



IIZ 2023 ANNUAL CONFERENCE

**LEAD THE NEW ERA OF INSURANCE: DIGITAL |
PERSONALISED | PREVENTATIVE.**

By

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OUTLINE

The New Era

Digital

Personalization

Preventative

The convergence of the 3 streams

Concluding Remarks



The New Era





DIGITAL + CUSTOMER EXPERIENCE = CUSTOMER CENTRICITY

The modern insurance Customer



Self-directed

Looks for what he wants, anytime, anywhere



Experiential

Looks for "unique experiences" tailored to his personality & preferences



Co-productive

Engages with service providers in product co-creation



Social

Relies on "wisdom of crowds" (social media blogs) to share



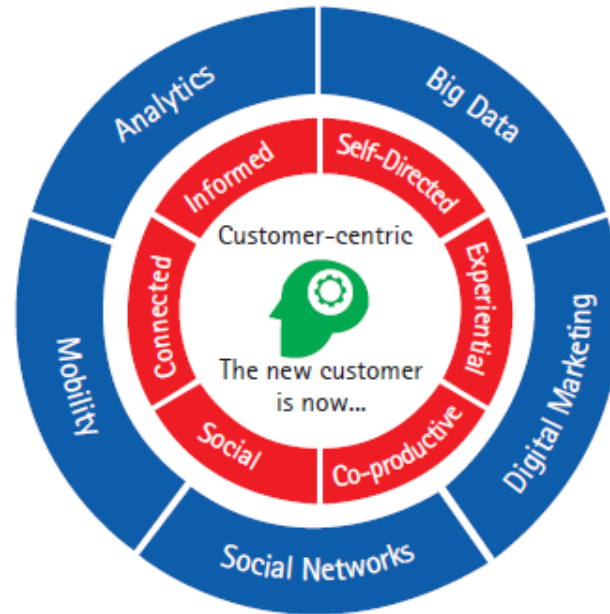
Connected

Switched on to multiple devices & channels



Informed

Gets relevant content with high frequency



Changing customer behavior

71% of consumers are willing to purchase insurance via digital channels

67% would be interested in being offered insurance via their mobile devices

48% regard product advice on social media as "important" or "very important"

67% would consider buying insurance from non-insurers such as online service providers or retailers

40% say they are likely to change their home / auto insurer in the next 12 months

80% would switch for more personalized services

Source: Accenture *The Customer-centric Insurer in the Digital Era*

What customers increasingly demand of their insurer



CUSTOMER CENTRICITY=VALUE CREATION

Emerging strategic transformation

Traditional strategies



- Narrow focus on specific insurance products
- Specialized /standardized approach
- Underwriting excellence and capital efficiency
- Low cost /low price
- Process industrialization and optimization (“digitization”)



Emerging strategies



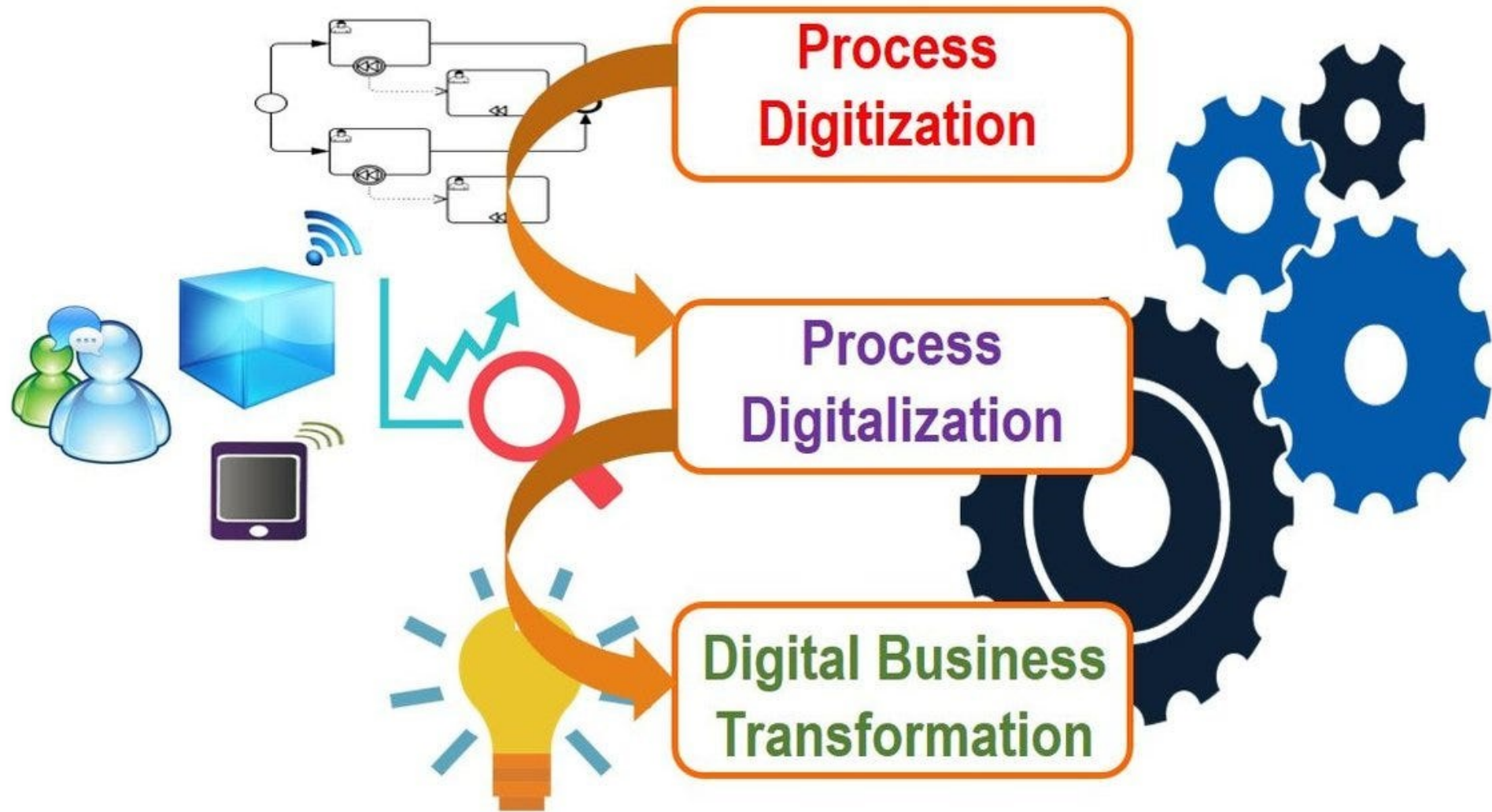
- Multiply interactions with customers (**Digital**)
- Everyday life, through differentiation on customer experience (**Personalization**)
- Real-time analytics , telematics, IoT, location intelligence, tracking devices (**Preventative**)



Digital



Digitization vs. Digitalization vs. Digital Transformation



The Future of Insurance is beckoning

So, what is digitalization & digitization?

- ❑ Process of using digital technologies and tools to transform traditional insurance operations and processes.
- ❑ Adoptions of digital solutions to streamline and automate various aspects of the insurance industry
- ❑ Gaining insights from in depth information processing.

Policy management

- Streamline policy issuance, modification and renewal processes
- Policyholders can apply for insurance, receive quotes, and modify their policies online

Claims Processing

- Use of AI to validate claims
- E-payment
- E-reconciliation
- Fraud detection

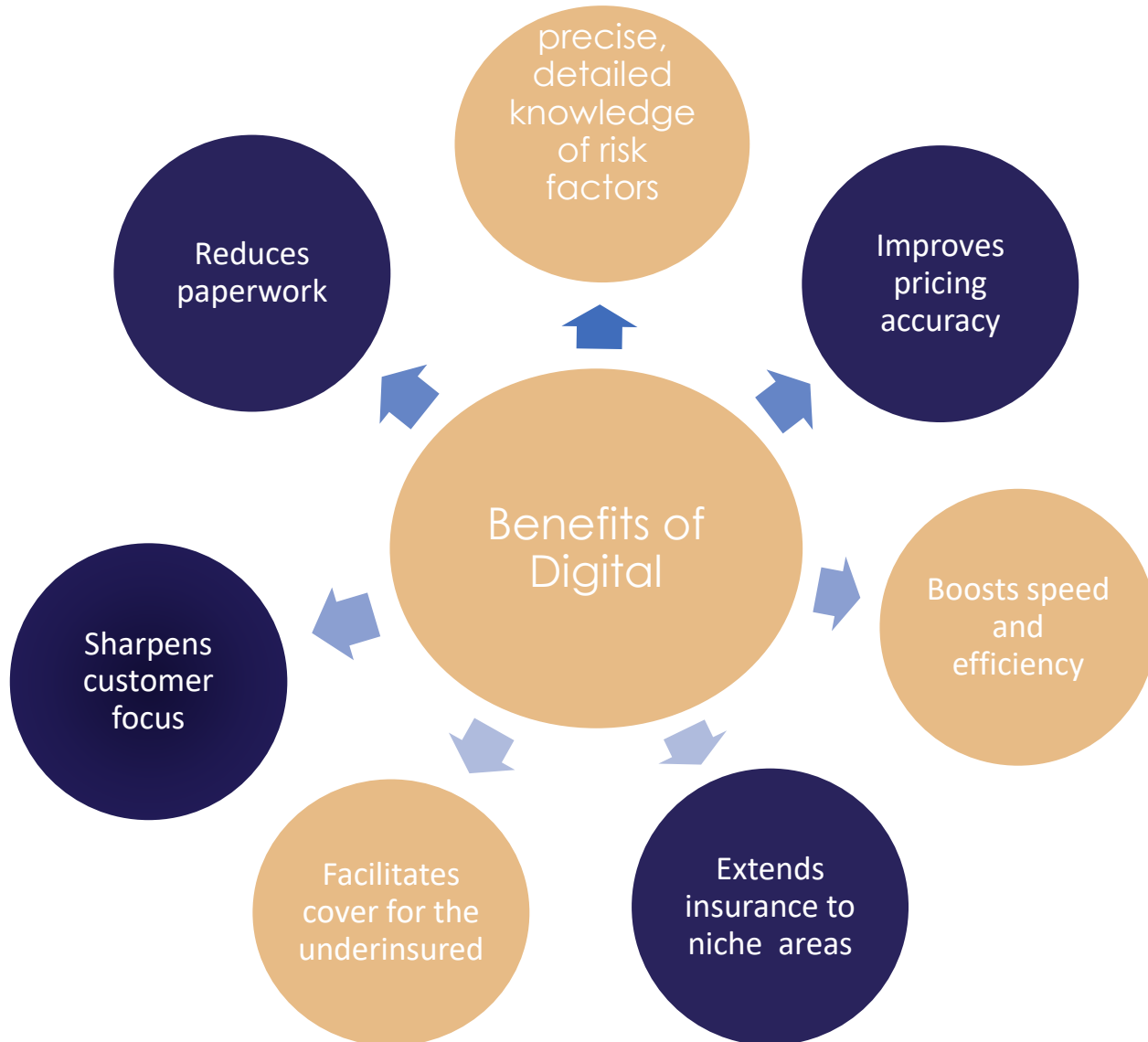
Underwriting and risk assessment

- Automating data collection and analysis
- Leverage big data analytics
- predictive modelling
- Risk assessment using AI

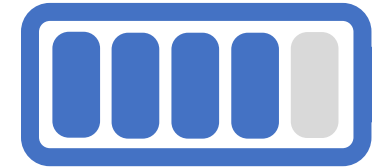
Customer experience

- Self-service portals
- Mobile apps
- Chatbots
- Virtual assistant

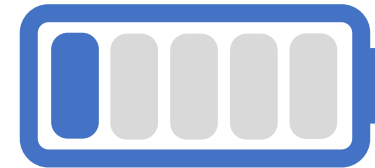
Benefits of Digital



65% Cost Reduction



**90% Turnaround
time reduction**



**20% Conversation
rates Increase**

Source: Centric Digital, 2020



Personalization

- ❑ According to a McKinsey, nearly 90% of customers preferred personalized insurance.
- ❑ Policyholders preferred tailored insurance to one size fits all (Capco).

So how can we bring this home?

In Africa we notice

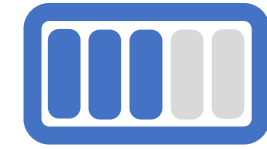
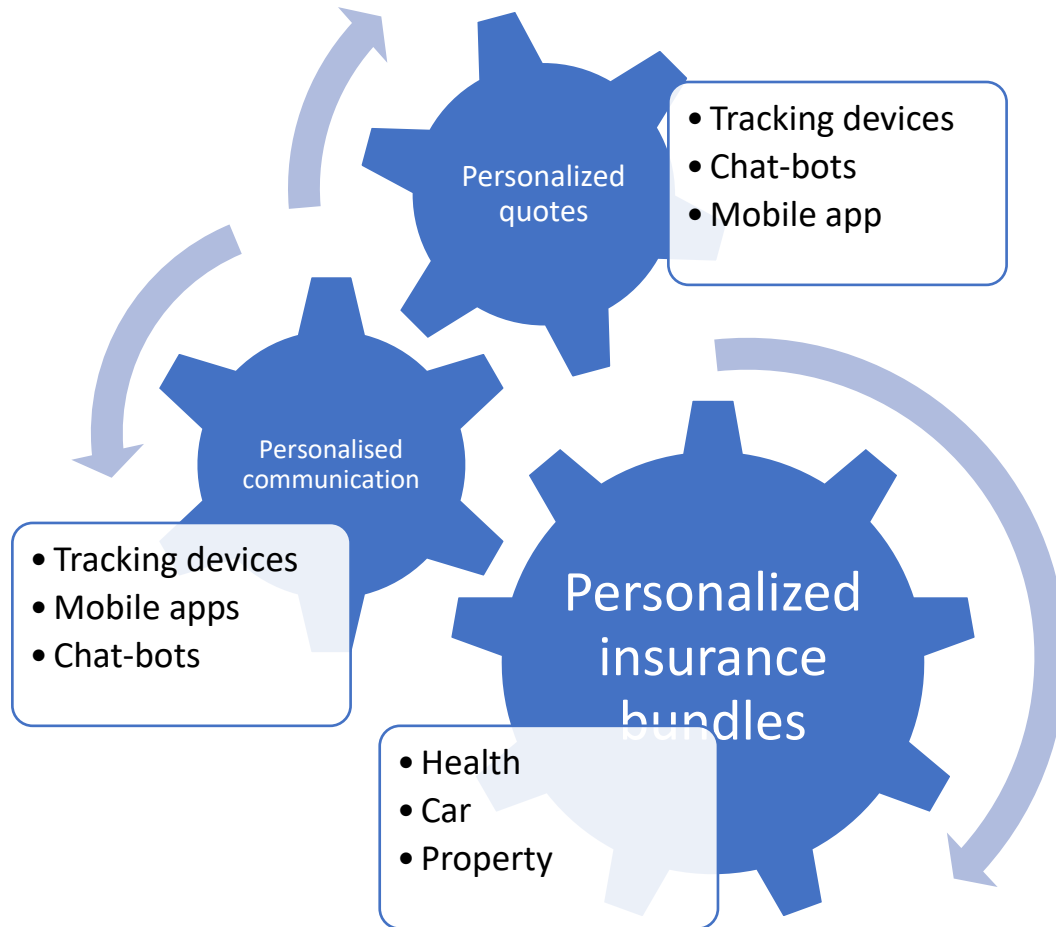
- ❑ increased knowledge and awareness
- ❑ The growing middle class
- ❑ Technological progress

As a result, our customers' needs will eventually diverge towards personalized insurance.

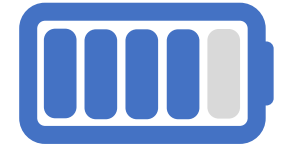
Hence Personalization is the **golden goose** of insurance



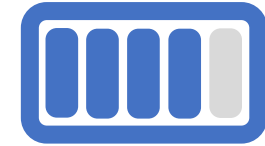
Benefits of Personalization



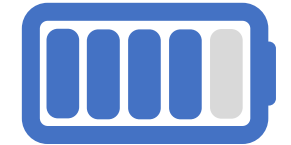
60% Revenue Increase



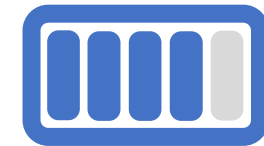
81% Customer Retention



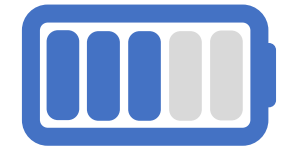
89% Customer Engagement



75% Customer Comfort with online focus



73% Online sales agent effectiveness



61% Broker channel effectiveness

Source: Centric Digital, 2020



Preventative

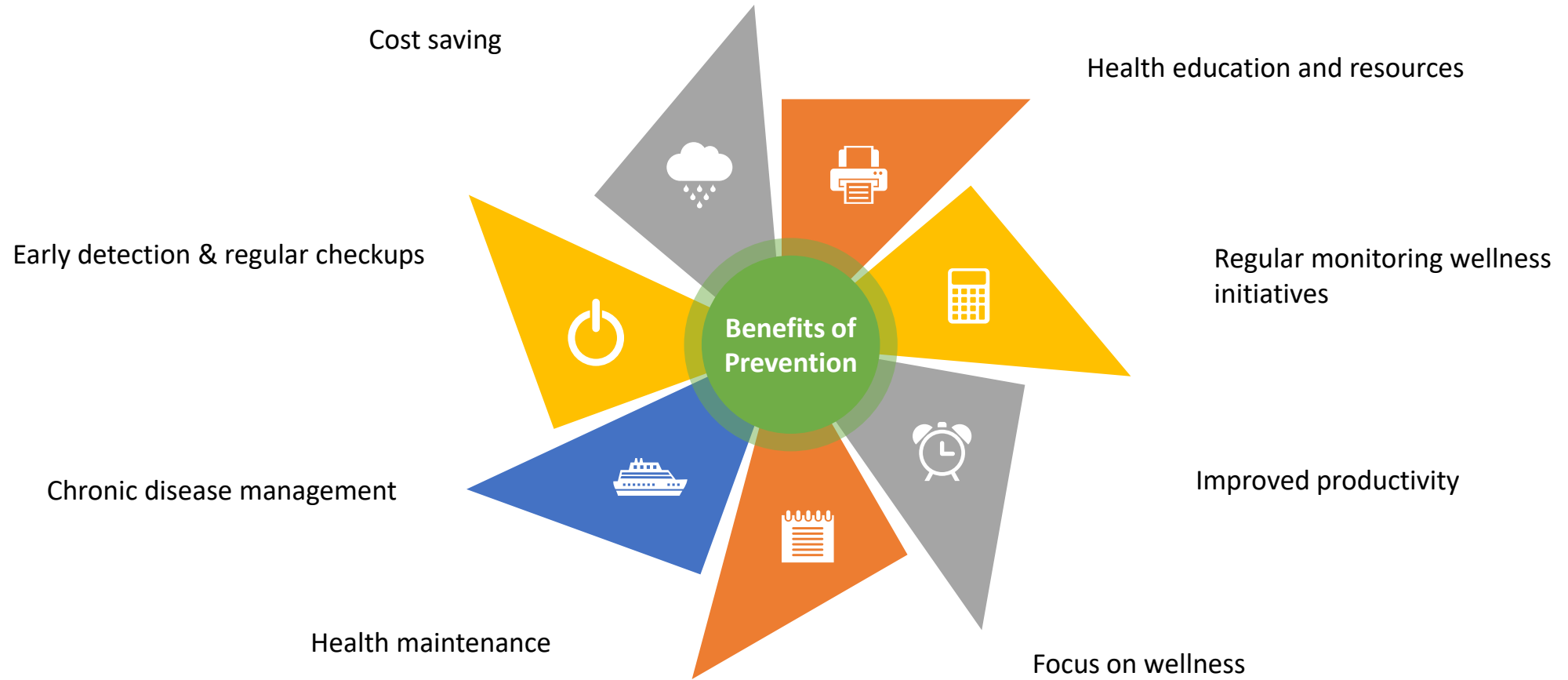
Preventative

- ❑ It is less expensive to equip policyholders with strategies to prevent a risk from occurring than it is to cover expenses after the risk has occurred.



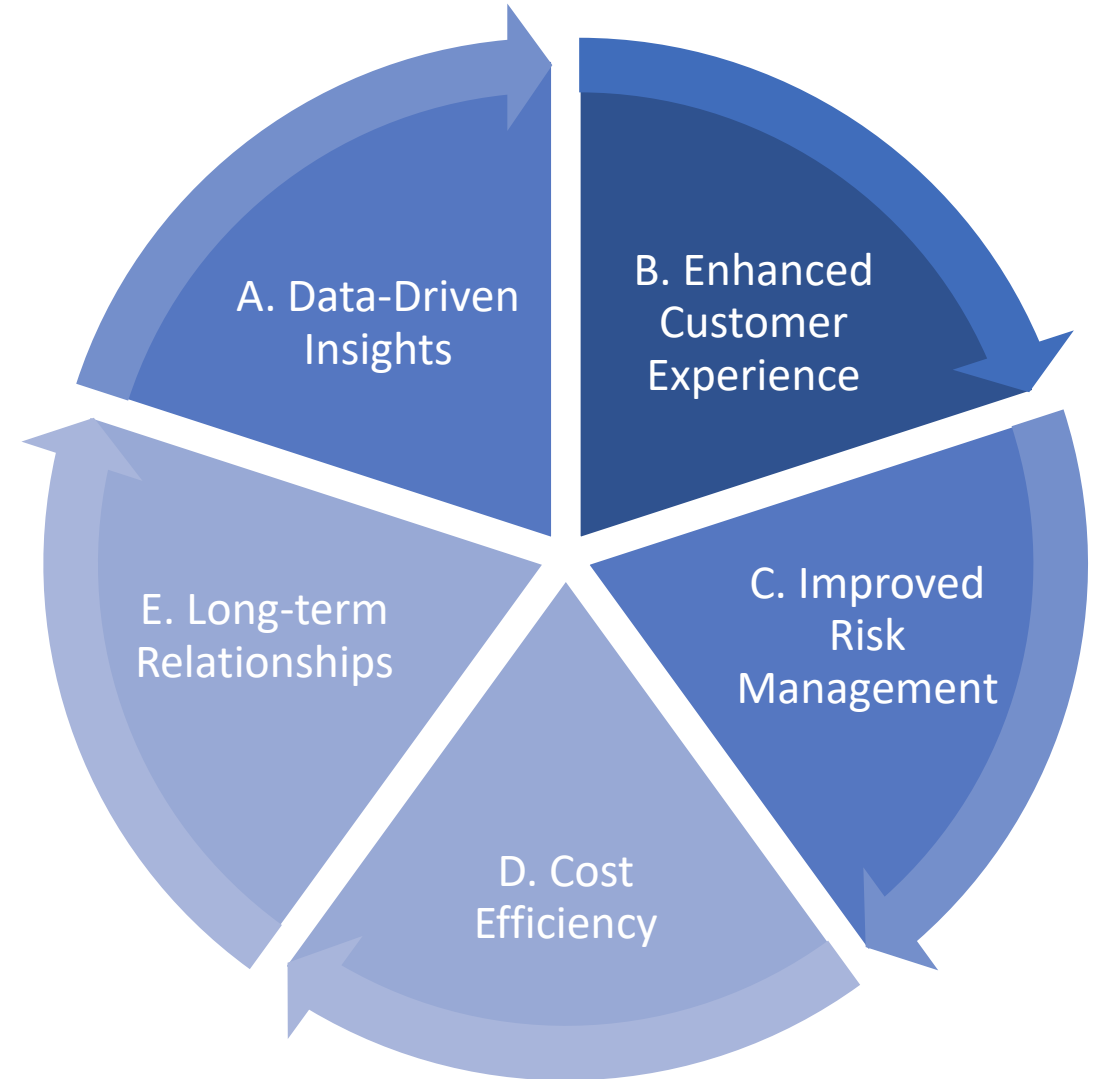
Prevention
is better
than Claims

Benefits of Preventative Measures



Convergence of Digital, Personalization & Preventative

- ❑ The convergence of the 3, Digital , personalization and preventative has potential to revolutionize
- ❑ The convergence of digitization, personalization, and preventative measures in insurance offers several benefits:





Case Studies

Case studies 1

OKO

Company launched in: 2017

Solutions offered: Insuretech start-up that provides inclusive agricultural insurance to secure farmers' income across Africa. It offers products to farmers whose fields are affected adversely by weather events - primarily droughts and floods.

How it works: Uses satellite data and mobile payments to create automated insurance products. Farmers merely need a phone to connect to OKO (no smartphone required). Farmers dial a short code, can select the product, and pay through mobile money services. To achieve this level of accessibility, the company partners with mobile operators.

Presence in: Mali and Uganda with plans to expand its offerings to more African markets, starting with Ivory Coast.

User base: approximately 7 000 paying customers in Mali and compensated more than 1 000

APOLLO AGRICULTURE

Company launched in: 2016

Solution offered: Offers a mobile-based product suite for farmers that includes working capital, data analysis for higher crop yields and options to purchase key inputs and equipment.

How it works: Uses satellite data and machine learning to enable better credit decisions, and automated operations keep costs low and processes scalable.

Starting from: The farm pays a fixed price for the package; price details not available.

Presence in: Kenya

User base: has served over 40 000 farmers since inception, with 25 000 of those paying relationships obtained in 2020.

Source: Rapid Evolution of Insurance Africa Report 2022

Case Studies 2

AYO & MTN

Product launched in: 2020

Solutions offered: Health micro-insurance solutions for common conditions across Africa such as malaria, upper respiratory tract infections and viral infections

Key attribute: Cover includes access to telemedicine consults, drug discounts, screening and instant claims settlement via 1 200 local pharmacies as points of care

Starting from: \$1 per month

Presence in: Nigeria

User base: 14 million customers

PULA

Company launched in: 2015

Solution offered: Innovative agricultural insurance and digital products to help smallholder farmers navigate climate risk.

How it works: Leverages machine learning, crop-cut experiments and data points relating to weather patterns and farmer losses, to build products that cater to various risks. Also deploys digital agronomic and alert services over the planting season to help farmers improve their productivity.

Presence in: 13 markets across Africa

User base: 4.3 million farmers

Source: Rapid Evolution of Insurance Africa Report 2022



Comments



Discussions