



ANNUAL CONFERENCE 2022

RESILIENCE! OPPORTUNITY! GROWTH –
DRIVING INSURANCE FORWARD”

ACCLAVIA

Digital Acceleration Post Pandemic Deep in Insurance

Anselmi Anselmi

15th November, 2022 Livingstone, Zimbabwe



"AT LEAST 40% OF ALL BUSINESSES WILL DIE IN THE NEXT 10 YEARS... IF THEY DON'T FIGURE OUT HOW TO CHANGE THEIR ENTIRE COMPANY TO ACCOMMODATE NEW TECHNOLOGIES."

- JOHN CHAMBERS, CISCO -



About Anselmi Anselmi



Ansellmi is:

1. **Public agent:** An avid Researcher, Consultant, Author & Trainer for government, private and international organizations on planning, policy, regulation and strategy.
2. **Academician:** Director of Consultancy & International Relations at the Africa College of Insurance and Social Protection; and Lecturer at the Tanzania Public Service College
3. **Technical expert:** Country Microinsurance Coordinator, Chair Technical Committee TIBA, Secretary to the Tax Reforms Committee of the Insurance Industry in Tanzania.
4. **Business management:** MD & CEO Acclavia Group [Insurance, Education, Furniture, Agro-forestry, Fishing].
5. **Innovator:** Developing products, process and systems for inclusive insurance.
6. **Author:** Ten books – seven in insurance, two in leadership subjects; numerous articles; 2022 AIO Best book in Africa.
7. **Global citizen:** Member of Africa Insurance Organization (AIO) Microinsurance Working Group, Editor AIO Journal, Member InsuResilience Global Partnership – Gender Group, Member UN Global Compact, Associate of the Chartered Institute of Securities & Investments (CISI) of London and Toronto Centre of Canada .



Contents



1. Digital acceleration

- 1.1 Digitization, Digitization & Digital Transformation
- 1.2 Digital Ecosystem
- 1.3 Digital insurance trends – Globally & at home



2. Pandemics and the insurance industry

- 2.1 Trends of the pandemics
- 2.2 Impact of pandemics in insurance industry
- 2.3 Mitigation of pandemic effects on insurance



3. Digital strategy

- 3.1 Value chain
- 3.2 National | Industry | Company Digital Strategy



4. Digital business case for Zimbabwean insurance industry

- 4.1 Economic fundamentals
- 4.2 Insurance industry landscape
- 4.3 Policy & regulatory implications



5. Digital solutions case studies

- 5.1 Omniscan
- 5.2 Enterprise Content Management
- 5.3 Bimakwik



6. Digital insurance prospects

- 6.1 Challenges
- 6.2 Opportunities
- 6.3 Precursors



7. THE FUTURE

1. Interlude: A call to digitalize



Customers Preferences

- Digital first
- Value expectations
- Dynamic engagement
- New protection needs
- Personalisation



Market Dynamics

- Competitive conditions
- Regulatory landscape
- Limited traditional growth
- Need for greater efficiency

Evolving Technologies

- IoT, Smartphone, eHR
- Big data & Cloud
- Predictive & Artificial Intelligence (AI)
- New engagement platforms, APIs

Insurance is changing

The need to evolve and adapt to ever-changing environmental challenges is constant.

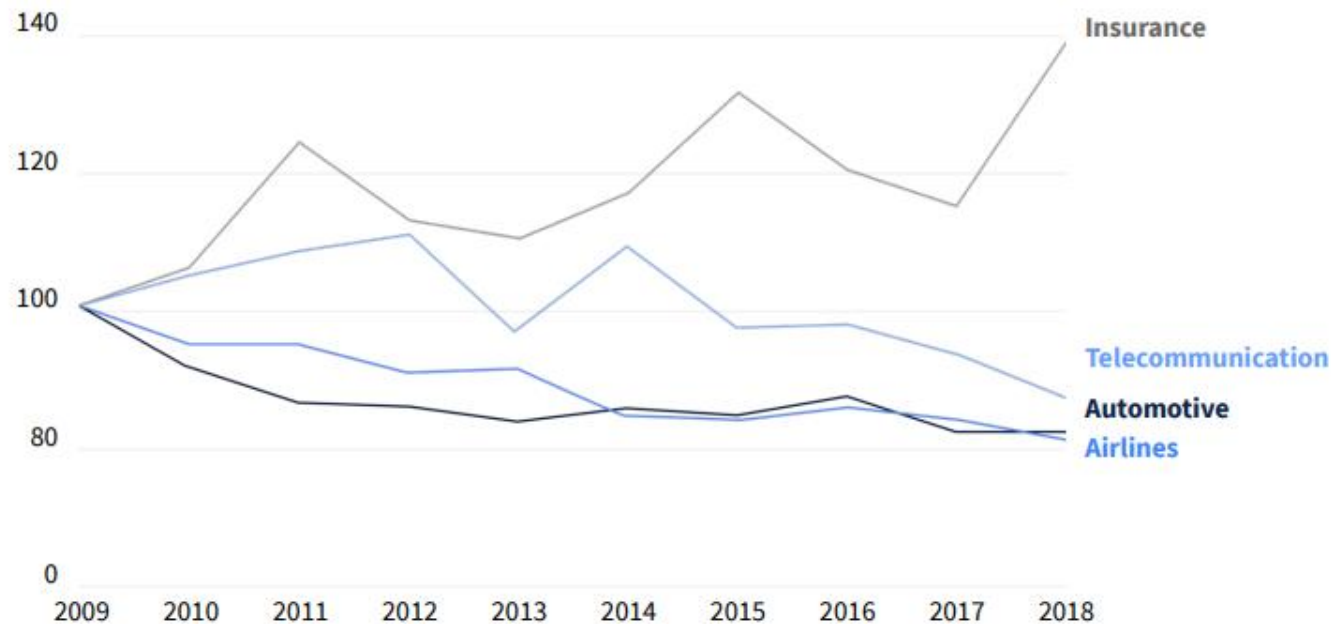


Operating costs have even worsened in the last decade, squeezing the margins for insurers, but digitalization is starting.

Insurers operating costs increased by 80% of insurers made negligible or negative economic profits in the years running up to the Covid crisis, however, the long-overdue digitalization of the industry is accelerating with the pandemic forcing to adopt virtual meeting with clients and the digitalization of policies.



Cost efficiency evolution per industry, %, normalized at 100% in 2009 ⁽¹⁾



Digitalization in insurance



Since 2008 connected devices have outnumbered people¹

50+ billion by 2025



2005

2006

2007

2008

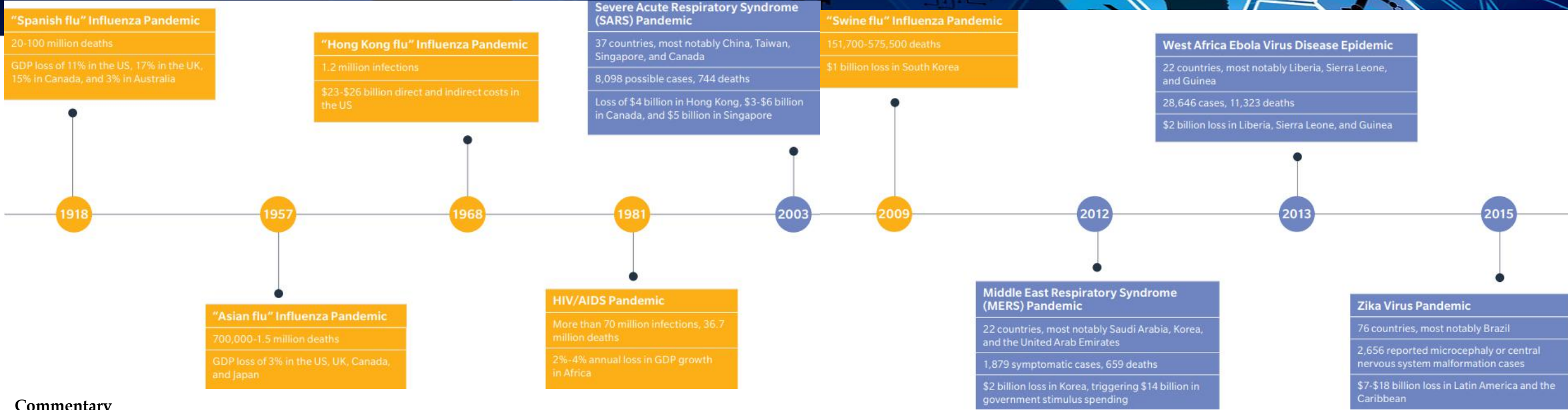


2025

¹ Source: Statistisches Bundesamt, Deutsche Bundesbank, Prognos, Digital Society Study, Thomas Nipperdey, McKinsey.

2. Pandemics & the Insurance Industry

Increasing Trend of Pandemics



Commentary

Pandemic is an epidemic occurring worldwide, or over a very wide area, crossing international boundaries and usually affecting a large number of people (WHO). Since the 'Spanish influenza' pandemic of 1918, the trend of pandemics has been estimated at three per century. However, recent frequencies of the outbreaks has increased as shown on the above flow chart arguably due to advancement in technology, frequent and unrestricted travel, and far-reaching supply chains.

SOURCE: Madhav, N., Oppenheim, B., Gallivan, M., Mulembakani, P., Rubin, E., & Wolfe, N. (2018). Pandemics: risks, impacts, and mitigation.

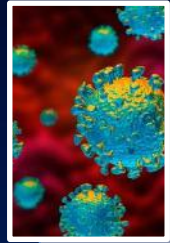
Assessing Impact of Pandemics in the insurance industry



Location of company's insureds in relation to outbreaks of the disease, including exposure to certain foreign markets where the outbreak may be more severe.



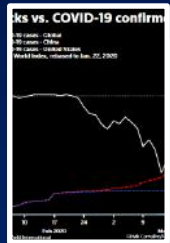
Ease to convert assets into cash for the purpose of paying benefits.



Effect of the disease spread on the particular company's investments (risk concentration).



Ability of a company to raise additional capital under pandemic circumstances.



Reserves provision approach used by the company.



Diversification and character of a company's portfolio (e.g., portion of business affected by pandemic such as BI to remain solvent).

Commentary

To assess the impact of a pandemic in the insurance industry, a comprehensive framework should be used. The framework should assess below dimensions:

1. Domicile of the insureds vs geographical severity of the pandemic,
2. Concentration of risk of the pandemic.
3. Provision approach used by the company - stress testing and assumptions.
4. Asset categories & distribution.
5. Capitalization options.
6. Level of diversification.

Challenges & Opportunities

The regulator (IPEC)

Challenges:

- Day-to-day operations affected by containment measures
- Industry revenues and sustainability under pressure due to the impact on sales, servicing and balance sheets

Opportunities:

- Increased frequency of communication enabling a more careful monitoring of the market
- Enabling digital signatures/working with other relevant authorities to enable remote sales to take place

Insurers

Challenges:

- Higher-than usual lapse rates and potential liquidity issues anticipated as customers' incomes become constrained
- Investment income negatively affected due to reduced returns on property and equity investment
- Sales hindered because e-signatures are not permitted for policy documents
- Country-wide interruptions in the power supply affecting insurers' ability to operate
- Increasing cyber and privacy risk due to remote working

Opportunities:

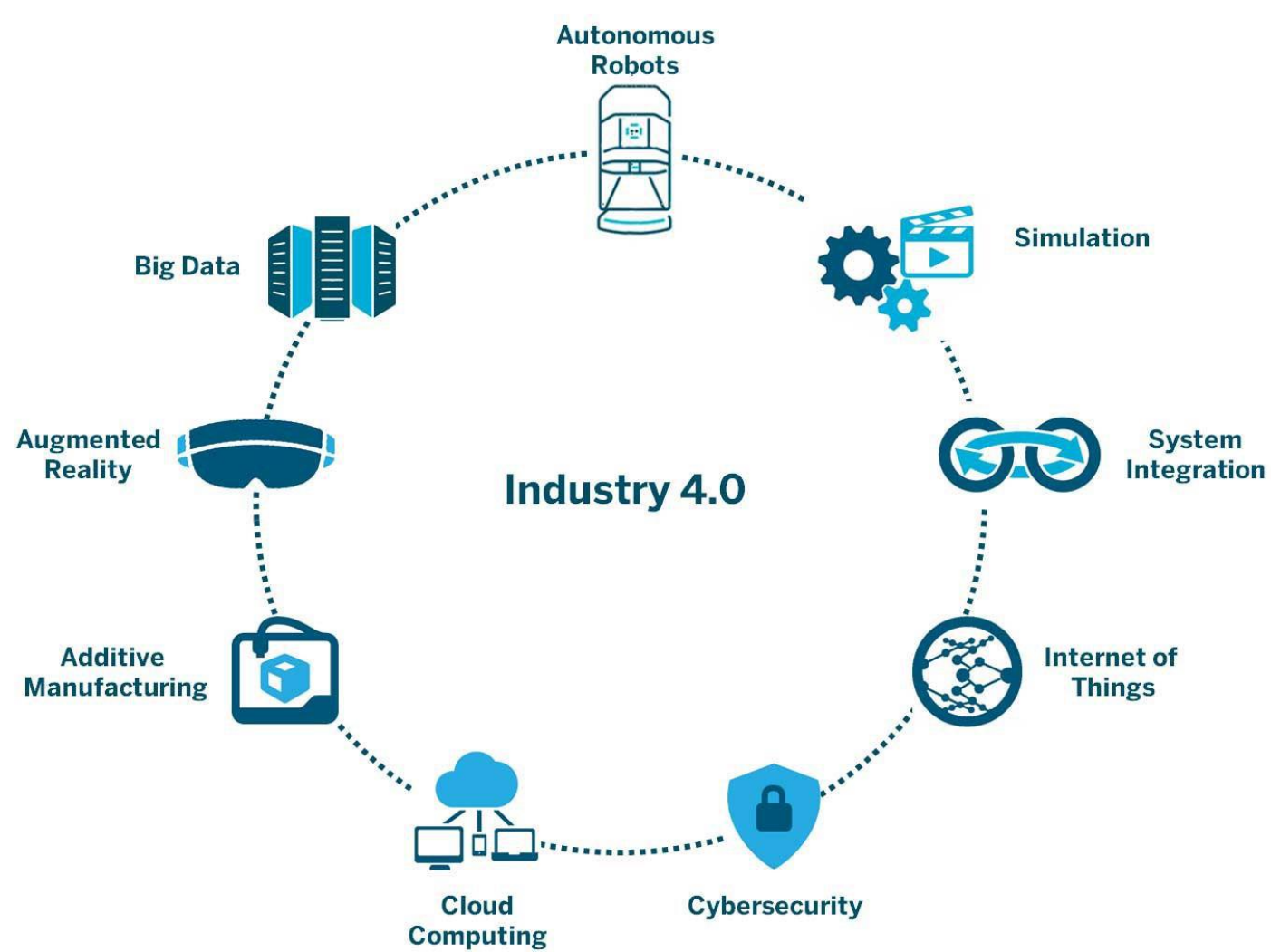
- Increased digitalisation paving the way for changes in business models and the development of new products
- Incentive to innovate and offer products that meet consumers' changing needs as lapse rates increase, especially given that insurance may now be more front-of-mind than before the pandemic
- Playing a more proactive role in the economy's recovery through savings mobilization and capital formation

Dealing with Pandemic in Insurance Industry

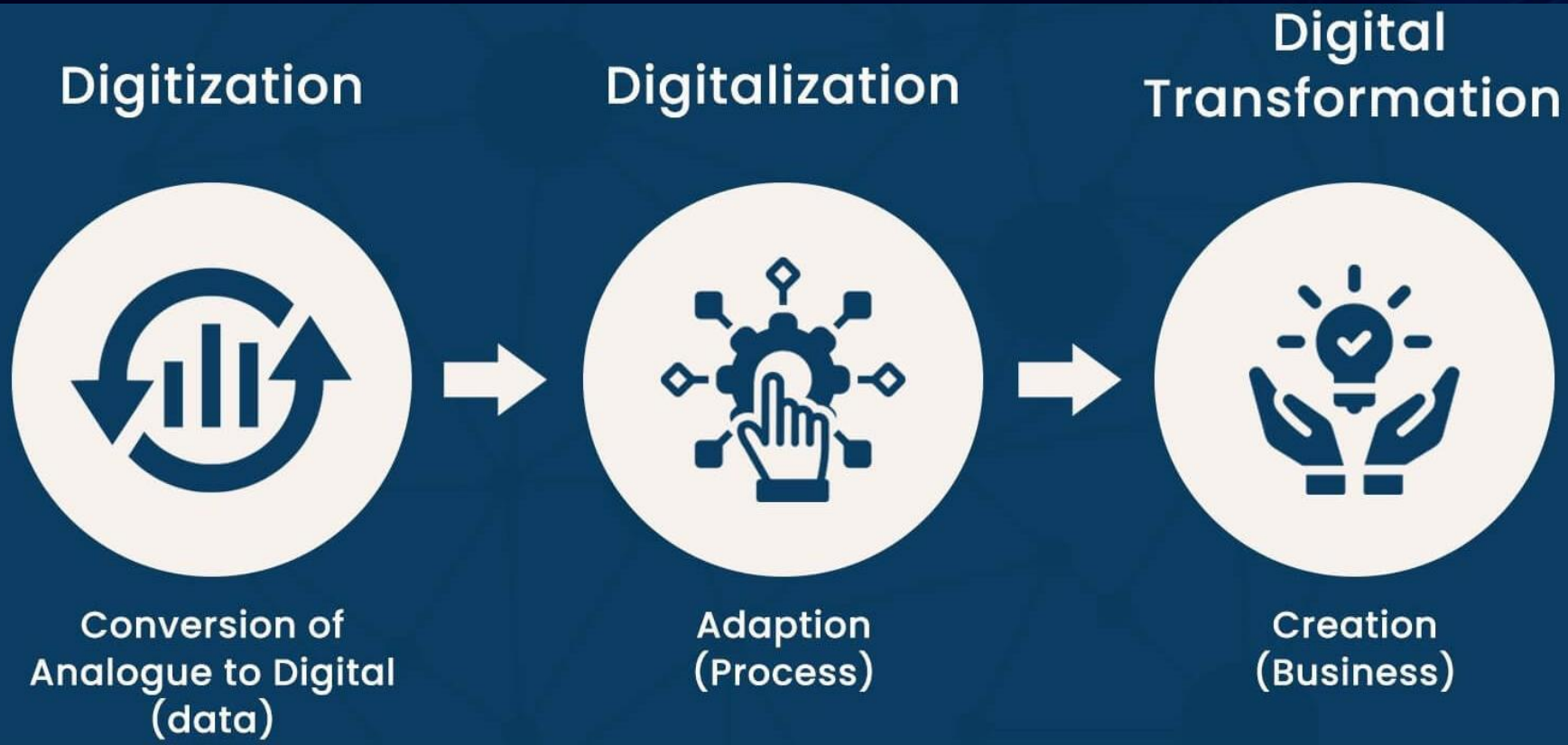
- ❑ “If there is a human influenza pandemic, every insurer might be at risk [but] on the life insurance side, it’s hard to determine the exposure.” Standard & Poor (2005)
- ❑ “If a flu pandemic hit, insurers will face a surge in claims by 2.7 to 6.5 times (RGA, 2007).”
- ❑ Excess mortality estimates incase pandemic:- 2.1% South Africa 0.65%, USA, 0.38% Germany and between 0.25% - 0.50% worldwide (Johnson & Mueller, 2002).
- ❑ Worldwide insured losses could be anywhere between US\$15b (optimistic scenario) and US\$200b (worst case scenario) S&P, 2005. Almost all insurance sectors would be affected. How seriously insurers are affected depends on how long the pandemic lasts.

Response to Pandemics in the insurance industry

1. Crisis response planning and strategy development and implementation.
2. Stress testing and assessment
3. Alternative capital solutions
4. Readiness assessment and solvency test
5. Product design, pricing and re-structuring
6. Asset-liability management plan
7. Artificial insolvency assessment
8. Team motivation and readiness
9. Restructuring portfolio strategy and concentration
10. Re-alignment, re-configuration and fully updating of solvency, capital regime, risk management and Own Risk and Solvency Assessment (ORSA).



3. Digital Acceleration



A hand pointing at a hexagonal grid of icons representing various insurance trends such as technology, service, and global reach. The background features a blue gradient with faint circuit-like patterns. The text "Insurance Trends" is overlaid on the left side.

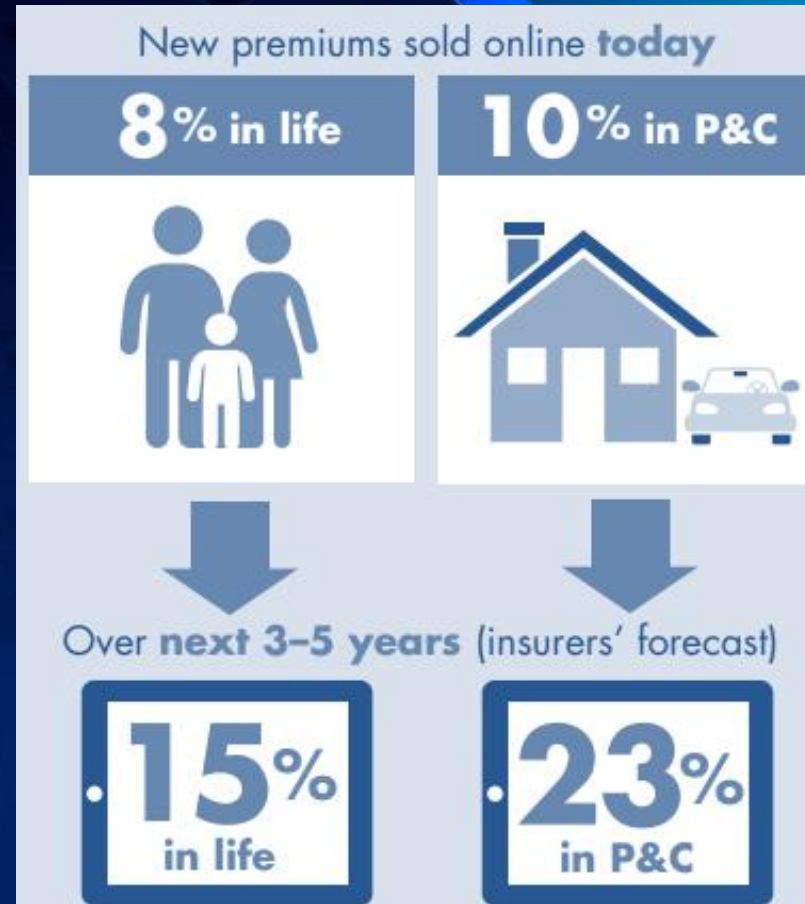
Global Landscape

BY THE NUMBERS: INSURERS NAVIGATE THE DIGITAL TRANSITION



IT SPENDING

Increase from **3.8% to 5.5%** of revenues for **life** in 3–5 years
Increase from **3.7% to 4.1%** of revenues for **P&C** in 3–5 years



Bain's



What is happening?

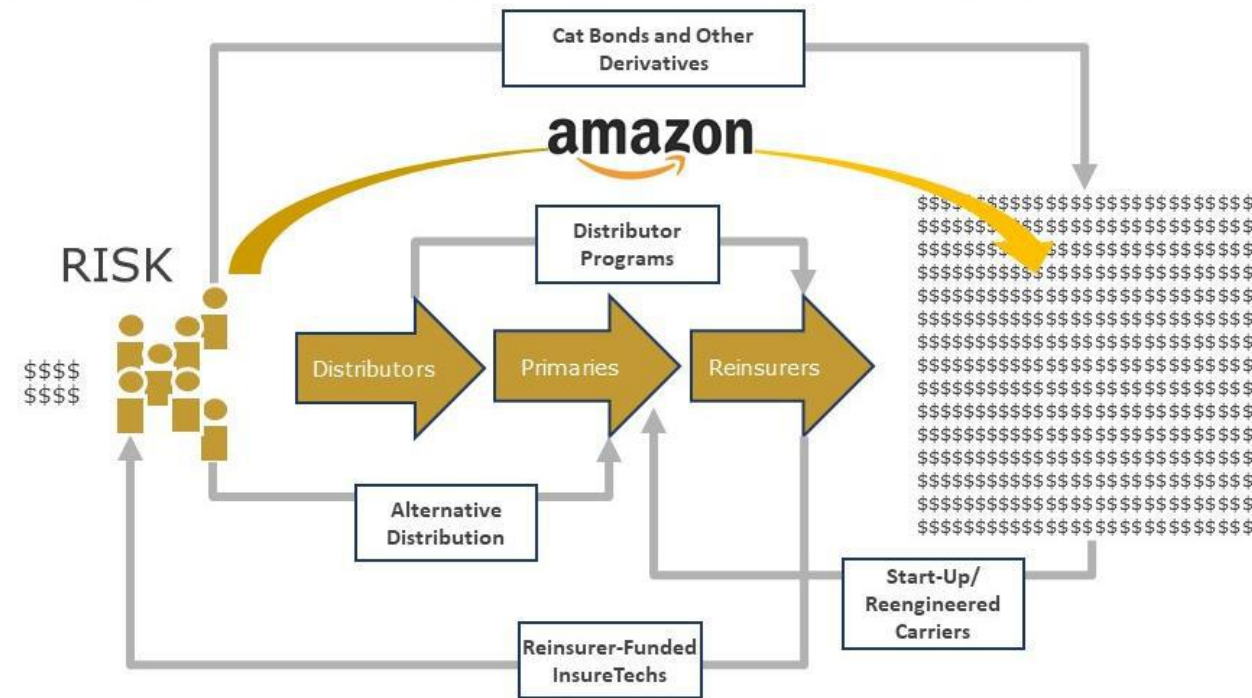
197million people visit Amazon Monthly

GlobalData survey - 18% of consumers would also buy the car and home insurance policies from Amazon(35.5million ppl/month or 426m p.a) .

- In India Amazon to sale of life, health and general insurance policies
- Also: Walmart, Alibaba, Beckashire

Technology Is Enabling New Information Flows and Disrupting the Traditional Insurance Model

Each intermediary in the value chain is under increased pressure to justify its existence.



The rise of big techs penetrating insurance and fall

CM Exclusive: Google's Insurance Strategy Could Be a Game Changer

January 11, 2021 by Russ Banham



September 27, 2021
11:08 PM +00
Last updated 2 months ago

United Kingdom

REUTERS*

Amazon to start offering insurance to UK businesses - broker

By Carolyn Cohn



PRESS RELEASE
February 5, 2018

Cisco, Apple, Aon, Allianz introduce a first in cyber risk management



Combined Approach Integrates Technology, Services and Enhanced Cyber Insurance to Make Businesses More Resilient

Insurance Industry Analyzes Google's Failed Online Insurance Experiment

By Don Jergler | February 23, 2016



Email This

Subscribe to Newsletter



Africa Landscape

McKinsey

~10% of transactions in Africa are digital

\$4-6 billion

Fintech revenues in 2020; **3-5% fintech penetration** (excl. SA) in line with global leaders

Fintech solutions up to **80%** cheaper and savings returns **3X higher**

Fastest growth p.a. :

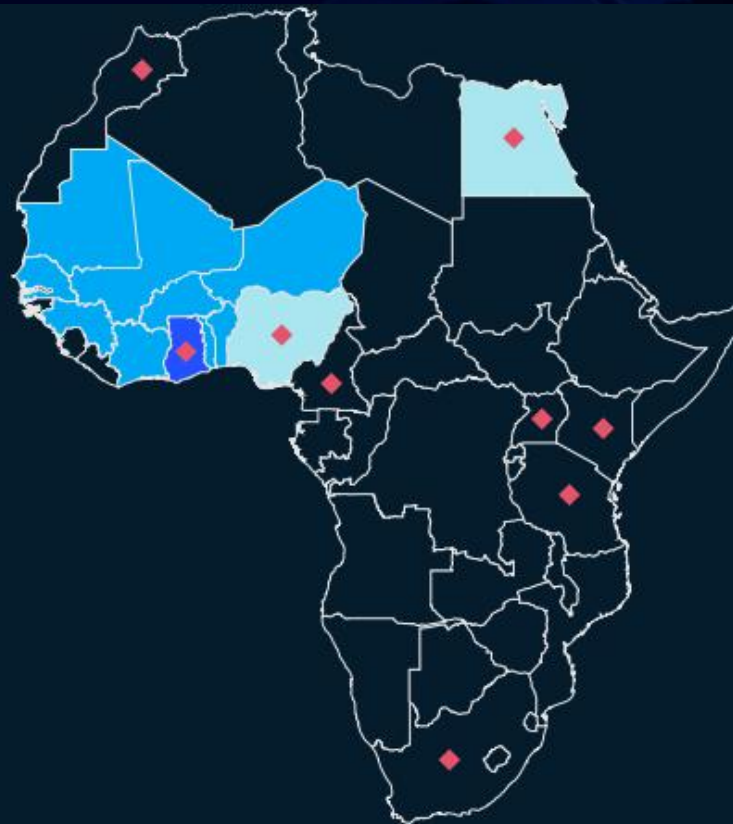
15% Ghana

13% Francophone West Africa

12% Nigeria and Egypt

◆ **11 key markets = 70% of Africa's GDP and 50% of population:**

Nigeria, Egypt, South Africa, Morocco, Ghana, Kenya, Tanzania, Uganda, Côte d'Ivoire, Cameroon and Senegal



Opportunities

Traditional banking countries South Africa & Morocco In smaller pockets eg B2B lending

Mobile money specialists Kenya, Tanzania, Ghana, & Uganda In innovative solutions rather than formal financial services

Disrupted markets Nigeria & Egypt For B2C businesses to scale

Crossroads markets Côte d'Ivoire, Cameroon, & Senegal To influence the shape of financial innovation



5. Insurance Value Chain Digitalization

Digitization



Conversion



Digitalization



Adaption



Digital
Transformation



Evolution

PHYSICAL VALUE CHAIN

Product Development

Pricing/ Underwriting

Marketing

Distribution

Policy/Claims Management

▶ Robotics/telematics/ IoT/wearables offer usage-based insurance opportunities

▶ Emerging risks such as cyber

▶ Social-network insurance groups

▶ Use of Big Data/ analytics to identify new claims drivers

▶ Predictive/ prescriptive underwriting techniques

▶ Use of Artificial Intelligence (AI) to hone risk assessment

▶ Position insurance as more customer centric

▶ Increase frequency of interaction

▶ Use Big Data/ analytics for micro-market segmentation and personalization

▶ Less face-to-face
▶ Customers prefer multi-touch, omni-channel interaction

▶ Smart devices engagement

▶ Scope for gains in efficiency in offline channels

▶ AI-driven robo-advisors

▶ Use of Big Data to reduce fraud and improve claims processes

▶ Self-service apps to improve customer post-sales experience

▶ Blockchain applications for smart contracts and claims administration

DIGITALIZATION

VIRTUAL VALUE CHAIN

Marketing, Sales & Distribution

Product Developments & Actuary

Risk Analysis, Pricing & Underwriting

Onboarding, Administration, Customer Engagement & Prevention

Claim Management

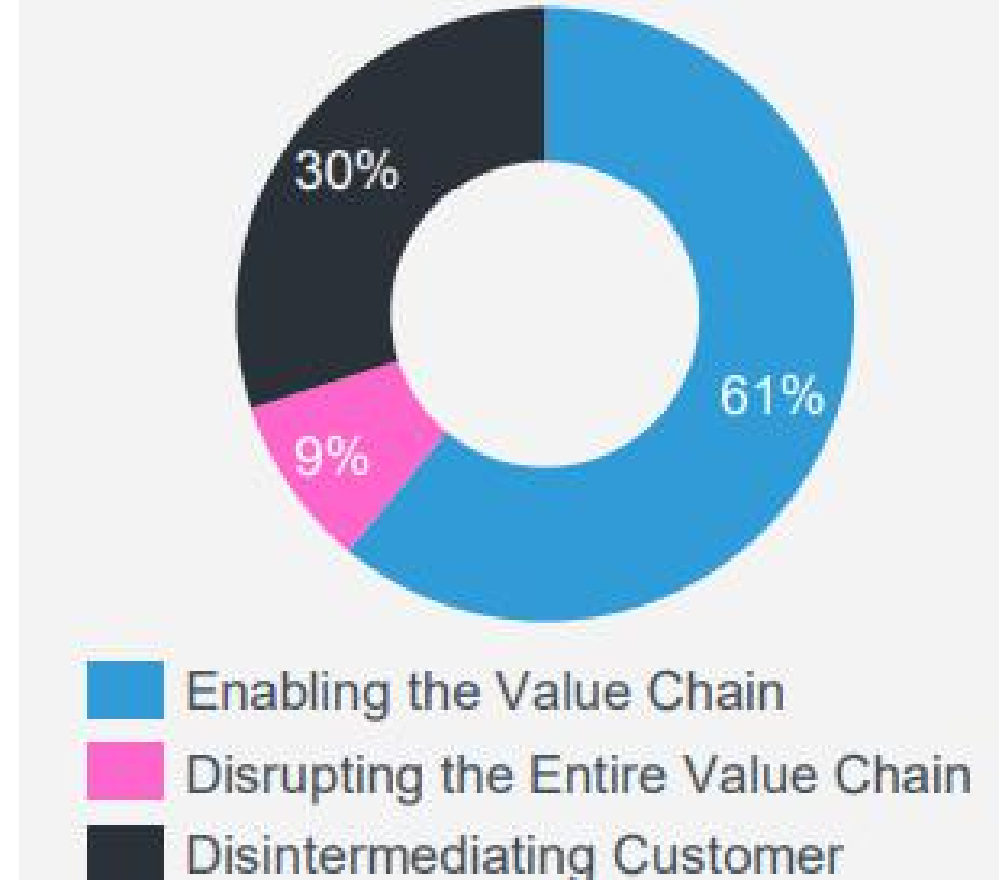
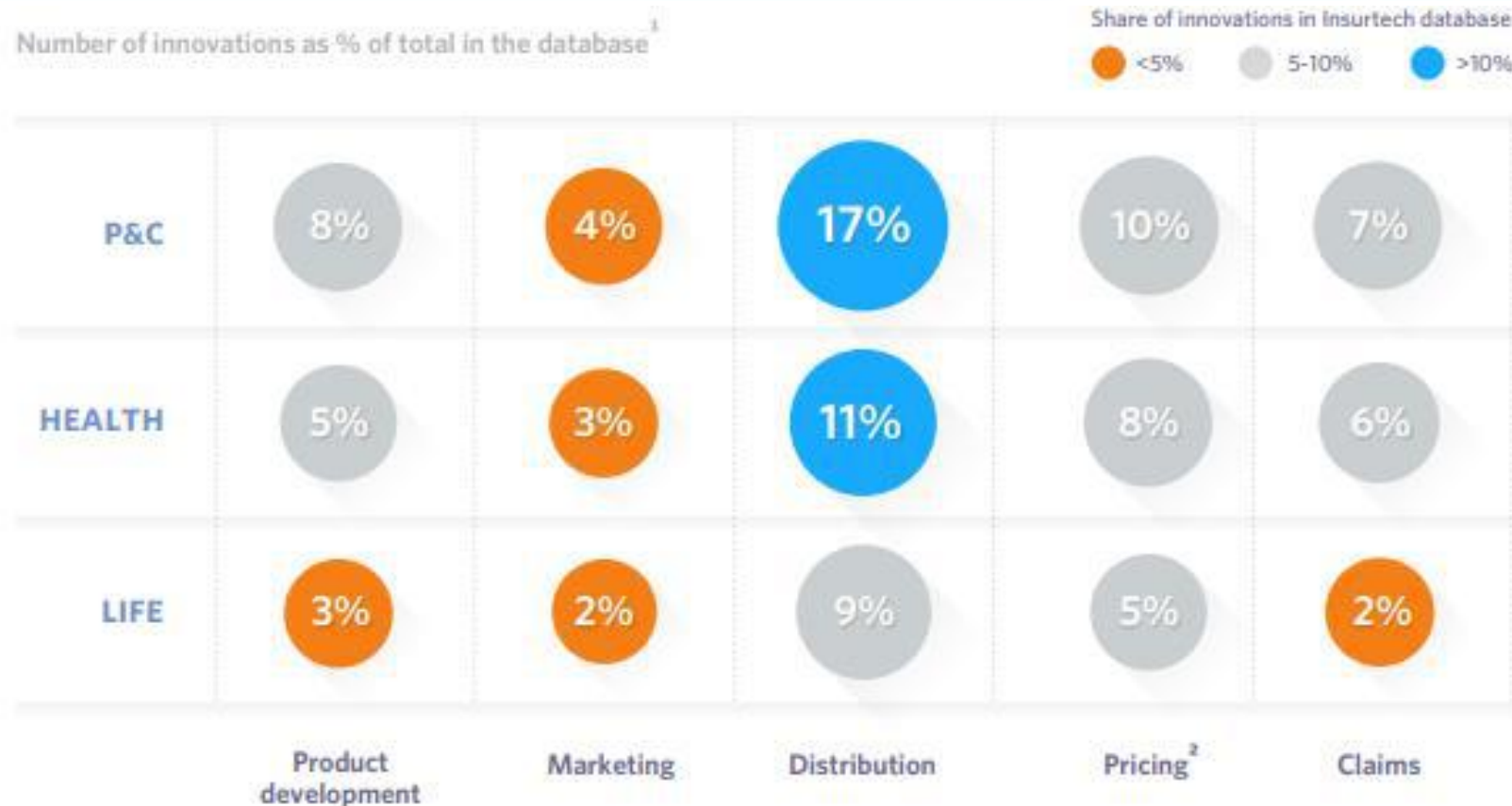
Reinsurance

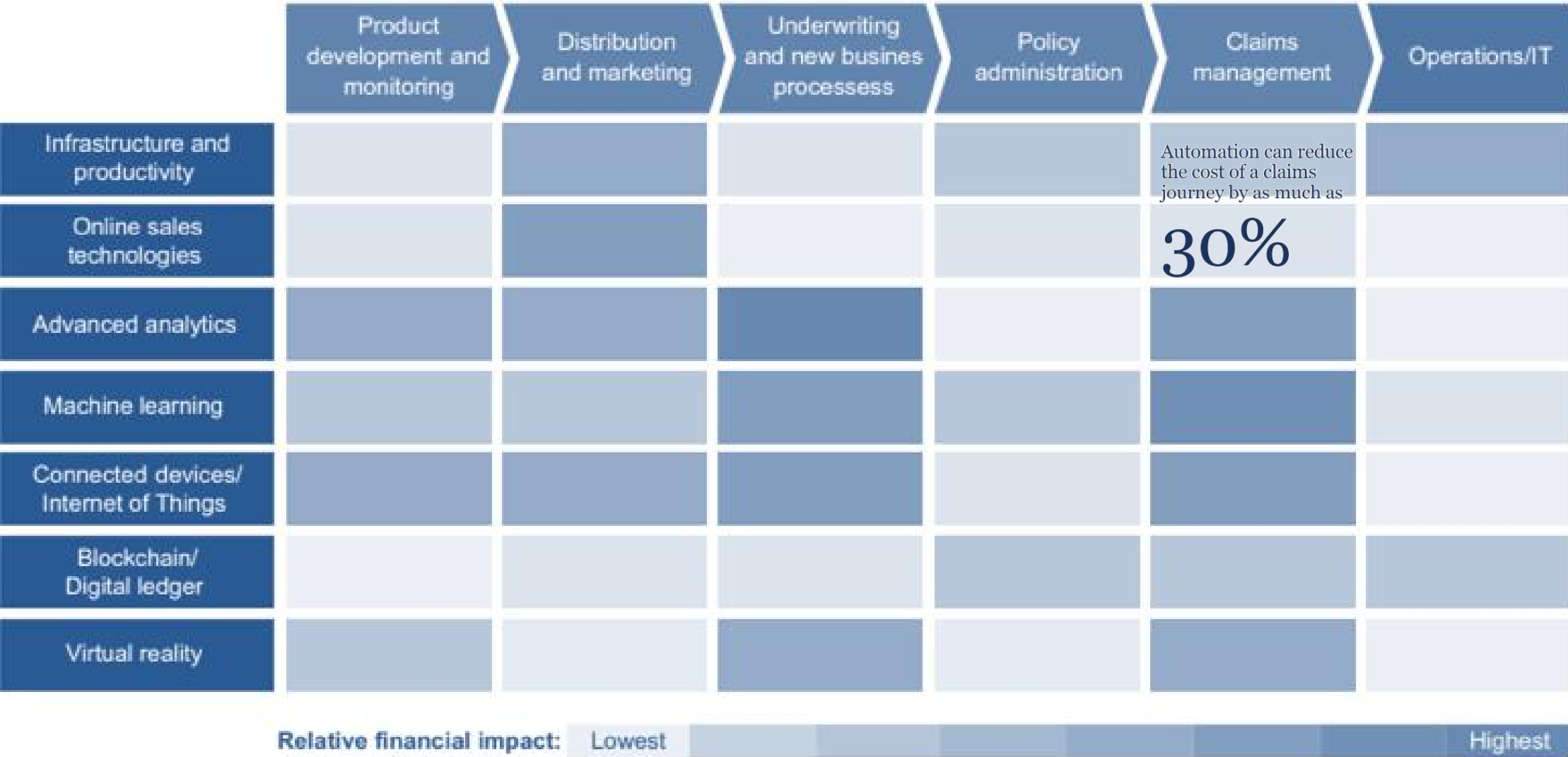
Asset Management

Data & Analytics



Focus of Digital Insurance Interventions





6. Digital Insurance Business Case for Zimbabwe

Real GDP growth, at constant factor prices											
Agriculture											
Industry											
Services											
Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Economic Sector	Transport	Construction	Manufacturing	Health	Agriculture	Trade	Mining	Tourism	Education	Energy	M&E
SDGs	1, 2, 13, 14	9,11, 13	2,9,13	1, 14, 15	9,11, 14,15	1,5,10	14, 13,12		4,5,10, 1	3,5, 1	16

FEB
2022

ESSENTIAL DIGITAL HEADLINES

OVERVIEW OF THE ADOPTION AND USE OF CONNECTED DEVICES AND SERVICES

SOURCE: META'S ADVERTISING RESOURCES, BASED ON DATA PUBLISHED IN JUNE 2021. NOTE: FIGURES REPRESENT VALUES FOR ACTIVE FACEBOOK USERS AGED 18 AND ABOVE.



Households with Radio & TV
32.6% each.

we
are
social KEPIOS

TOTAL
POPULATION



15.21
MILLION

URBANISATION

32.5%

CELLULAR MOBILE
CONNECTIONS



13.64
MILLION

vs. POPULATION

89.7%

INTERNET
USERS



4.65
MILLION

vs. POPULATION

30.6%

ACTIVE SOCIAL
MEDIA USERS



1.55
MILLION

vs. POPULATION

10.2%

Harare South,
Matabeleland, and
Mashonaland West and
Central are the areas with
the most smartphones in
Zimbabwe.

**FEB
2022**

SHARE OF WEB TRAFFIC BY DEVICE

PERCENTAGE OF TOTAL WEB PAGES SERVED TO WEB BROWSERS RUNNING ON EACH KIND OF DEVICE



MOBILE
PHONES



54.78%

YEAR-ON-YEAR CHANGE
+3.5% (+187 BPS)

LAPTOP AND
DESKTOP COMPUTERS



43.46%

YEAR-ON-YEAR CHANGE
-1.5% (-67 BPS)

TABLET
DEVICES



1.75%

YEAR-ON-YEAR CHANGE
-40.5% (-119 BPS)

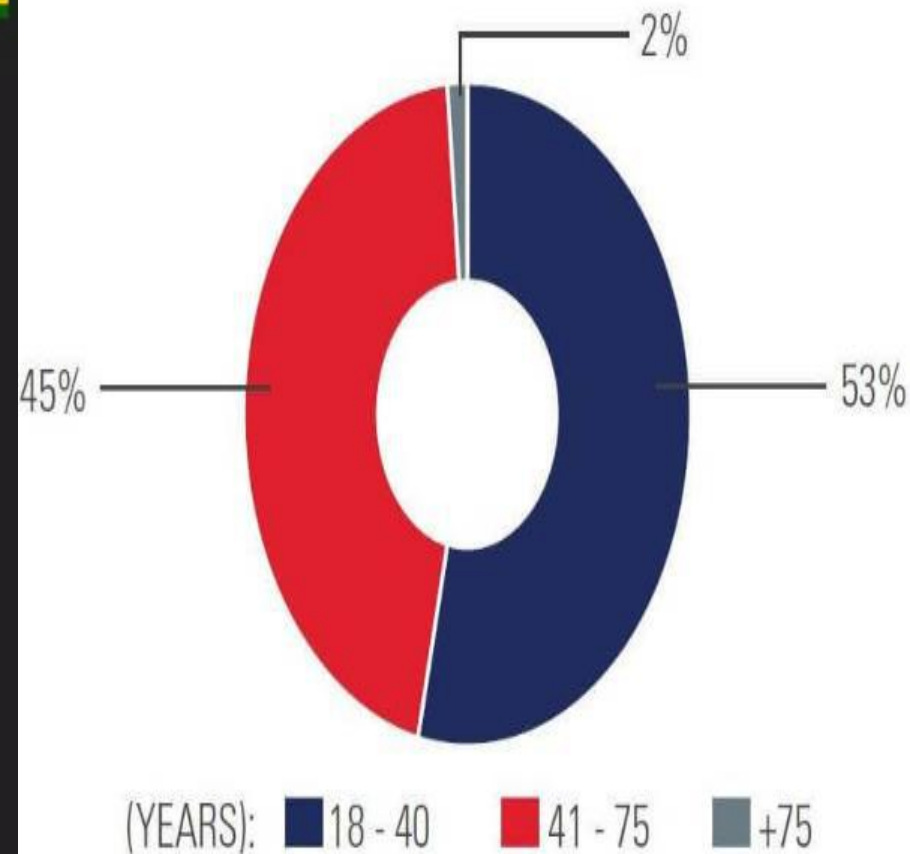
OTHER
DEVICES



0.01%

YEAR-ON-YEAR CHANGE
-50.0% (-1 BP)

Age Distribution



Source: Econet 2020 annual report

POTENTIAL AUDIENCE
THAT META REPORTS
CAN BE REACHED WITH
ADS ON FACEBOOK



1.30
MILLION

TOTAL POTENTIAL REACH
OF ADS ON LINKEDIN



680.0
THOUSAND

TOTAL POTENTIAL REACH
OF ADS ON INSTAGRAM



407.7
THOUSAND

POTENTIAL AUDIENCE
THAT META REPORTS
CAN BE REACHED WITH
ADS ON MESSENGER



288.5
THOUSAND

SOURCE: META'S ADVERTISING RESOURCES, BASED ON DATA PUBLISHED IN JUNE 2021. **NOTE:** FIGURES REPRESENT VALUES FOR ACTIVE FACEBOOK USERS AGED 18 AND ABOVE.

we
are
social

KEPIOS

7. Digital solutions case studies

Digitization



Conversion



Digitalization



Adaption



Digital
Transformation



Evolution

Newgen OmniScan

Scan, Digitise and Deliver



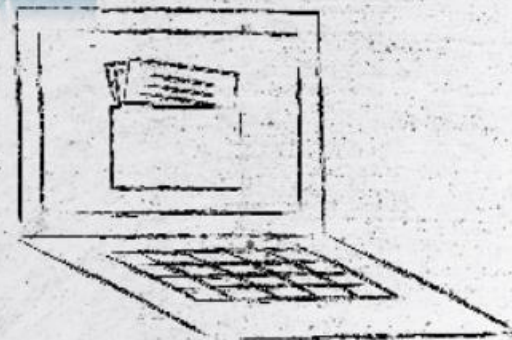
Scan



Transform



Deliver



CAPTURE

Scanner



Automated distributed scanning of batch paper documents.

Web Interface



Capture paper and electronic documents using web application.

DIGITIZE

Enhance



- Image cleansing
- Automatic document separation
- Image compression

Extract



- Bar-code extraction
- OCR, MICR extraction
- Photo and Signature extraction
- Data Validation

Quality Check



- Manual/ Automatic verification of information and documents
- Review and Comments
- Approve – Reject

Reporting



- Total Records Scanned Reports
- Records Exported/ Not Exported Reports
- Audit Reports

Security



- LDAP authentication
- Encrypted communication & storage
- Centralized management of template

DELIVER

Content Repositories



Business Processes (OmniFlow iBPS)



Business Systems

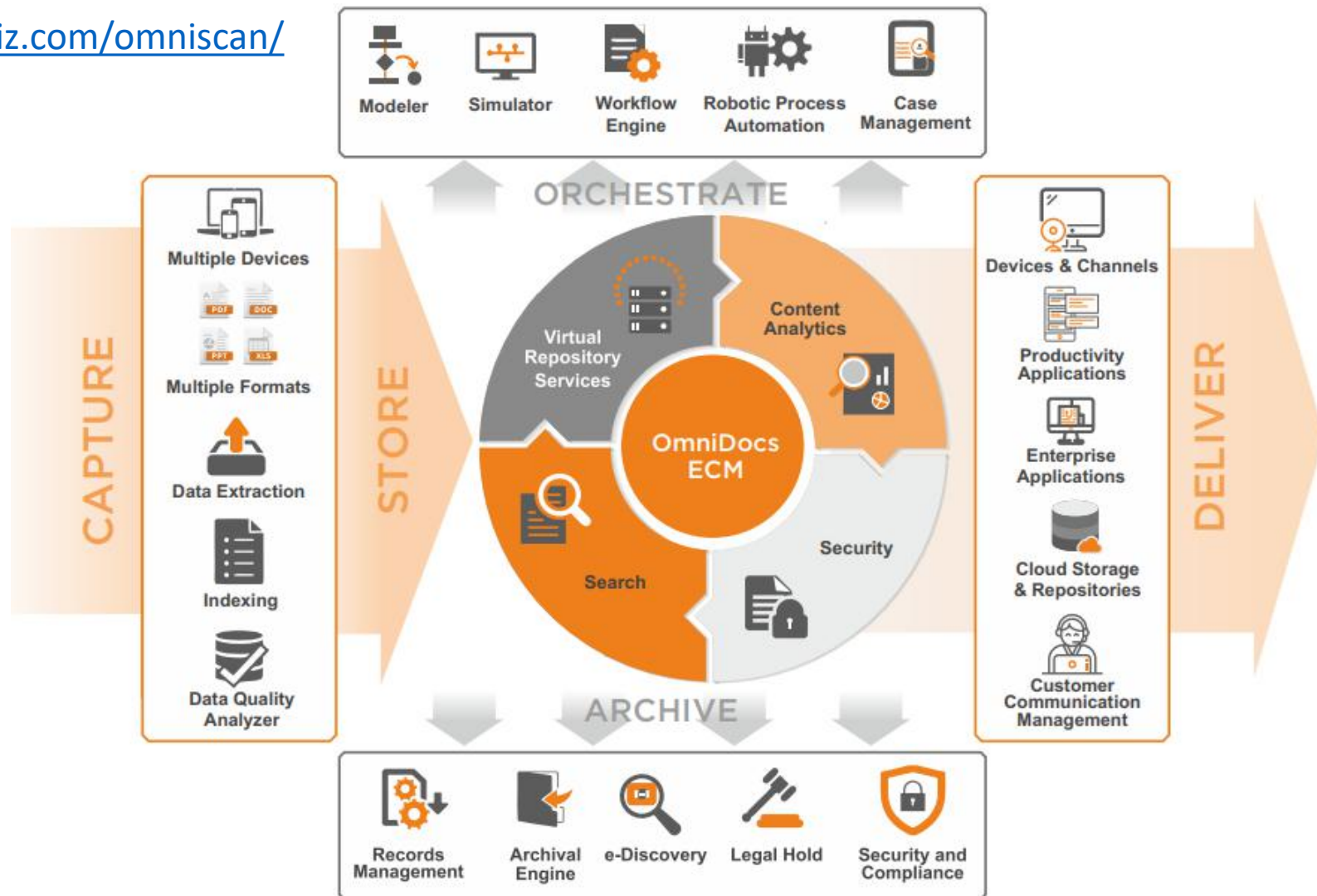


Local Desktop (Hard Drive)



OmniDocs Enterprise Content Management (ECM) Suite

<https://www.ilinkbiz.com/omniscan/>





Bima Kwik
— Reliably Fast —

➔ Get The BimaKwik App.

Get control over all your insurance needs anywhere

- ★ Compare different insurance policies.
- ★ Buy, store & share all your policies online .
- ★ Track your policy status on the go .
- ★ Download your policy with a single tap.

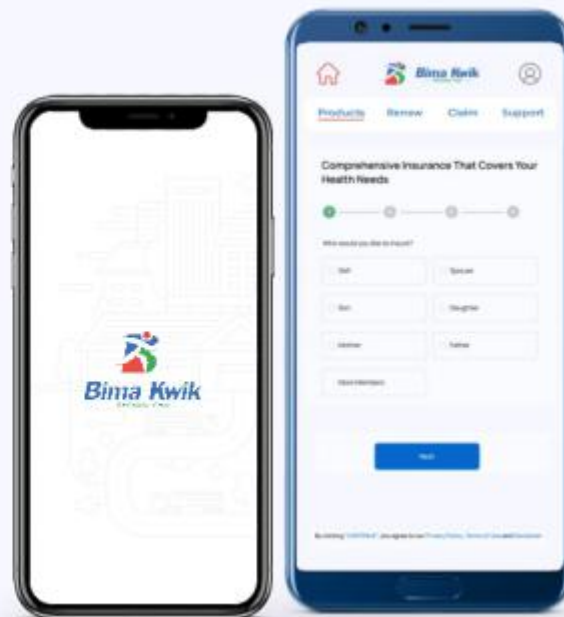
Download our app from



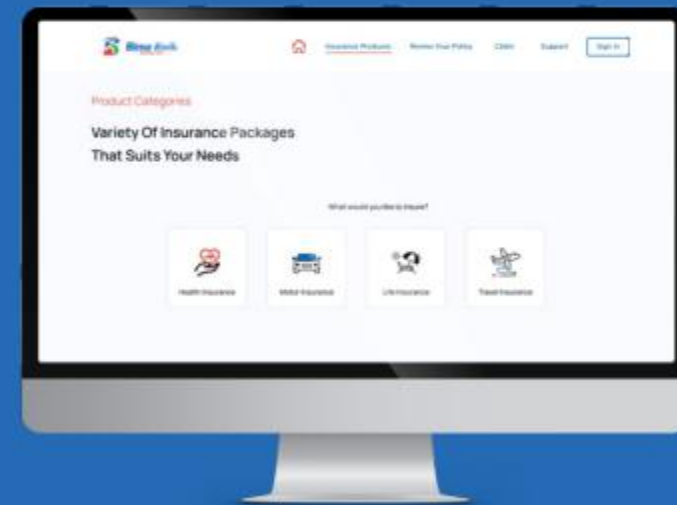
Download on the
App Store



GET IT ON
Google Play



➔ We Offer Ready To Go Insurance Aggregator Websites For You To Start Today.



- ✓ Simple UI / UX
- ✓ Easy to Use
- ✓ Robust Features
- ✓ Customizable
- ✓ Support Available



Bima Kwik
— Reliably Fast —

Custom Portal Design

Online API Integration

Instant Policy Generation

Policy Renewal
Administration

Financial & Non Financial
Endorsements

Policy Issuance
Management

CRM

End-to-End
Management System

Strong Database Security

Point-of-Sale Feature

Tele-caller Panel

End-to-End Integration

Real Time Data
Monitoring

Automation System

Payment Gateway
Integration

8. Digital Strategy

Digitization



Conversion



Digitalization



Adaption



Digital
Transformation



Evolution

ROAD AHEAD: Solutions Across Value Chain

1. Shift from data to strategy

2. Partnerships across the Continent – AIO/AU/AfCFTA

3. Sharing of resources e.g TIRAMIS, Insurance Portal

4. Capacity Building – Agents, Loss assessors/adjustors, brokers

5. Sustainable interventions

1. Collaborate across businesses and functions

2. Support nimble tech-oriented start-ups

3. Create an innovation strategy and fund it

4. Simplicity, accessibility and value

5. Product bundling to increase accessibility

Marketing, Sales
& Distribution

Product
Developments
& Actuary

Risk Analysis,
Pricing &
Underwriting

Onboarding,
Administration,
Customer
Engagement &
Prevention

Claim
Management

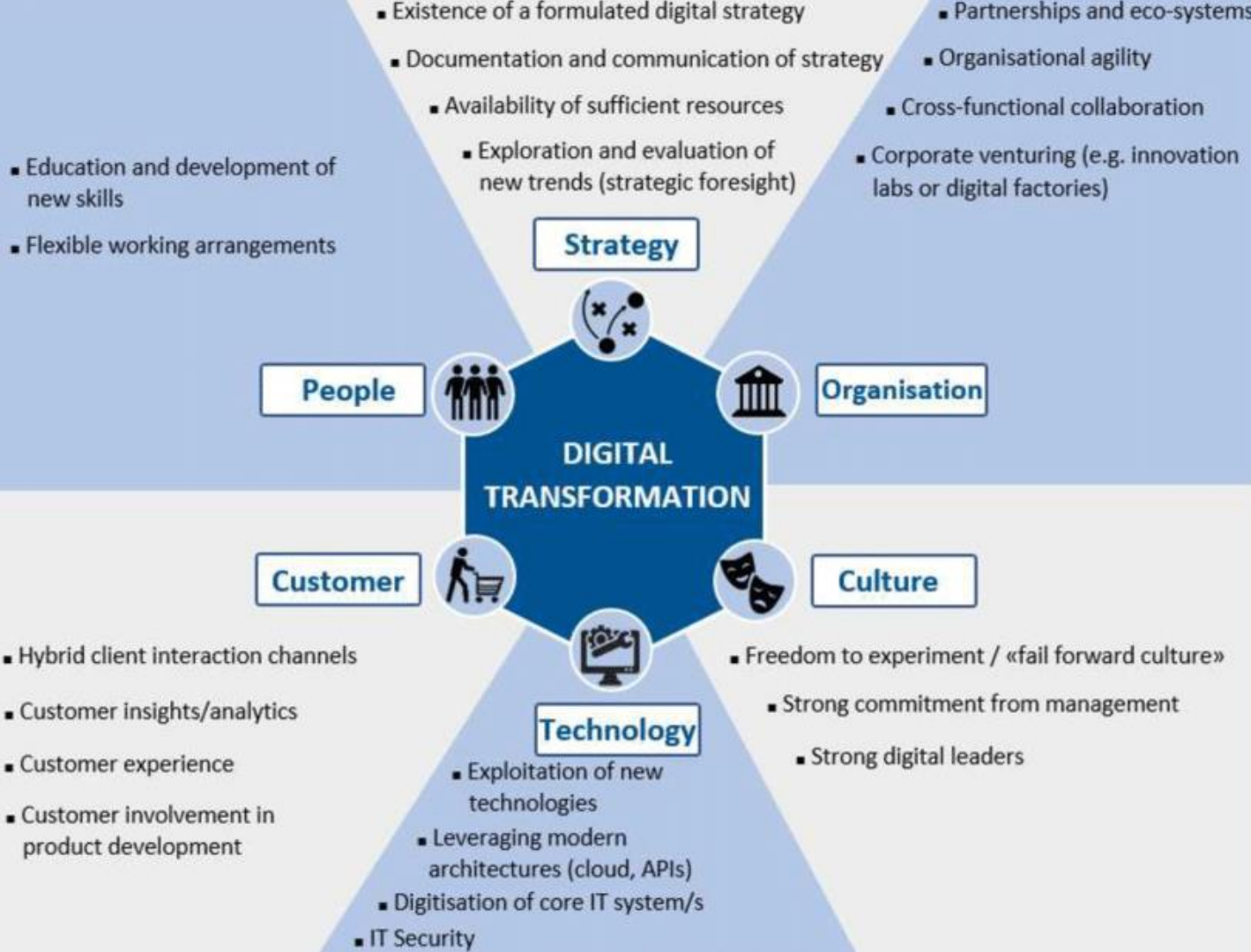
Reinsurance

Asset
Management

Data & Analytics

Recommendations for Business

4.0



Strategy Approach

SDGs
AU 2063
National
Industry

1. Value Chain

2. Coordinated synergies

3. Incentives

4. M&E

Digital Acceleration Strategy

Previous Strategy

- Distributor centricity
- Product focused growth
- Single channel
- Rigid organization
- Process driven
- Efficiency & cost reduction
- Refine UW & claims guidelines
- Continuous improvement

Strategy
Transformation

Digital Strategy

- Customer centricity
- Customer focused growth
- Multi channel
- Adaptive organization
- Technology driven
- Digital & social marketing
- Create life time loyalty
- Tailor made offers to customer
- Fast digital innovation



10 guiding principles of a digital transformation

stage 1. defining value

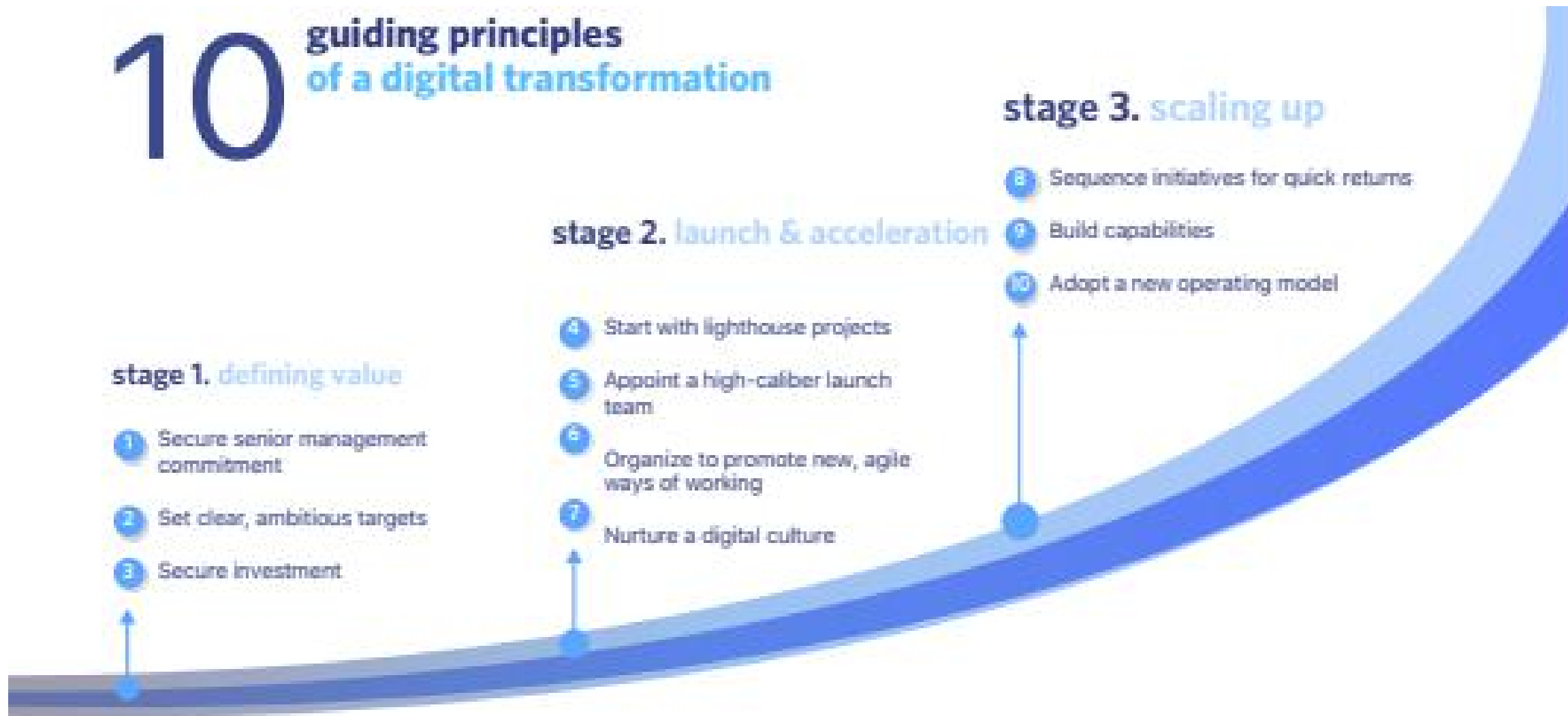
- 1 Secure senior management commitment
- 2 Set clear, ambitious targets
- 3 Secure investment

stage 2. launch & acceleration

- 4 Start with lighthouse projects
- 5 Appoint a high-caliber launch team
- 6 Organize to promote new, agile ways of working
- 7 Nurture a digital culture

stage 3. scaling up

- 8 Sequence initiatives for quick returns
- 9 Build capabilities
- 10 Adopt a new operating model



Digital challenges from various viewpoints

- Digital partners are complicated to navigate
- Pressured time-to-market
- No bandwidth internally
- Channel conflict?



Insurer

- Strict legal/ compliance requirements
- Priority between insurance vs. core products



Digital
Distributor

- Volume
- Long-term alignment of interest
- Lack of real data for meaningful differentiation



Reinsurer

- Life or GI?
- Cautious when product is differentiated
- Data privacy remains key concern



Regulator

- Differentiation
- Scalability remains low, SEA markets require localization



Tech
Provider

9.Digital Future

Digitization



Conversion



Digitalization



Adaption




**Digital
Transformation**



Evolution

INSURANCE MARKET PLACE OF THE FUTURE: VIDEO

The future of insurance digitization



Embedded Ecosystem

APIs connect insurance products to intrinsic underlying risk requirements.

Turns insurance from bolt-on product to service feature.



Artificial Intelligence / Machine Learning

Major trends and opportunities are in pricing and underwriting.

Ranges from construction of products to assessing damage and paying out claims.



Parametrics

The usage of analytics has become easier throughout the years driven by digitization. More accurate risk evaluation results in highly efficient insurance products.

If certain events occur payouts seamlessly can be triggered, resulting in faster and more efficient processes.



Low Code

Demands of market to quickly adapt to change implies need for simple, fast development.

Low/No-code graphical interfaces bridge changes and accelerate development.



Blockchain

Smart contracts and registers on the Blockchain will provide secure, clean and irrefutable ledgers.

Easy accessibility and impossibility to change results in increased trust between customers and providers.



Telematics

The adoption of telematics-based insurance products is being driven by the desire to offer more personalized pricing to customers. By analyzing and evaluating collected data, tailored insurance solutions can be provided.

Telematics could also be used to detect fraudulent behavior.

Partnerships, scale, and speed:
The hallmarks of a successful
IoT strategy

Insurers need to offer consumers a wider, more relevant and appealing set of offerings and experiences, but they can't do it alone. The right partners can bring the skills, scale and scope necessary to help incumbent insurers lock in on a profitable ecosystem opportunity.

"I can't do this"

"I'll show you"



Clear the misunderstanding



Spend time with each other



Show some love and affection



Trust each other

How to resolve conflict in a relationship



An increasingly digital and AI-driven world

As digital innovation and adoption continue to fundamentally reshape the risk landscape, they also create new opportunities for those insurers that can innovate at pace.

The impacts of technology on our lives and our insurable risks from developments such as self-driving cars, robotic factories, embedded sensors, crypto assets and non-fungible tokens (NFTs) are arriving at a fast and furious pace. In their 2021 *Technology and innovation report*,³ UN analysts estimated that the size of the frontier technologies market will multiply by a factor of nine by

³ United Nations Conference on Trade and Development, *Technology and innovation report 2021*, 25 Feb 2021, unctad.org/webflyer/technology-and-innovation-report-2021.

Figure 3: The boom in frontier technologies is expected to continue through 2025
Market size estimates of frontier technologies (US\$bn)



Sources: PwC Market Research Centre, United Nations Conference on Trade and Development



Re imagining the business

- Engage in digital ecosystems.
- Build unique customer intelligence.
- Build products and services to meet the demands of a digital world.
- Disrupt your distribution.
- Re-engineer the value chain as a set of digital services.
- Adopt a digital mindset.





Building momentum for cultural change

DIGITAL
TRANSFORMATION
IS NOT ABOUT
TECHNOLOGY
AT ALL. IT IS
ABOUT PEOPLE.

JOSH BERSIN

"90% OF CEOS BELIEVE THE DIGITAL
ECONOMY WILL IMPACT THEIR INDUSTRY,
BUT LESS THAN 15% ARE EXECUTING ON A
DIGITAL STRATEGY"

MIT Sloan & Capgemini



REGULATORS RETREAT FOR AFRICA



Event Concept

Africa Insurance: Winning Together in AfCFTA

REFLECT, RELAX, NETWORK

Arusha, Tanzania

30 November – 2 December 2022



REGISTER @

retreat.acisp.ac.tz/home

Topics will include

- ❖ Inclusive Insurance
- ❖ Retention
- ❖ Sandbox & RBS
- ❖ Complex & Emerging Risks
- ❖ Capacity Building
- ❖ SROs
- ❖ IFRS 17
- ❖ Harmonization of regulations
- ❖ Excursion: Visiting
Ngorongoro, Arusha Park, Mt.
Kilimanjaro.

Ndafara kutaura newe. Waita hako.

Contacts

Anselmi Anselmi

Mob: +255713655934

email: anselmi.anselmi@acisp.africa



Strategy & Innovation





ABOUT ACISP

Africa College of Insurance and Social Protection (ACISP) is a Modern Urban Pan African College providing performance and competence based capacity building solutions in the fields of Finance, particularly Insurance, Risk Management, Social Protection and Leadership. The College strives to bring new guidance and leadership to the mankind and share innovative ideas so as to escalate performance of the industry players and become a Bridge between Industry and Academia.

Vision: To be a premier performance based college globally renowned for its programmes for the insurance and related financial services industry.



Mission: To bridge the gap between industry and academia by enhancing performance of players in insurance and financial sector so as to contribute to insurance growth in Africa.

Proud Member of

