

2024

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Inclusive insurance — a different game - Seeing Beyond Risk

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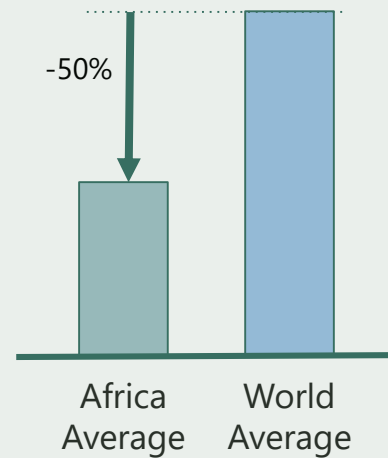
Principal, Innovation of Resilience

The Protection Gap in Africa

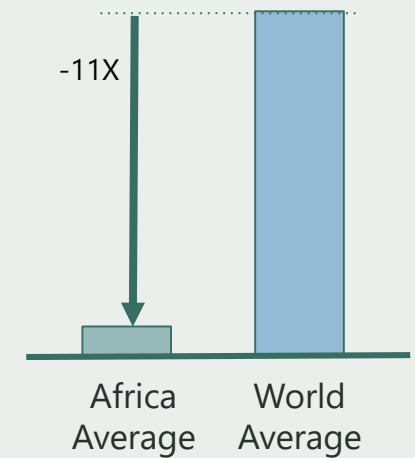
The **protection gap in Africa** is deep, and persistent; uninsured losses force painful choices on African families

Coping mechanisms for the uninsured can push families further into poverty

Insurance penetration as percent GDP

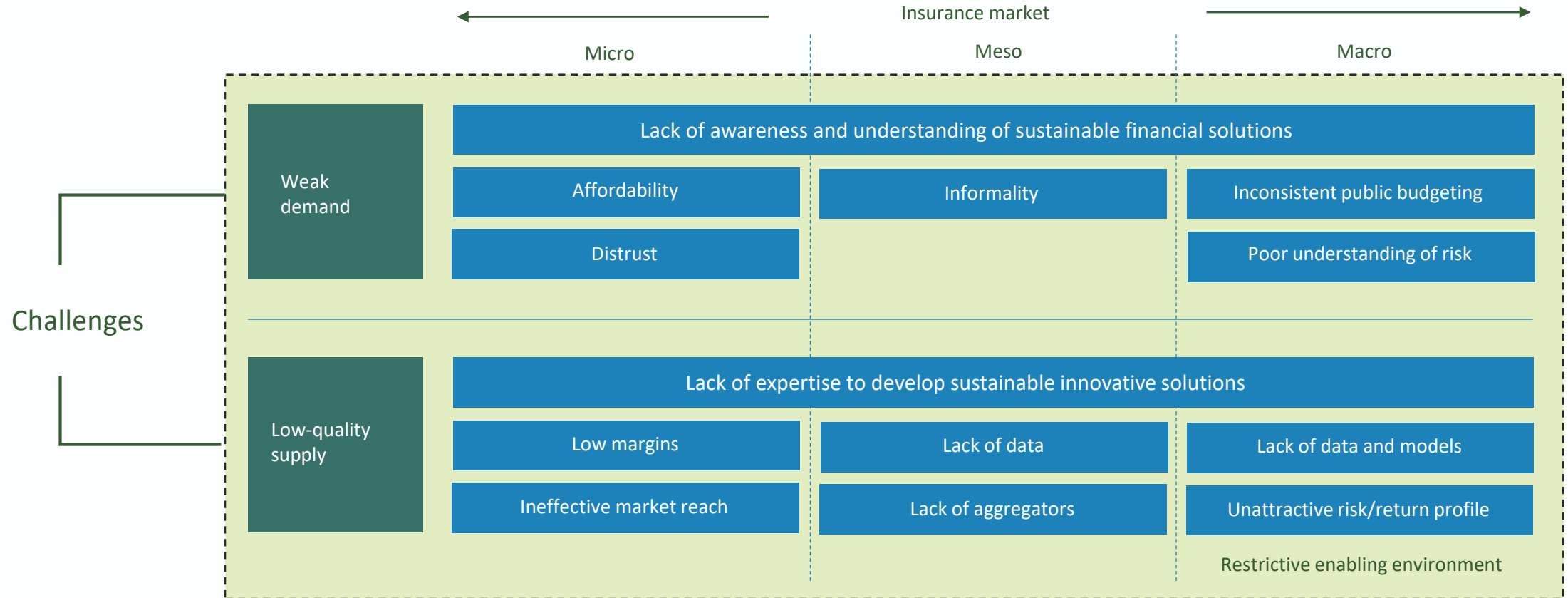


Insurance penetration per capita



Challenges in the risk transfer market

Low resilience for households, businesses and governments due to **weak demand** for, and **low-quality supply** of risk solutions, plus **restrictive enabling environments** that impacts risk across markets



Inclusive Insurance

“inclusive insurance” encompass many different approaches to reaching the unserved, underserved, vulnerable, or low-income populations in emerging markets with appropriate and affordable insurance products.

Reach

Affordable

Simple

Microinsurance is a subset of inclusive insurance focussing on lower income populations

Inclusive Insurance Strategies



THE DYNAMICS

Average age of an insurance agent is increasing

We have abundant data

Backend technology of incumbents are still poor

Customer expectations are always changing

UNDERLYING DRIVERS OF CHANGE

Technology



Digital Disruptors

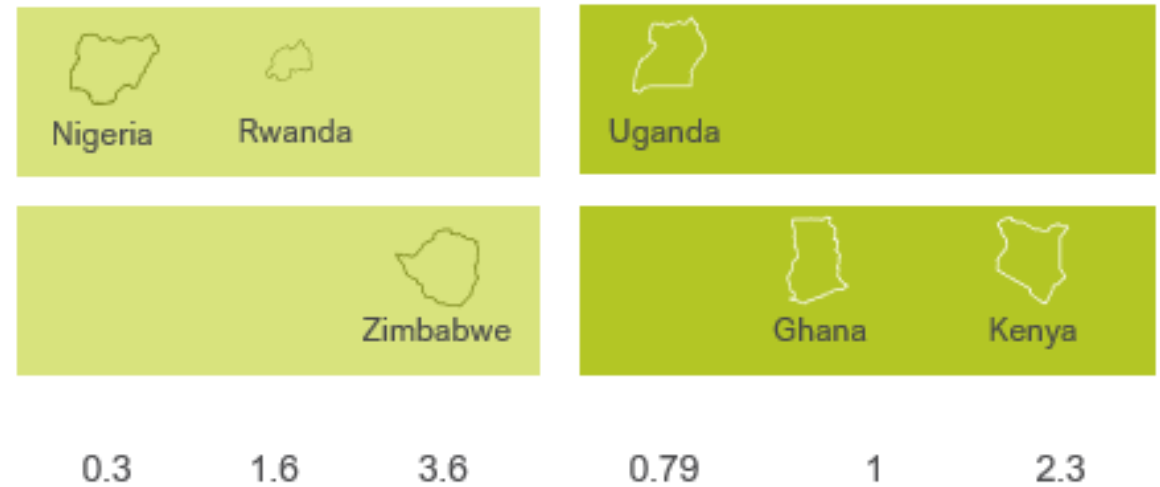
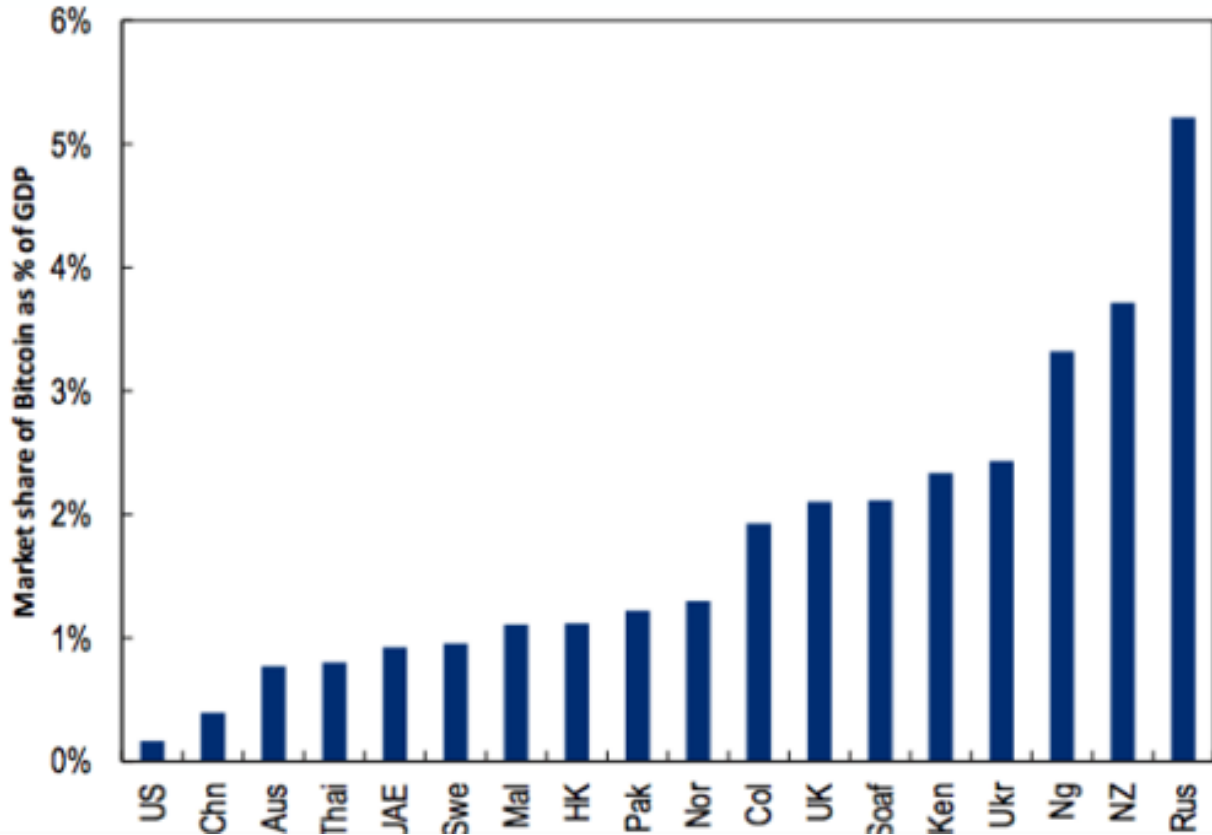


Customer Expectations

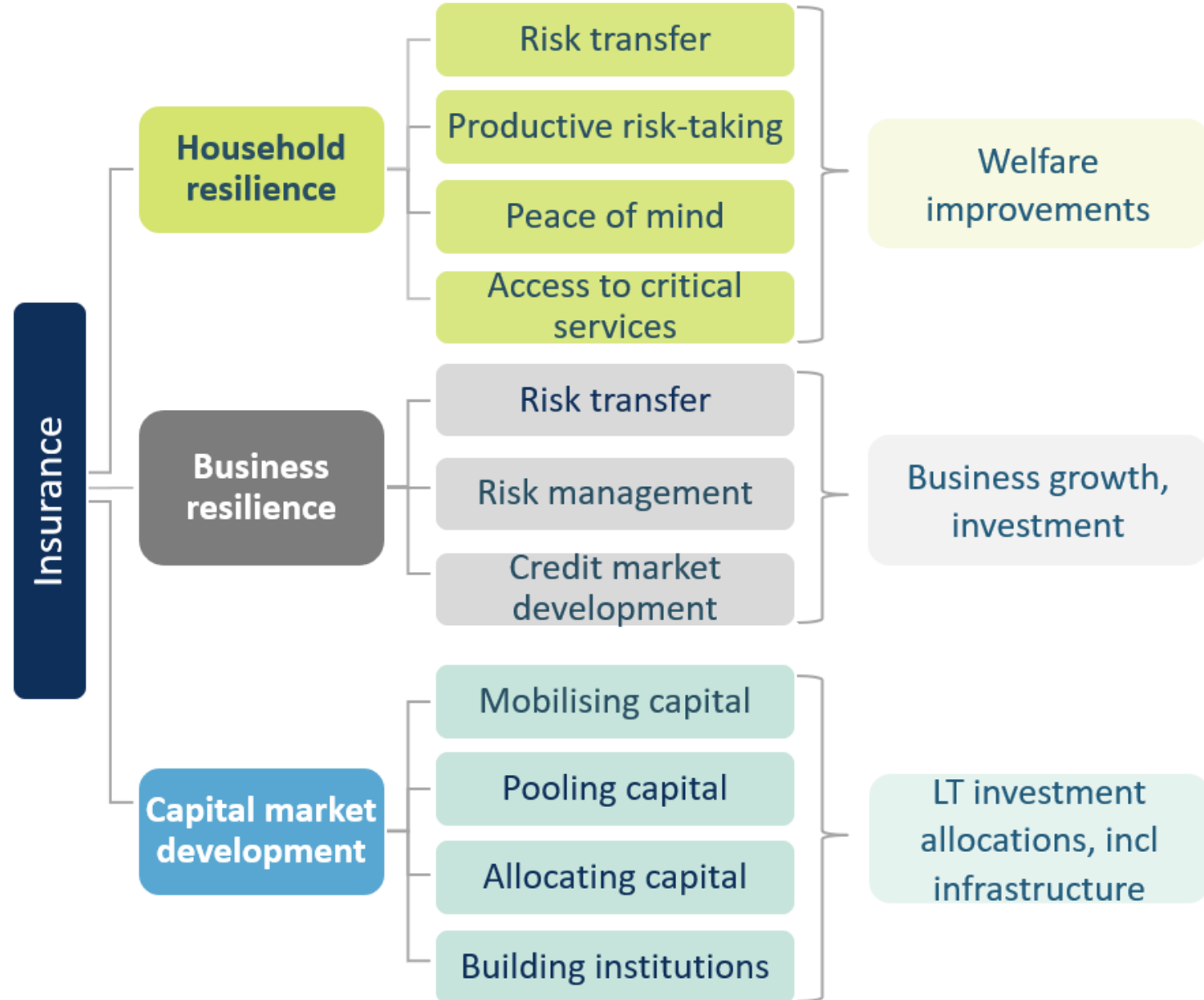


Is Insurance more Complex than Cryptocurrency?

Insurance penetration is lower than the cryptocurrency market share

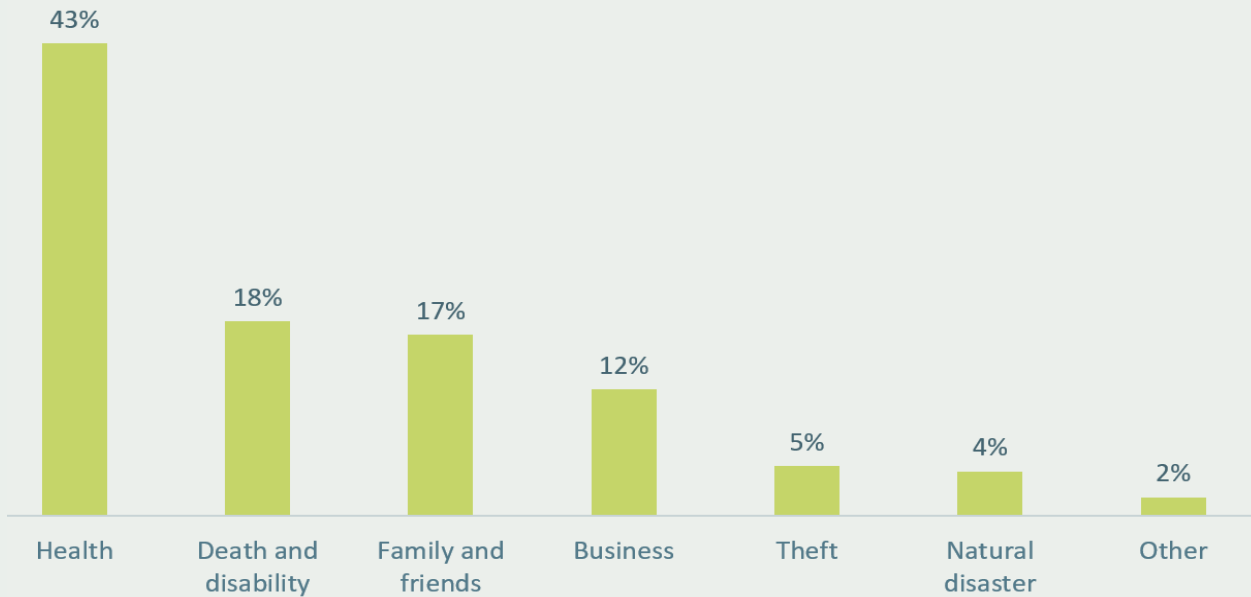


Three Lenses

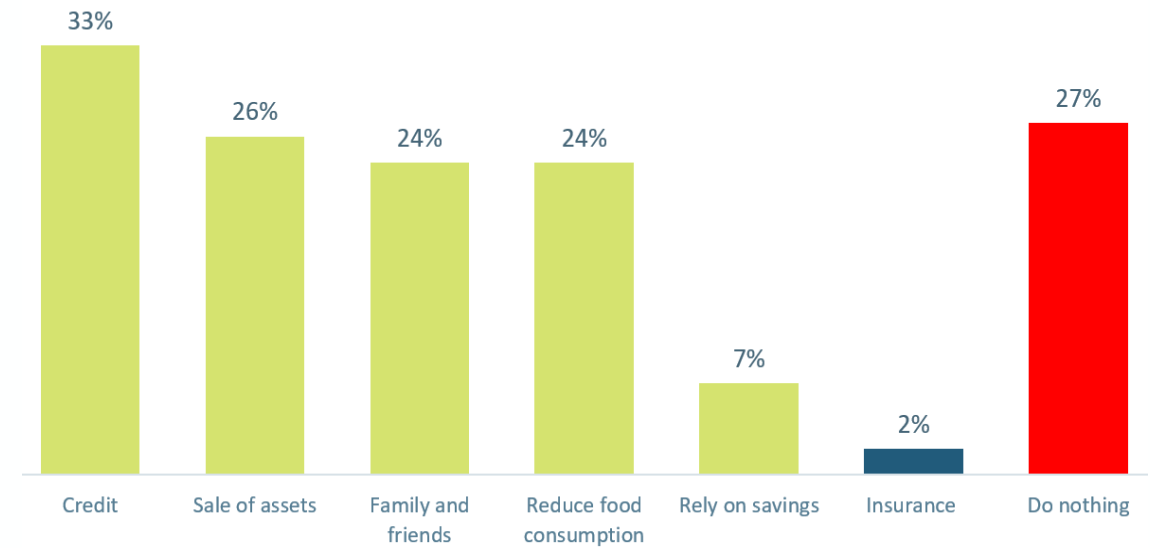


Household Experience

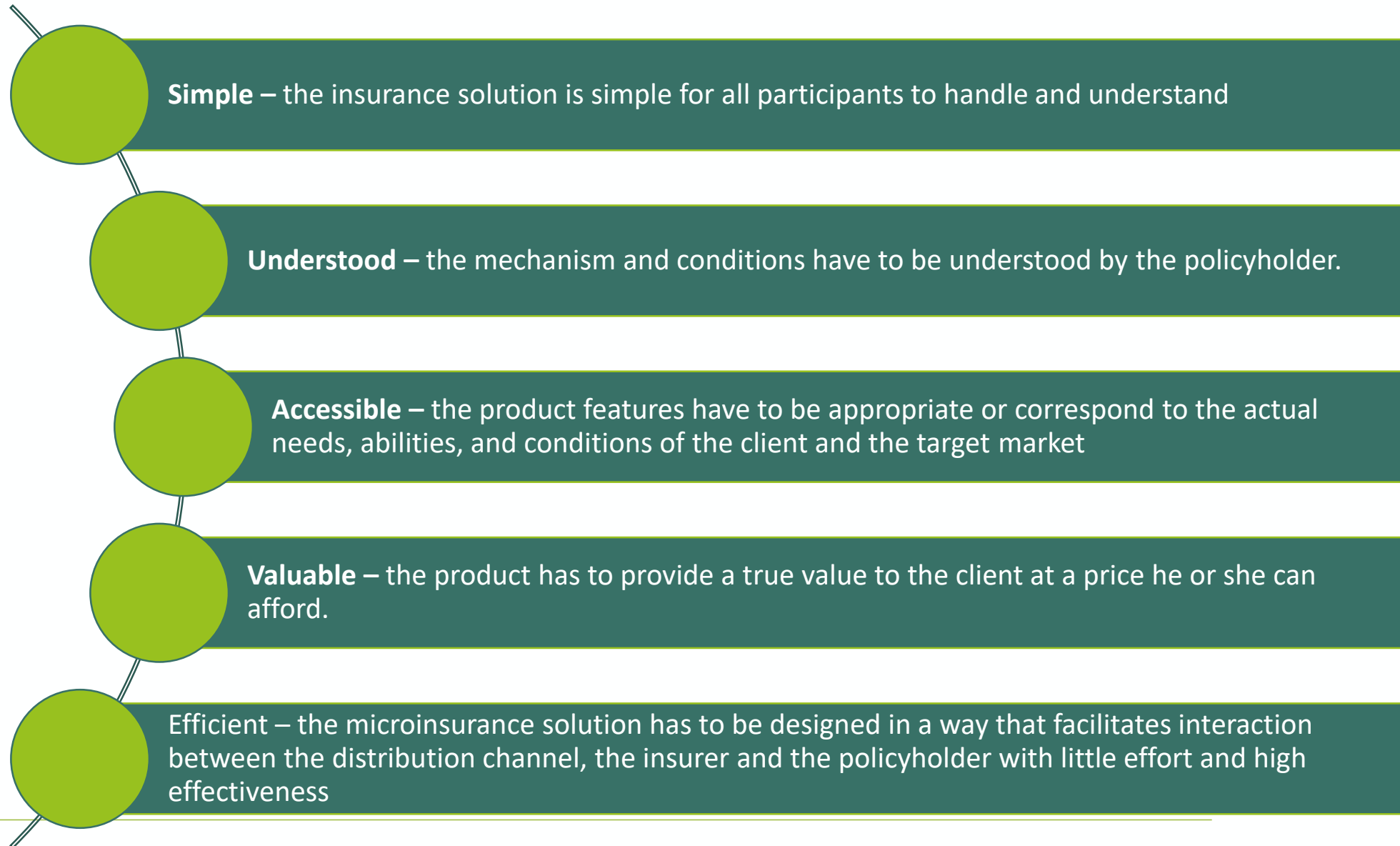
Risks experienced



Coping Mechanisms



The Inclusive Insurance Product:



CREATE YOUR FUTURE



Front-office	
Growth strategy	Innovation
Marketing	Sales & Distribution
Channels	Products & Services

Middle-office
Operations
Technology
Information

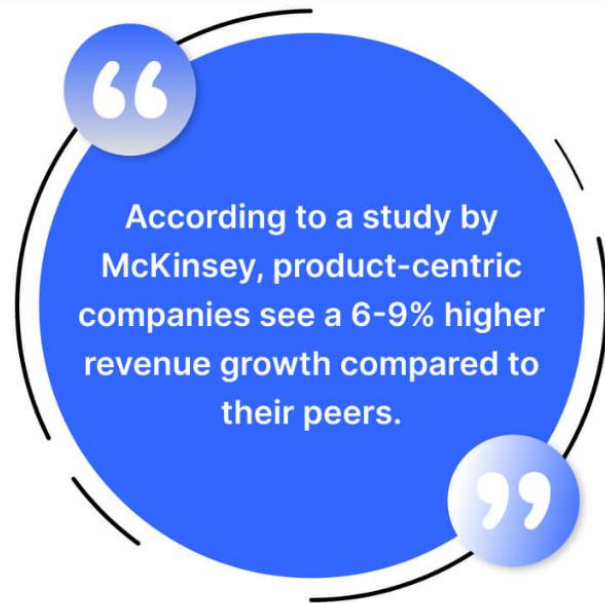
Back-office	
UW & Risk Management	Claims/Benefits
Finance	Capital Management
Asset & Liability	Human Resources

A company can be either product-driven or customer-focused, depending on what it prioritizes.

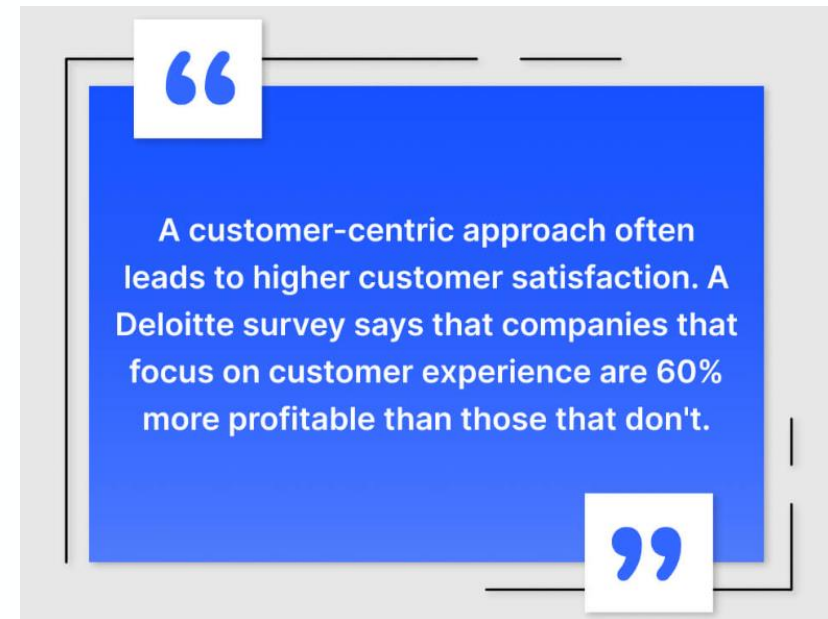
“ Customer-centric organizations focus on meeting the needs of their customers, while product-centric organizations emphasize delivering high-quality products that meet customer needs. ”

Product Centric vs Customer Centric

When a company is product-centric, all its goals and decisions revolve around the product itself



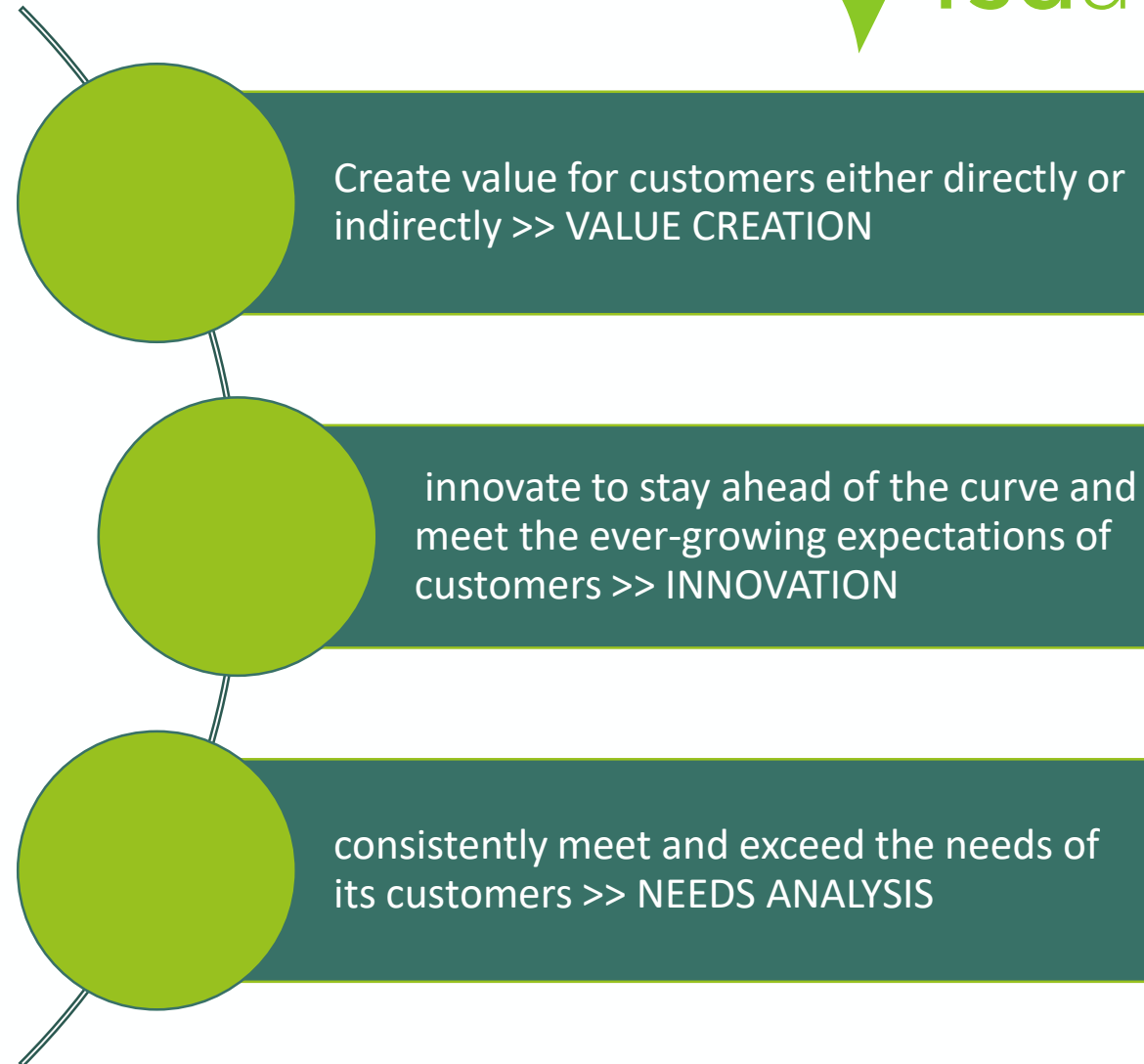
When a company follows a customer-centric approach, all its goals and decisions revolve around the customers and offering tailored solutions to their problems



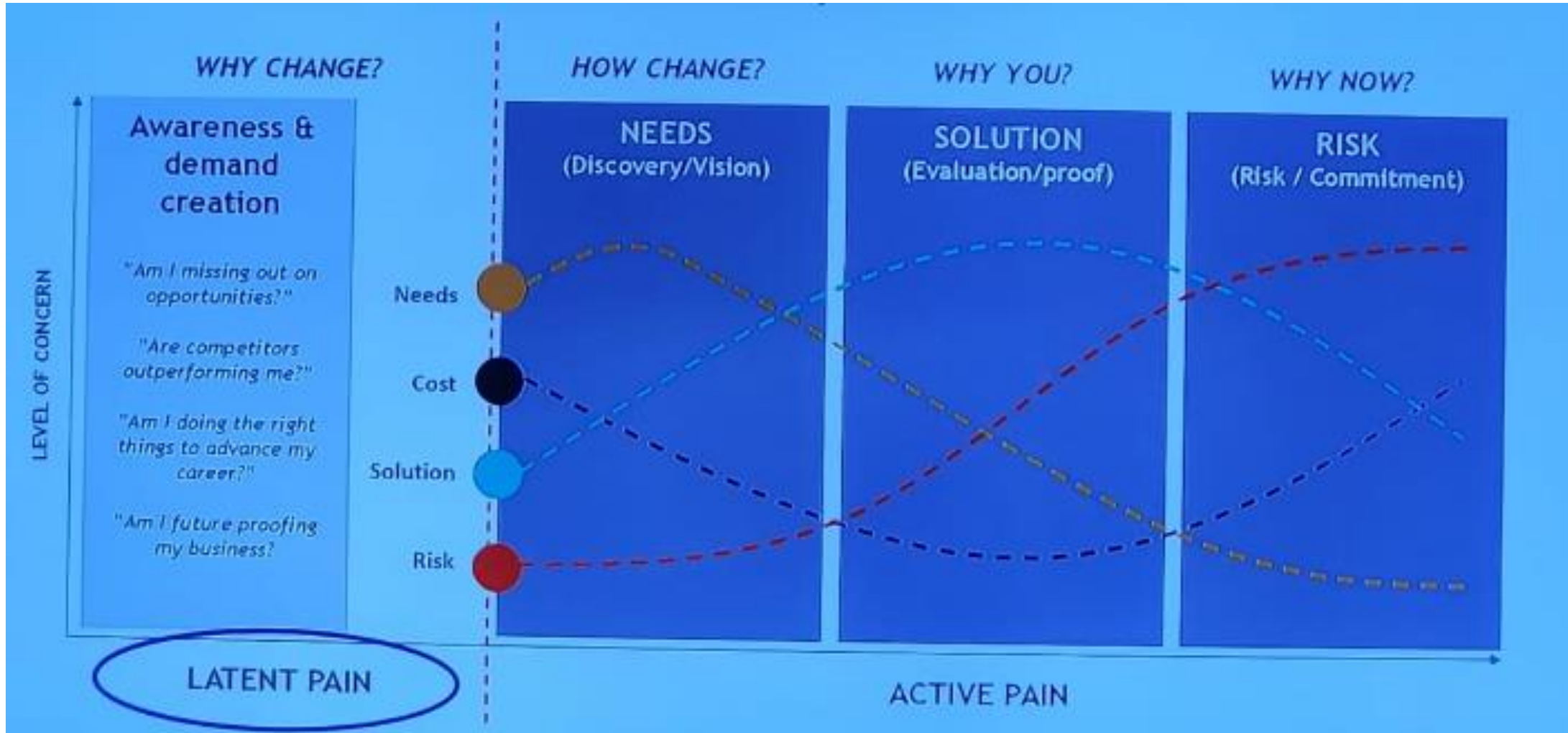
Creating Value

Creating value for customers is the common theme whether a company is a product or customer-centric.

Organizations need to innovate to stay competitive and make customers happy if they want to make a profit.



Discover Customers Pain



Disrupt vs Sustain

Disruptive innovation requires **enabling technology**, an **innovative business model**, and a **coherent value network**.

Sustaining innovation is the process of innovating to **improve products and services for existing customers**.

Sustaining vs Disruptive Innovation

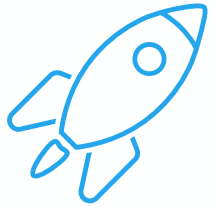
Sustaining innovation occurs when a company creates better-performing products to sell for higher profits to its best customers. Typically, sustaining innovation is a strategy used by companies already successful in their industries.

Disruptive innovation occurs when a company with fewer resources moves upmarket and challenges an incumbent business. There are two types of disruptive innovation:

Low-end disruption, in which a company uses a low-cost business model to enter at the bottom of an existing market and claim a segment

New-market disruption, in which a company creates and claims a new segment in an existing market by catering to an underserved customer base

Emerging technologies

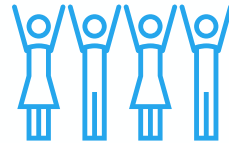


Digital technology and changes in national policy are clearing away obstacles that once kept digital financial services out of reach for many, but tough challenges remain



Accessible

They need to reach into the poorest neighbourhoods and smallest villages, and they need to be easy to acquire and understand.



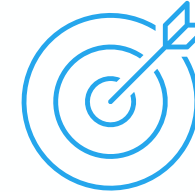
Reliable

Users' money and information must be readily available and highly secure



Valuable

They must offer people clear advantages over using cash.



Affordable

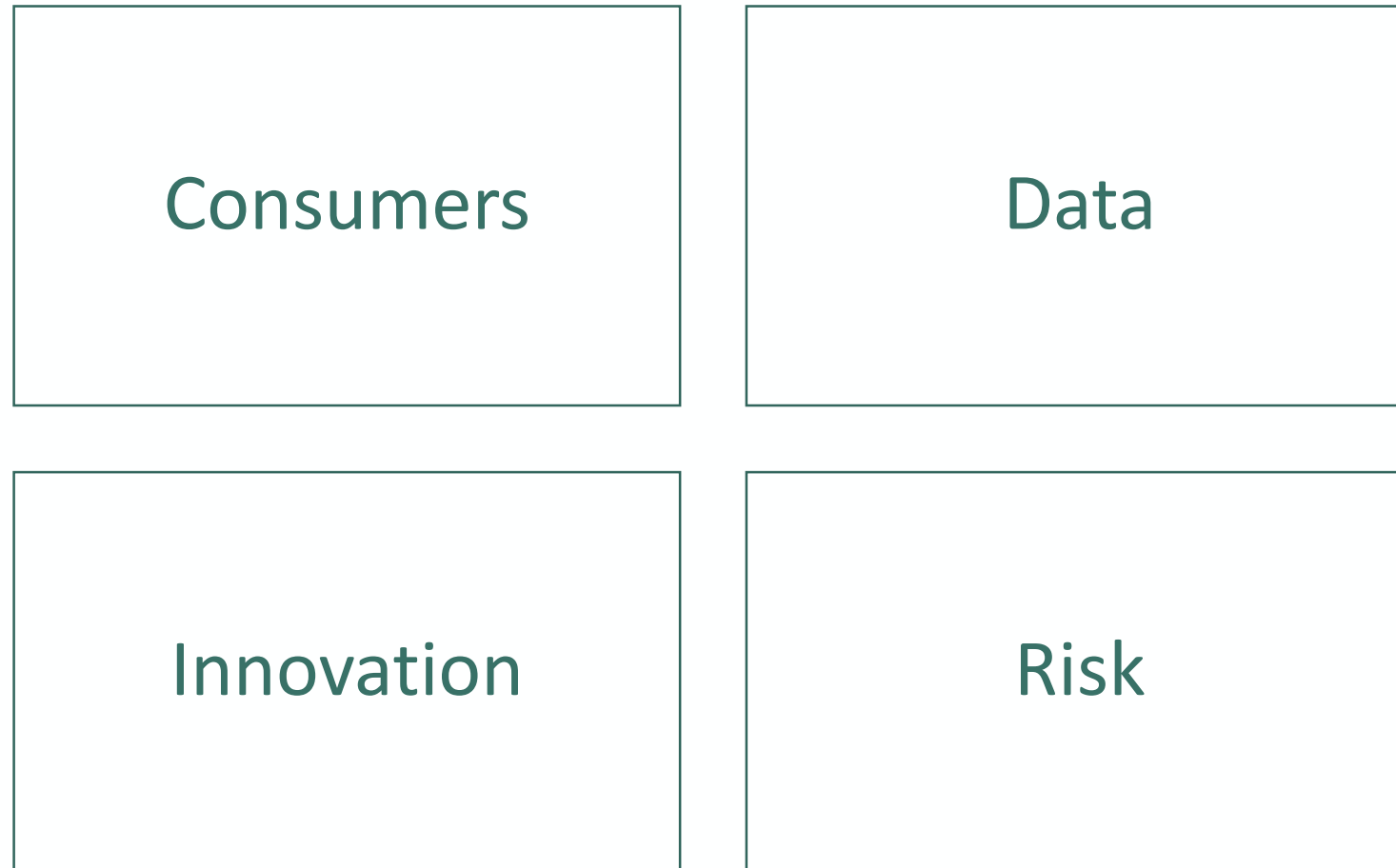
They must be cost-free, or the fees should be low



Profitable

They must allow service providers to develop sustainable business models

Considerations to take when developing inclusive insurance strategy



Considerations when formulating an Inclusive Insurance Strategy

CEO

- Who do you task with shaping the response to all this change?
- Who will drive inclusive insurance to anticipate and respond to a changing market?
- How do you decide which markets, countries and customer segments to target?
- How do you prioritise your investments, and build the capabilities to survive and exploit the changing market?

CRO

- How well is risk management embedded in your organisation and will you be comfortable with the risk assessments on new products, services and distribution channels?
- How can you be better prepared to anticipate and prepare for extreme 'Black Swan' events?

Considerations when formulating an inclusive insurance strategy



CMO

- How do you transform your organisation into a customer-centric organisation that is capable of marketing and tailoring products to your consumers' changing attitudes and behaviours?

CTO

- How do you ensure the organisation is not only aware of the emerging technology trends, but is also actively involved in experimenting with new technologies as they come to market?

CIO

- How do you ensure that you build an information advantage enabled by rich, insightful data, fully supported by a cost-effective technology platform?

Considerations when formulating an inclusive insurance strategy

Head of Actuarial

- How are you ensuring that you can select and price risk appropriately, based on your risk appetite?

Head of Underwriting

- Can you exploit new sources of information to improve better risk selection and pricing?

Head of Claims

- Can you transform your organisation to paying claims and actively managing the losses based on real-time data and loss management techniques?

Head of HR

- How do you ensure that you continuously attract and retain the right talent within the organisation – especially when the talent has to be culturally aware, multidisciplinary and global?

Conclusion

Inclusive Insurance requires transformation from an arcane policy-led industry into one that succeeds by placing the customer at the heart of everything it does



Implementation of new and innovative approaches to transform the way we do business.



Build a new customer-centric architecture, design propositions and products.



Embrace change — urgently and rapidly — to benefit from the opportunities .



More strategic partnership

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