



Vozi

Insurance Distribution Channels : Insight for insurers.

P R E S E N T A T I O N B Y

Lloyd Mukanwa

”

**Adaptability and
constant innovation is
key to the survival of
any company operating
in competitive
market!**

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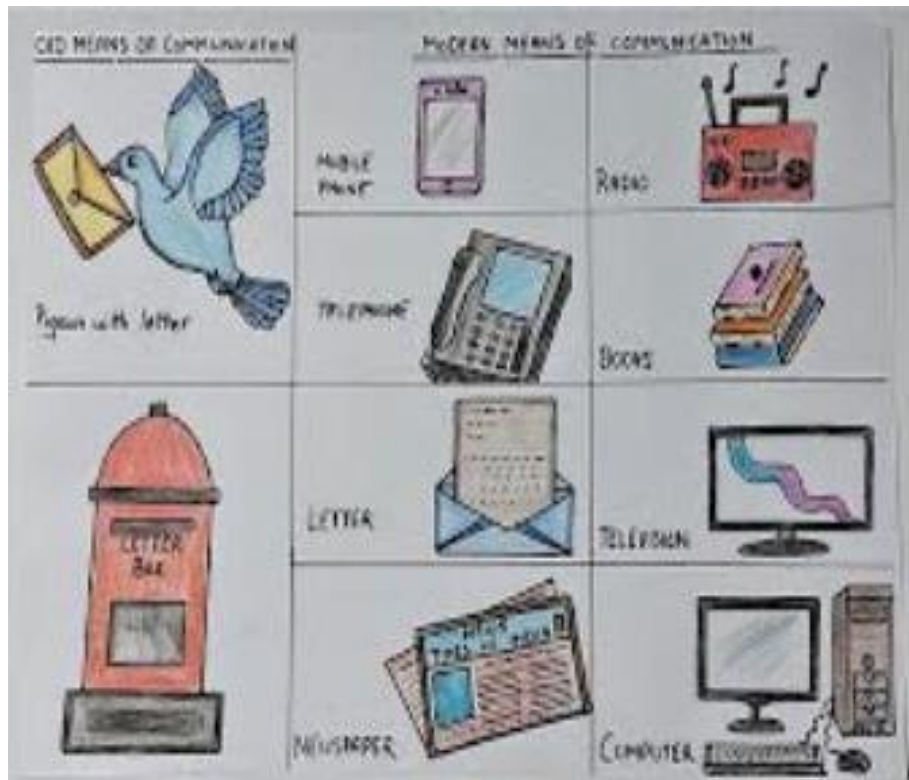
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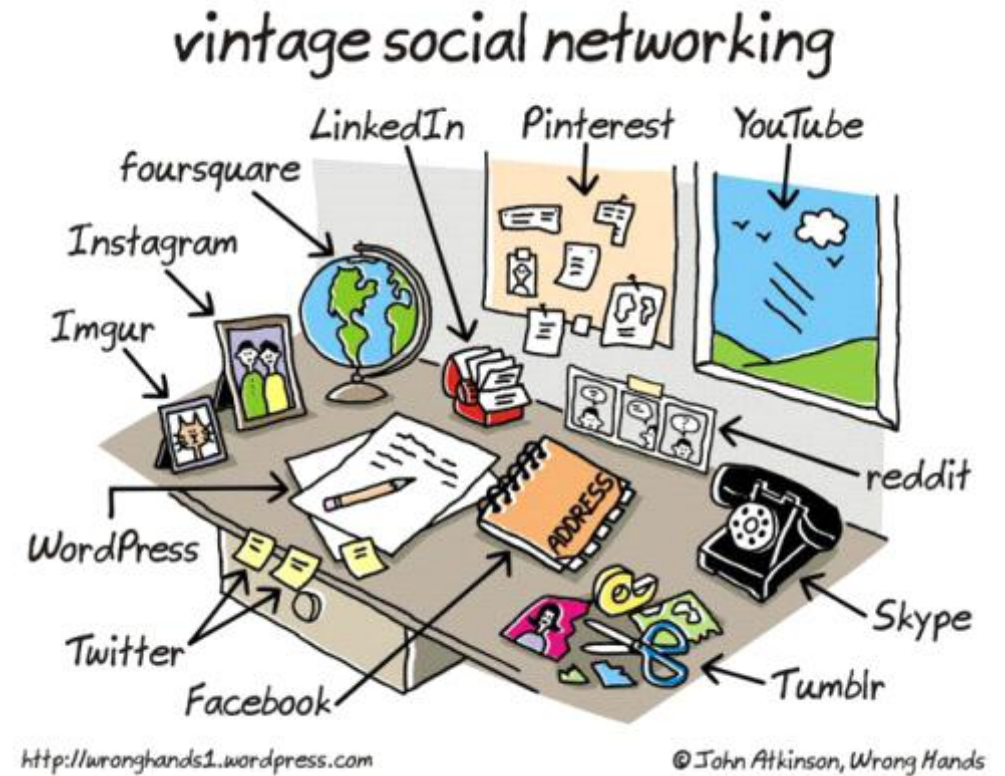
THE CHANGING TIMES



1990-1999



2000-2022





The Changing Landscape of Insurance Distribution

- In today's world, insurance is no longer just sold through traditional channels such as agents and brokers.
- Instead, new distribution channels are emerging, driven by advances in technology, financial inclusion and changing consumer preferences.
- Over the years, we have seen a shift towards more direct-to-consumer models, online market places, Automated machines, Bundling of insurance products eg Agriculture Parametric and even point of sale insurance.
- These emerging channels offer unique advantages and challenges that insurers must navigate in order to stay competitive.
- **In this presentation, we will explore these changes in depth and discuss how insurers can adapt to this evolving landscape.**

02



TRADITIONAL DISTRIBUTION CHANNELS

How many of you have purchased insurance through an insurance agent or broker?
What factors influenced your decision?

Traditional distribution channels in insurance refer to the **methods that have been used for many years, such as agents and brokers.**

These channels have strengths and weaknesses that need to be considered when choosing a distribution strategy. For example, agents can provide personalized service and build relationships with customers, but they may not be as cost-effective as other channels.

Brokers, on the other hand, can offer access to multiple insurers and help customers find the best policies for their needs.

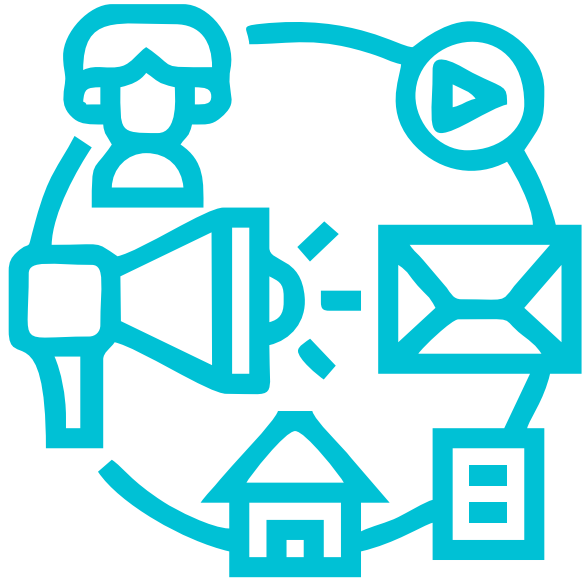
However, they may not always act in the best interest of the customer and may prioritize commissions over finding the best policy.

Despite these limitations, traditional channels remain popular in the insurance industry and have played an important role in its evolution.

T R A D I T I O N A L D I S T R I B U T I O N C H A N N E L S



EMERGING DISTRIBUTION CHANNELS



- As the insurance industry evolves, so do the channels through which insurers distribute their products. Emerging distribution channels, such as **online marketplaces and direct-to-consumer models**, are gaining popularity due to their **convenience and accessibility**. (Financial inclusion) •
- One advantage of online marketplaces is that **they allow customers to compare policies from multiple insurers in one place, making it easier to find the best deal.** •
- Direct-to-consumer models, on the other hand, cut out the middleman and offer policies directly to customers, often at a lower cost Disintermediation •
- However, these channels also have their disadvantages, such as limited personal interaction with an agent or broker.
- Despite this, many insurers are embracing these emerging channels to reach new customers and improve their distribution strategies.

EMERGING DISTRIBUTION CHANNELS

DISTRIBUTION

consultancy

EMERGING DISTRIBUTION CHANNELS





KEY TRENDS IN INSURANCE DISTRIBUTION



- The insurance industry is constantly evolving, and two key trends in distribution are: the rise of insurtech and 2. the increasing use of data analytics.
- **Insurtech companies** are leveraging technology to disrupt traditional distribution channels and create new opportunities for insurers. **Data analytics** is being used to improve customer experience, identify new market opportunities, and streamline processes.
- To stay ahead of the curve, insurers need to embrace these trends and adapt their distribution strategies accordingly. •
- This means investing in technology, partnering with insurtech companies, and building a data-driven approach to distribution. It also means focusing on customer experience and using data analytics to personalize interactions with customers.

KEY TRENDS IN INSURANCE DISTRIBUTION





ROLE OF TECHNOLOGY IN INSURANCE DISTRIBUTION



- Technology has played a crucial role in transforming the insurance industry, especially when it comes to distribution.

- Insurers are leveraging technology to improve customer experience and streamline processes. For example, some insurers are using **chatbots** to provide instant customer service, while others are using **data analytics** to personalize their offerings.

- By adopting technology, insurers can also improve their distribution channels. For instance, they can use mobile apps to make it easier for customers to purchase policies or file claims. (CBZ Touch)
(How many of you are using cbz touch ?)

- They can also use social media to reach new audiences and build brand awareness. Overall, technology is helping insurers to create more efficient and effective distribution channels that benefit both customers and businesses.

ROLE OF TECHNOLOGY IN INSURANCE DISTRIBUTION



CUSTOMER
EXPERIENCE

The Importance of
CUSTOMER EXPERIENCE

The Importance of **CUSTOMER EXPERIENCE**

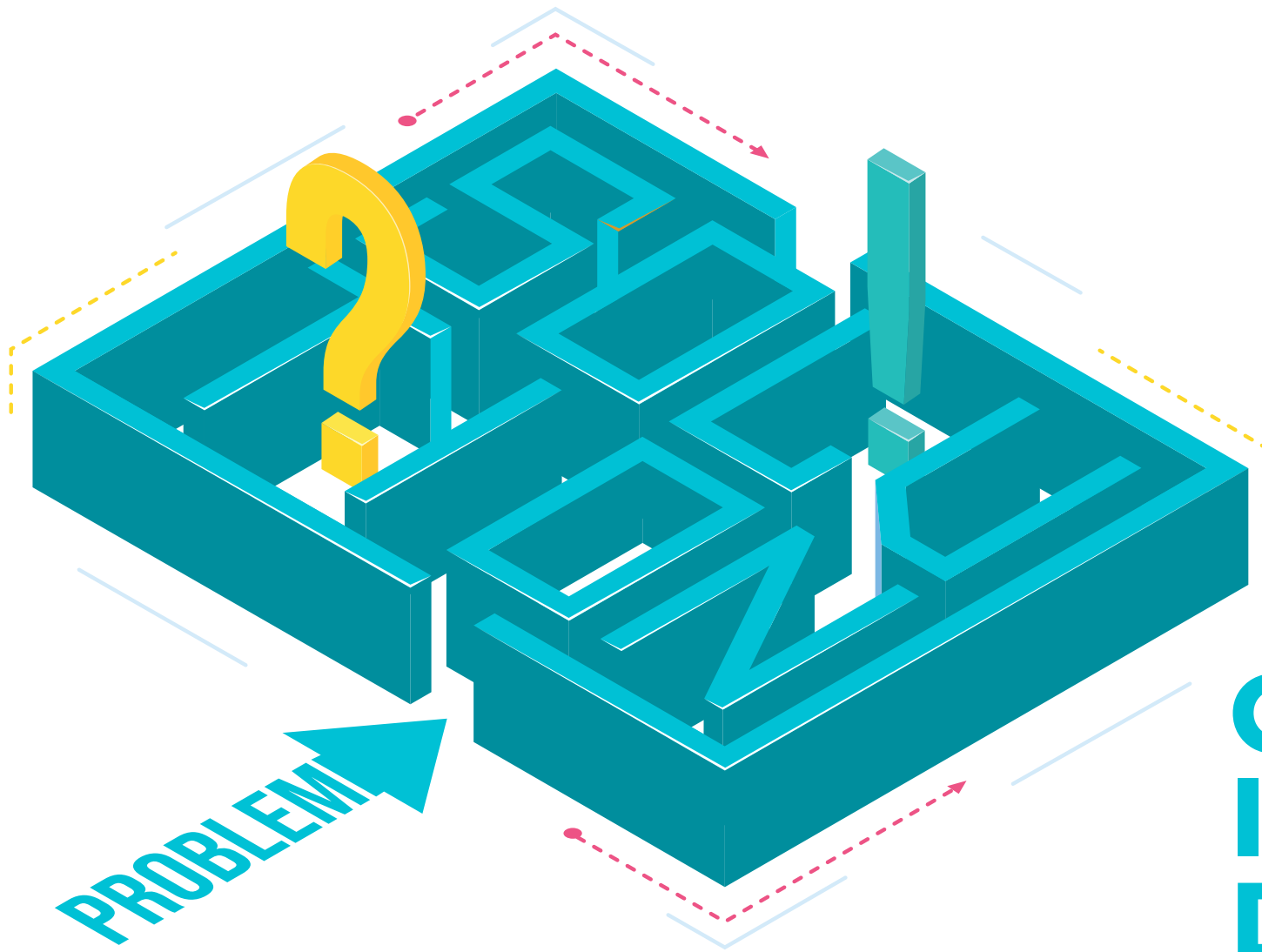
CUSTOMER
EXPERIENCE

- In today's competitive insurance market, customer experience is more important than ever. A positive customer journey can **impact customer loyalty and retention**, leading to long-term profitability for insurers.
- Insurers are improving their customer experience by offering personalized services, simplifying processes, and leveraging technology to provide seamless interactions.
- For example, some insurers are using chatbots to provide instant assistance to customers, while others are offering mobile apps that allow customers to manage their policies on-the-go.
- To create a positive customer journey, insurers should focus on understanding their customers' needs and preferences. This can be achieved through customer feedback, data analytics, and market research.
- Insurers should also simplify their processes and eliminate unnecessary steps to make it easier for customers to do business with them. (I hate completing forms !! People are busy out there!!)
- Finally, insurers should leverage technology to provide a seamless and convenient customer experience across all channels.

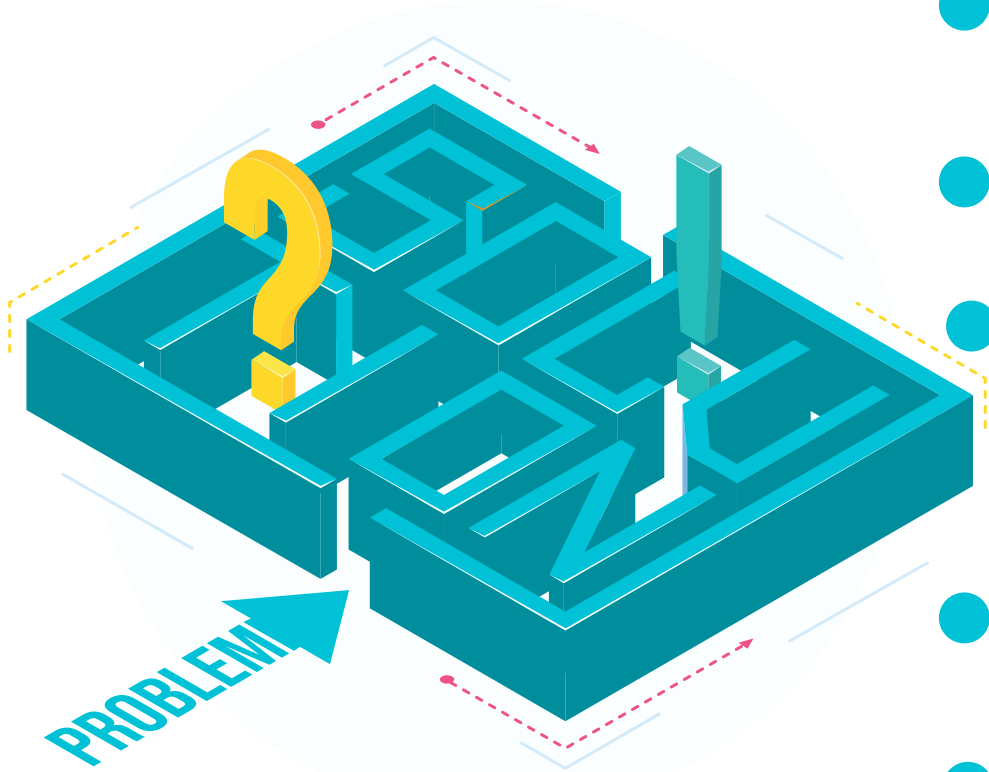
THE BENEFITS OF MULTI CHANNEL APPROACH

Do you believe that a combination of different distribution channels is more effective for insurance companies? Why or why not?

- A multi-channel approach to insurance distribution offers a number of benefits for insurers. By using multiple channels, **such as agents, brokers, online marketplaces, and direct-to-consumer models, insurers can improve customer experience and reach new markets.**
 - For example, a customer who prefers to purchase insurance online can do so through an insurer's website, while a customer who prefers to work with an agent can do so through a local office.
 - In addition to improving customer experience, a multi-channel approach can also help insurers reach new markets.
 - For example, an insurer that only sells through agents may miss out on customers who prefer to purchase insurance online. By offering multiple channels, insurers can reach a wider range of customers and increase their market share.
- However, it is important for insurers to implement a multi-channel approach strategically and ensure that each channel is aligned with the overall distribution strategy



CHALLENGES IN INSURANCE DISTRIBUTION



- The insurance industry is facing a number of challenges in distribution, including **regulatory hurdles and competition from new entrants**.
 - In recent years, regulators have increased their scrutiny of the industry, imposing stricter rules and requirements on insurers.
 - This has made it more difficult for insurers to operate and has increased their costs.
- At the same time, new entrants are disrupting the industry with innovative business models and technologies.
- Insurtech companies, are using data analytics and artificial intelligence to offer personalized policies and streamlined processes.
 - This is putting pressure on traditional insurers to adapt and innovate.

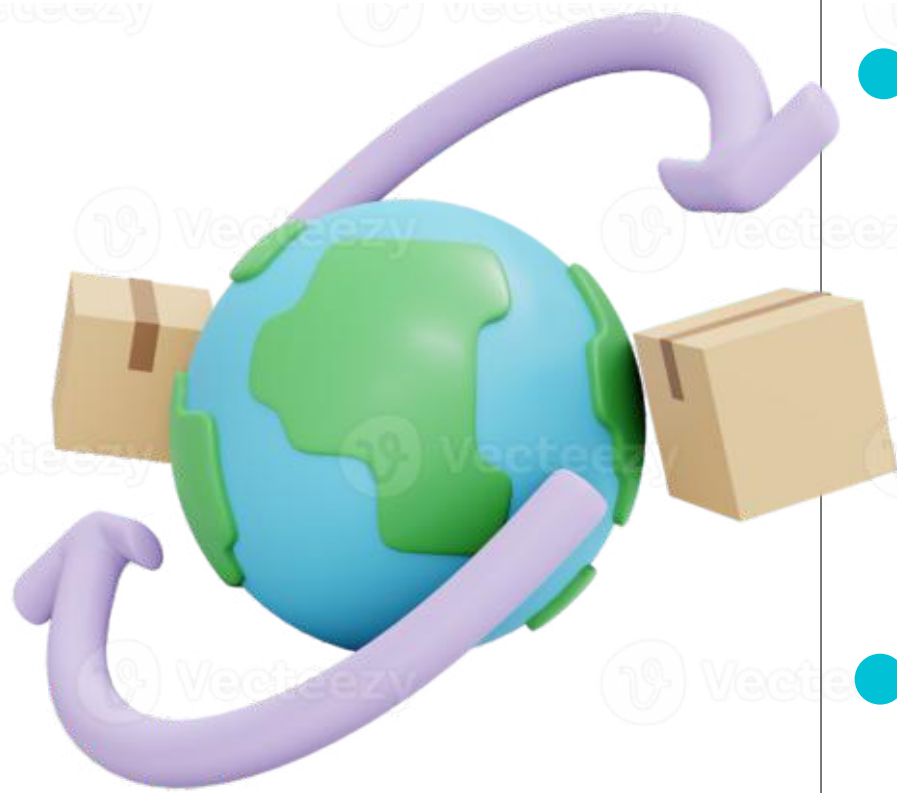
**CHALLENGES
IN INSURANCE
DISTRIBUTION**

ADAPT & INNOVATE OR DIE



CREATING A SUCCESSFUL DISTRIBUTION STRATEGY

A D A P T & I N N O V A T E O R D I E



CREATING A SUCCESSFUL DISTRIBUTION STRATEGY

- Have you ever had a negative experience with an insurance distribution channel? If so, what happened and how do you think it could have been avoided?

Creating a successful distribution strategy requires a clear understanding of your target markets and the channels that are most effective in reaching them. **For example you want to sell a legal insurance policy Mola, Chalala, Siakobvu - Which suitable channel can we use ???**

- Start by conducting a market research to identify the needs and preferences of your target customers, and use this information to develop a targeted marketing plan.
- Consider factors such as cost, reach, and effectiveness when evaluating different channels, and be prepared to adapt your strategy as market conditions change.
- Finally, establish metrics for measuring success and regularly evaluate your performance to ensure that you are meeting your goals

The Role of Insurtech in Insurance Distribution



- Insurtech, or insurance technology, is changing the landscape of insurance distribution by disrupting traditional channels and creating new opportunities.
- Insurtech companies are leveraging technology to improve customer experience, streamline processes, and offer innovative products and services.
- For example, some insurtech companies are using artificial intelligence and machine learning to personalize insurance policies based on individual risk profiles.
- Others are using blockchain technology to create decentralized insurance platforms that offer greater transparency and security.
- These innovations are creating new opportunities for insurers to reach underserved markets and offer tailored products and services.

IT'S NOT ONE SIZE THAT FITS ALL



The Importance of Data Analytics in Insurance Distribution



The Importance of Data Analytics in Insurance Distribution

- Data analytics is becoming increasingly important in insurance distribution as it can provide valuable insights into customer behavior and preferences.
- By analyzing data, **insurers can better understand their customers' needs and tailor their products and services accordingly.**
- In addition to improving customer experience, data analytics can also help insurers identify new market opportunities and optimize their distribution channels.
- Best practices for implementing a data-driven approach include investing in the right technology and talent, ensuring data quality and accuracy, and regularly monitoring and evaluating results.

THE FUTURE OF INSURANCE DISTRIBUTION



THE FUTURE OF INSURANCE DISTRIBUTION



- The future of insurance distribution is set to be shaped by **technology and changing consumer preferences**. With the rise of insurtech and the increasing use of data analytics, insurers will need to adapt their distribution channels to stay ahead of the curve.

- One key trend that is likely to shape the industry is the move towards a **more personalized customer experience**. This will require insurers to leverage data analytics to better understand their customers' needs and preferences, and to offer tailored products and services.

- Another trend that is likely to impact insurance distribution is the growing importance of digital channels.

- As consumers become increasingly comfortable with online interactions, insurers will need to provide seamless digital experiences across all touchpoints.

- This will require investments in technology and a focus on creating user-friendly interfaces that make it easy for customers to access information and purchase policies.

- Finally, insurers will need to be agile and adaptable in the face of changing market conditions. This will require a willingness to experiment with new distribution channels and to pivot quickly as needed

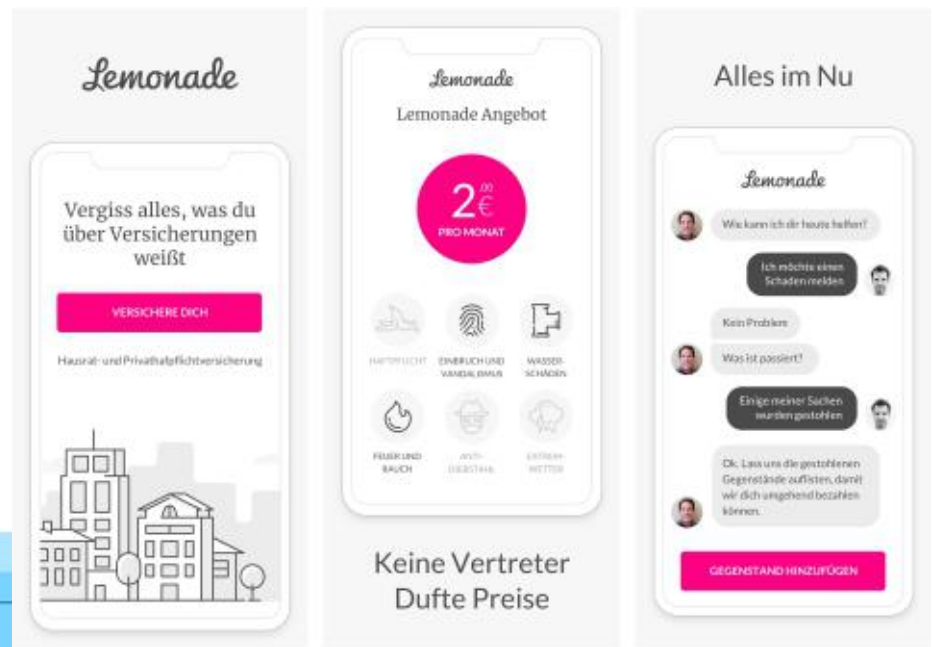


- Zimnat is an insurance company that has successfully used a multi-channel approach to reach new markets and improve customer experience. **(Currently has 241 Agents nationwide)(Recently awarded the most innovative insurance company award in Zim)**
- By offering customers the ability to purchase insurance online or through their mobile app, as well as through traditional agents, • Zimnat has been able to expand its customer base and provide a more convenient experience for its policyholders.
- One key factor in Zimnat's success has been its use of data analytics to better understand customer needs and preferences. By analyzing customer data, • Zimnat has been able to identify new market opportunities and tailor its products and services to meet the evolving needs of its customers.
- Additionally, it has invested heavily in technology to improve its distribution channels and streamline its processes, which has helped to reduce costs and increase efficiency.

CASE STUDY

metromile
Pay-per-mile car insurance is here.

- Metromile is an insurtech company that has disrupted the insurance industry by offering **pay-per-mile insurance**. • This innovative approach to car insurance has resonated with consumers who are **looking for more flexible and affordable options**.
 - One of the key factors that has contributed to Metromile's success is their use of technology to streamline the insurance process. • Customers can easily track their mileage and manage their policy through a mobile app, which has helped to create a seamless customer experience.
 - Additionally, Metromile's focus on transparency and simplicity has made them a popular choice among younger drivers who are looking for a more modern approach to insurance.
- Best Practices



Lemonade is a prime example of how technology and a customer-centric approach can disrupt the insurance industry. By leveraging AI and machine learning, Lemonade has been able to offer customers a seamless and personalized experience, from getting a quote to claim. • Their focus on transparency and social responsibility has also resonated with consumers, leading to high levels of customer satisfaction and loyalty.

One key factor that has contributed to Lemonade's success is their use of behavioral economics. By understanding how customers make decisions, Lemonade has been able to create a pricing model that incentivizes good behavior and reduces fraud.

They have also made it easy for customers to donate any unused premiums to charity, creating a sense of social responsibility and community involvement. • Other insurers can learn from Lemonade's example by embracing new technologies, focusing on customer needs, and incorporating behavioral economics into their pricing models.



**The BEST
practice for
Insurance
Distribution**



The BEST practice for Insurance Distribution

- To create a successful insurance distribution strategy, it is important to take a multi-channel approach.
- This means leveraging traditional channels like agents and brokers, as well as emerging channels like online marketplaces and direct-to-consumer models.
- By diversifying your distribution channels, you can improve customer experience and reach new markets.
- Another key best practice is to prioritize customer experience. This means using technology to streamline processes and provide personalized service.
- It also means being transparent and responsive to customer needs. By focusing on customer experience, you can build trust and loyalty with your customers.

CONCLUSION

- In conclusion, we have discussed the changing landscape of insurance distribution, from traditional channels such as agents and brokers to emerging channels like online marketplaces and direct-to-consumer models.

- We highlighted key trends in the industry, including the role of technology and data analytics and discussed best practices for creating a successful distribution strategy.

- What is the key take away here ????

- It is clear that insurers must adapt to these changes in order to stay competitive and meet the evolving needs of customers.

- By leveraging technology, improving customer experience, and adopting a multi-channel approach, insurers can improve their distribution channels and reach new markets.

- We encourage all insurers to take action and embrace these strategies to prepare for the future of insurance distribution.



ADAPT & INNOVATE



QUESTIONS AND ANSWERS

- Thank you for your attention throughout the presentation. We hope that it has been informative and thought-provoking.
- Remember, there are no stupid questions, Now, we would like to open up the floor for any questions you may have regarding insurance distribution channels. .
- We look forward to hearing from you and engaging in a lively discussion

GET IN TOUCH

**For more information
or direct contact :
Calls +263774154556
Email mukanwalloyd@gmail.com.**

**I am always happy to answer any questions
you may have about how we can help your
company improve its distribution strategy.**

**You can also follow my social media pages for
updates and insights on the latest trends in
insurance on Twitter, LinkedIn, and Facebook.**



Our Presentations References

- **1. Insurance Distribution Channels: Trends and Outlook (Deloitte, 2019)**
- **2. Insurtech: A Golden Opportunity for Insurance Companies (McKinsey & Company, 2018) •**
- 3. The Future of Insurance Distribution New Models for a Digital Age (Accenture, 2018)**
- **4. Customer Experience in the Insurance Industry (PwC, 2019)**
- **5. Pay-As-You-Drive Auto Insurance: A Simple Way to Reduce Driving-Related Harms and Increase Equity (RAND Corporation, 2008)**

Thank you!

01

Thank you for taking the time to learn about the changing landscape of insurance distribution.

02

We hope that this presentation has provided you with valuable insights and actionable strategies for improving your distribution channels.

03

If you have any questions or would like to learn more in this respective , please don't hesitate to reach out