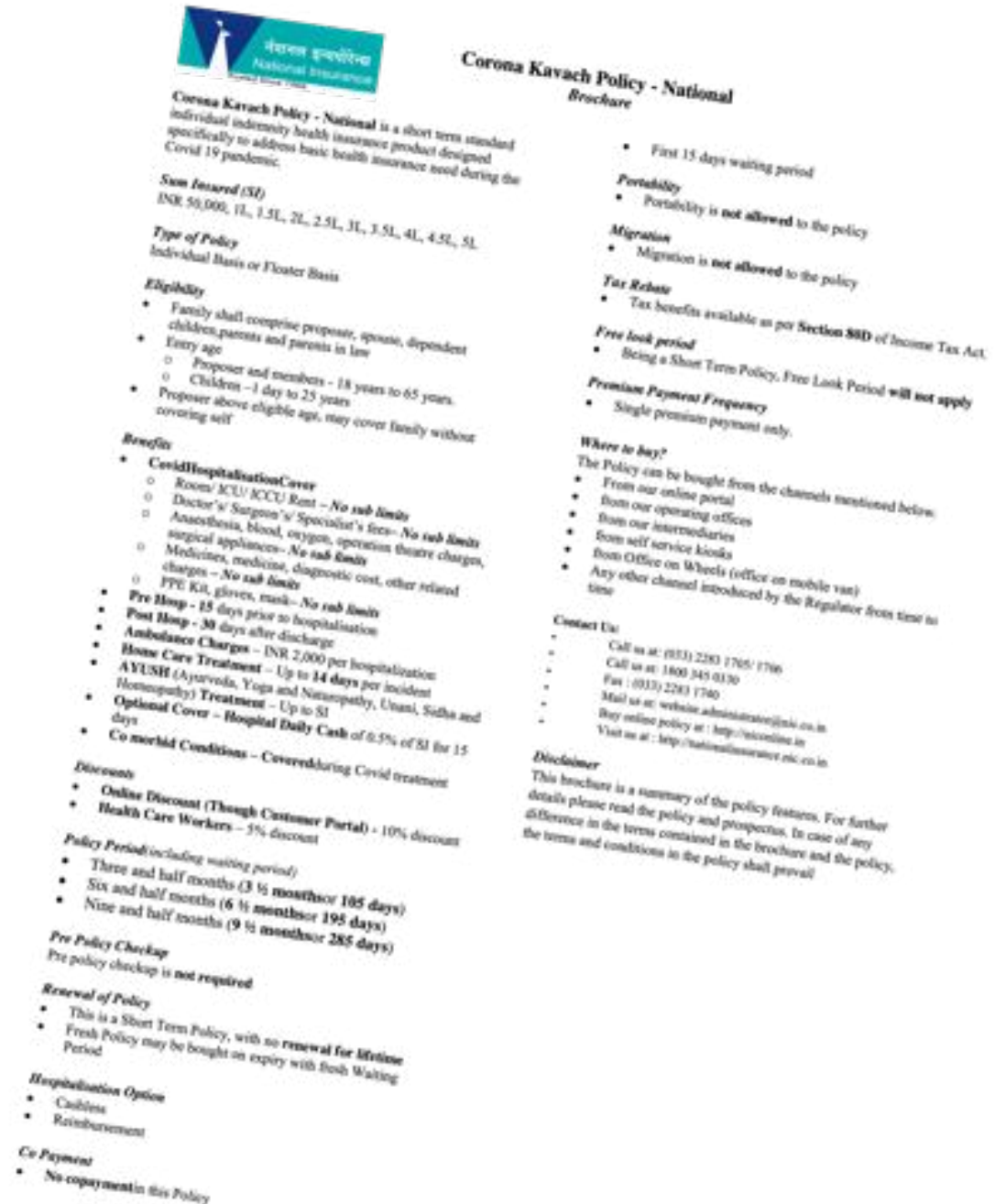
## Government support measures in response to COVID-19



# National responses

## India

Corona Kavach Policy  
Underwritten by Insurers  
Regulator supported the design



**Corona Kavach Policy - National Brochure**

Corona Kavach Policy - National is a short term standard individual indemnity health insurance product designed specifically to address basic health insurance need during the Covid 19 pandemic.

**Sum Insured (SI)**  
INR 50,000, 1L, 1.5L, 2L, 2.5L, 3L, 3.5L, 4L, 4.5L, 5L

**Type of Policy**  
Individual Basis or Floater Basis

**Eligibility**

- Family shall comprise proposer, spouse, dependent children, parents and parents in law
- Entry age
  - Proposer and members - 18 years to 65 years.
  - Children - 1 day to 25 years
- Proposer above eligible age, may cover family without covering self

**Benefits**

- Covid Hospitalisation Cover**
  - Room/ ICU/ ICU Rent - No sub limits
  - Doctor's/ Surgeon's/ Specialist's fees - No sub limits
  - Anaesthesia, blood, oxygen, operation theatre charges, surgical appliances - No sub limits
  - Medicines, medicine, diagnostic cost, other related charges - No sub limits
  - PPE Kit, gloves, mask - No sub limits
- Pre Hosp** - 15 days prior to hospitalisation
- Post Hosp** - 30 days after discharge
- Ambulance Charges** - INR 2,000 per hospitalization
- Home Care Treatment** - Up to 14 days per incident
- AYUSH (Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy) Treatment** - Up to SI
- Optional Cover - Hospital Daily Cash** of 0.5% of SI for 15 days
- Co morbid Conditions** - Covered during Covid treatment

**Discounts**

- Online Discount (Through Customer Portal)** - 10% discount
- Health Care Workers** - 5% discount

**Policy Period (including waiting period)**

- Three and half months (3 ½ months) or 105 days
- Six and half months (6 ½ months) or 195 days
- Nine and half months (9 ½ months) or 285 days

**Pre Policy Checkup**  
Pre policy checkup is not required

**Renewal of Policy**

- This is a Short Term Policy, with no renewal for Lifetime
- Fresh Policy may be bought on expiry with Fresh Waiting Period

**Hospitalisation Option**

- Cashless
- Reimbursement

**Co Payment**

- No copayment in this Policy

**First 15 days waiting period**

**Portability**

- Portability is not allowed to the policy

**Migration**

- Migration is not allowed to the policy

**Tax Rebate**

- Tax benefits available as per Section 80D of Income Tax Act.

**Free look period**

- Being a Short Term Policy, Free Look Period will not apply

**Premium Payment Frequency**

- Single premium payment only.

**Where to buy?**  
The Policy can be bought from the channels mentioned below

- From our online portal
- From our operating offices
- From our intermediaries
- From self service kiosks
- From Office on Wheels (office on mobile van)
- Any other channel introduced by the Regulator from time to time

**Contact Us**

- Call us at: (011) 2281 1705/ 1706
- Call us at: 1800 345 0130
- Fax: (011) 2281 1740
- Mail us at: [website.administrator@nic.co.in](mailto:website.administrator@nic.co.in)
- Buy online policy at: <http://niconline.in>
- Visit us at: <http://nationalinsurance.nic.co.in>

**Disclaimer**  
This brochure is a summary of the policy features. For further details please read the policy and prospectus. In case of any difference in the terms contained in the brochure and the policy, the terms and conditions in the policy shall prevail



# Final thought

The biggest opportunity of any disaster or pandemic is the alert that risks are real!

Building on this awareness and realization can drive inclusivity of insurance services



# Thank you

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