

INSURANCE CONFERENCE 2023

INSURANCE AS A CATALYST FOR ECONOMIC
RESILIENCE AND POSITIVE SOCIAL TRANSFORMATION

Topic: Inclusive insurance for social transformation

Speaker: Lemmy Manje

Organisation: FinProbity Solutions



About FinProbit Solutions



Experience: Extensive expertise and experience in designing inclusive insurance solutions and business strategies; experience in designing and implementing and managing national country strategies and road maps for insurance market development.

African advantage: Footprint in 13 African countries (including Rwanda); designing inclusive insurance solutions and advising on inclusive insurance policy, regulation and supervision.

Customer centricity: Extensive experience in application of Human Centered Design (HCD) principles and techniques in insurance product development.

Technology and innovation: Experience in designing digital insurance solutions.

Gender: Experience in designing gendered inclusive insurance solutions and business models.

Why invest in inclusive insurance?

QUESTION

A Blue Ocean; insurance penetration, Market reach

B Improve resilience; Risk management

C Increase profitability; Financial performance

D Enhance value proposition of insurance; client value

Insurance with impact...

Social transformation - communities becoming less vulnerable to financial shocks through increased financial literacy and wider uptake of appropriate formal insurance





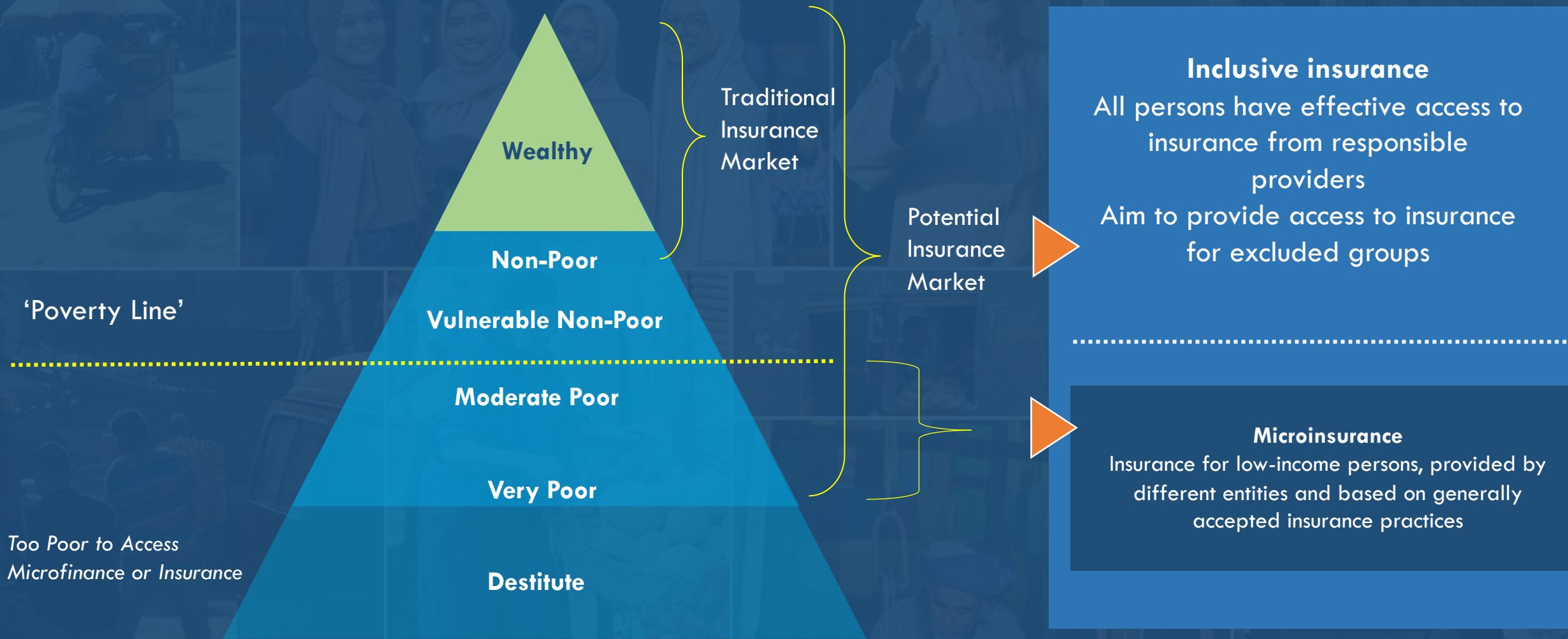
**The
Blue Ocean**

**Untapped
market**

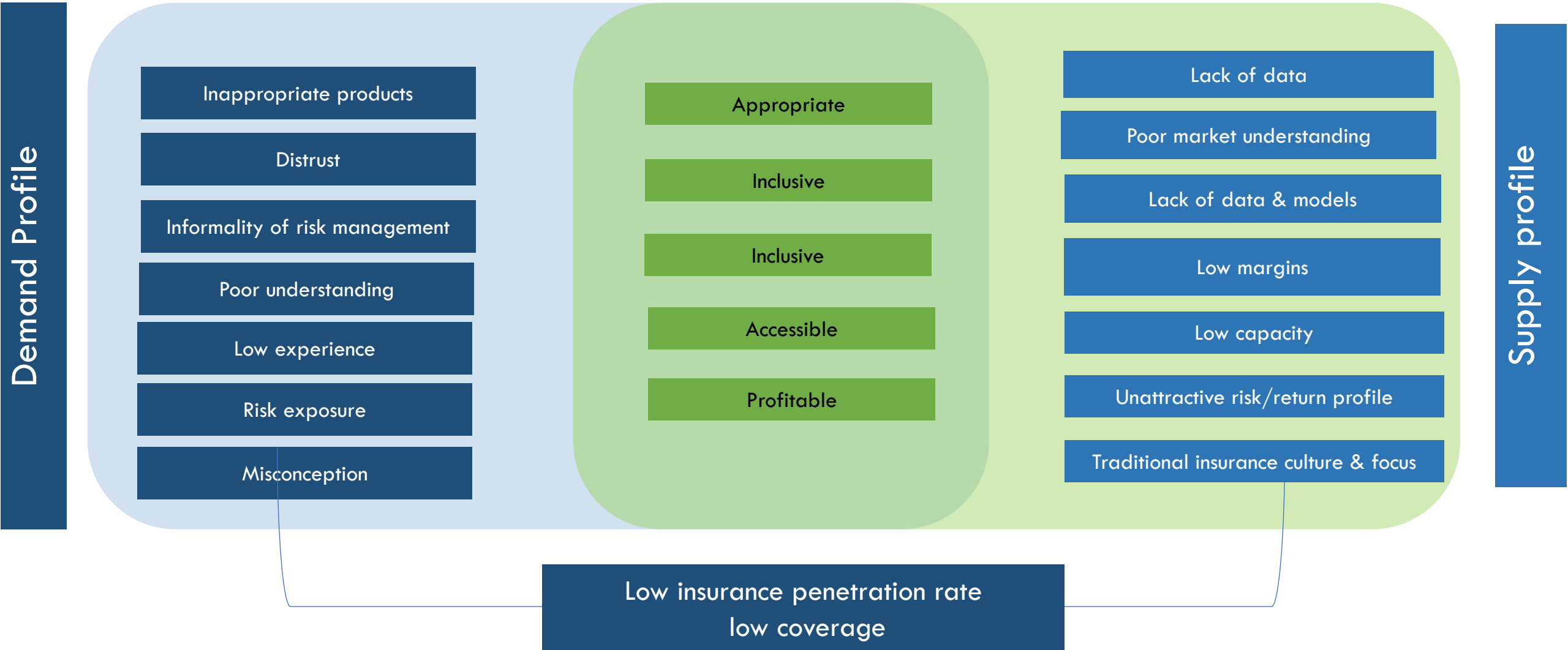
**Penetration &
Performance
Opportunity**



Business Opportunity



Inclusivity of Insurance Markets



How Inclusive is the Insurance Sector in Zambia?



Demand Profile

Inappropriate products

Distrust

Informality of risk management

Poor understanding

Low experience

Risk exposure

Misconception

Appropriate

Inclusive

Inclusive

Accessible

Profitable

Lack of data

Poor market understanding

Lack of data & models

Low margins

Low capacity

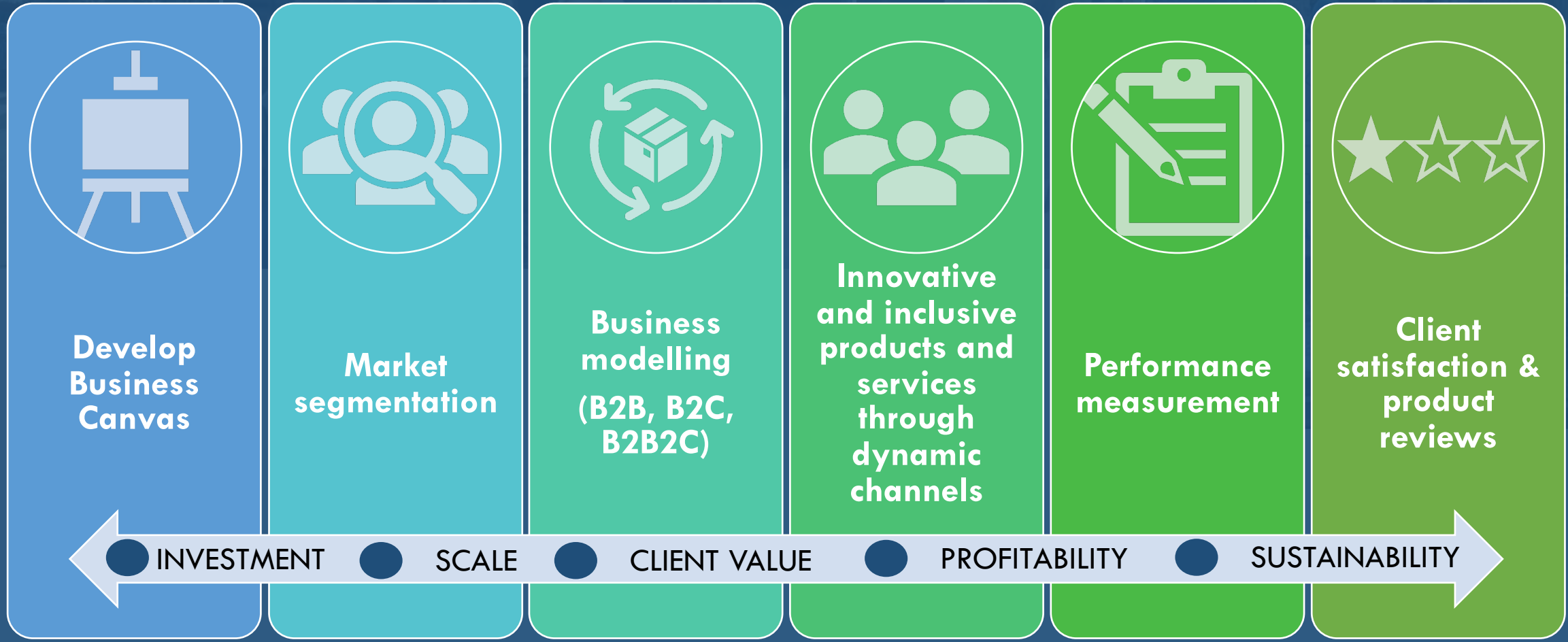
Unattractive risk/return profile

Traditional insurance culture & focus

Supply profile

Low insurance penetration rate
low coverage

Blue Ocean Business Strategy & Modelling



Customer centricity for value creation



Value Empathy and Design Thinking

- How well do **insurers understand** what the client really needs?
- How well do **insurers deliver** client centric insurance solutions
- If we engage and talk to the customer, we are likely to find out

Enrollments, Gross Premiums Written and Claims
(2008-2021)
In Millions

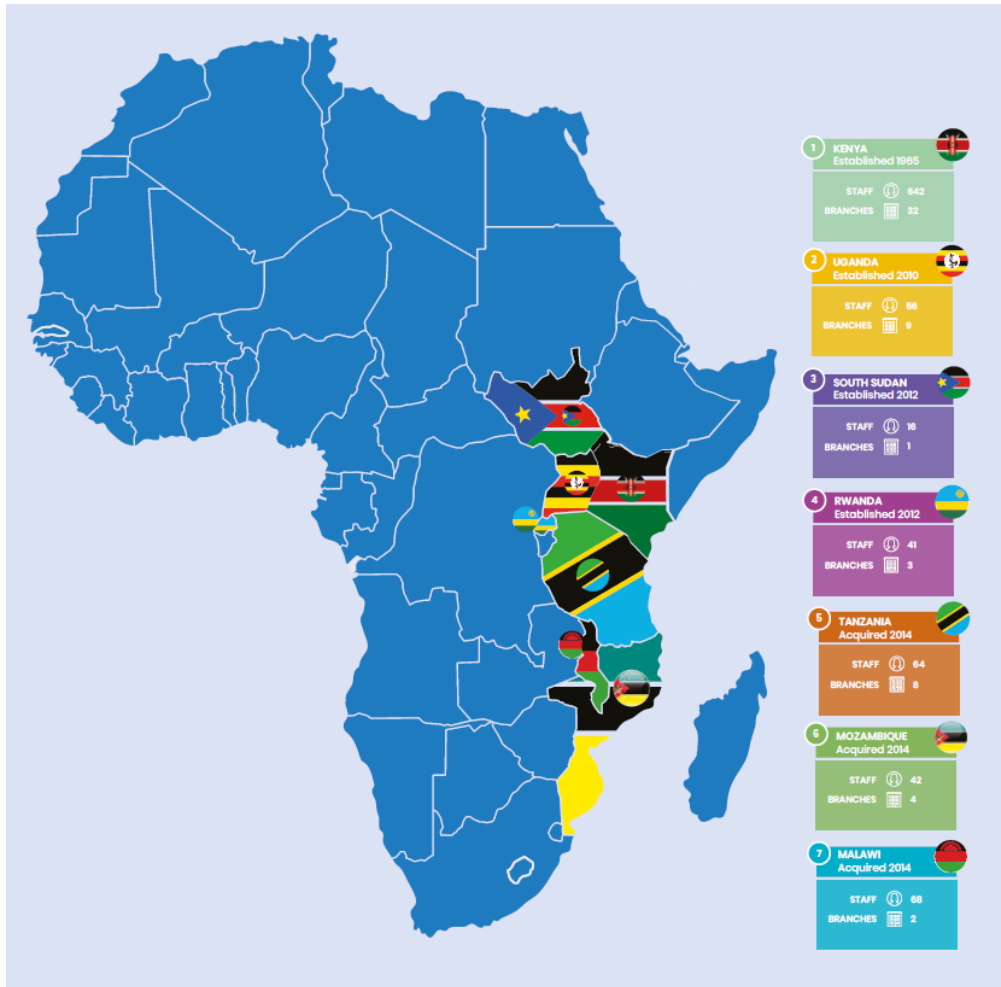
- Automated processes
- Optimize resources (Shared Services)
- Regular reviews
- Focus on the customer
- Find the right partner
- Cheap vs. affordable products
- Pay claims quickly (1-3-5)
- Income-generating programs, incentive promotions

“ We have been able to create positive impact not only for our clients but also our microinsurance agents”

Lorenzo Chan

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
— Premiums (in USD)			0.6	1.1	2.8	3.97	5.2	10.9	15.5	18.3	19.8	20.5	15.2	18.5
— Enrollments	0.03	0.06	0.1	0.26	0.6	0.77	0.95	7.8	18	16.6	19.8	20.5	15.2	18.5
— Claims (in USD)	0	0	0	0	2.6	2.1	7.5	3.8	4.5	4.9	6.9	10.1	12.9	12.5

Microinsurance at Britam Kenya



2 MILLION+
INSURED LIVES



45% INSURED
WOMEN CLIENTS



34% CAGR
GROWTH



43% MICROINSURANCE
MARKET SHARE



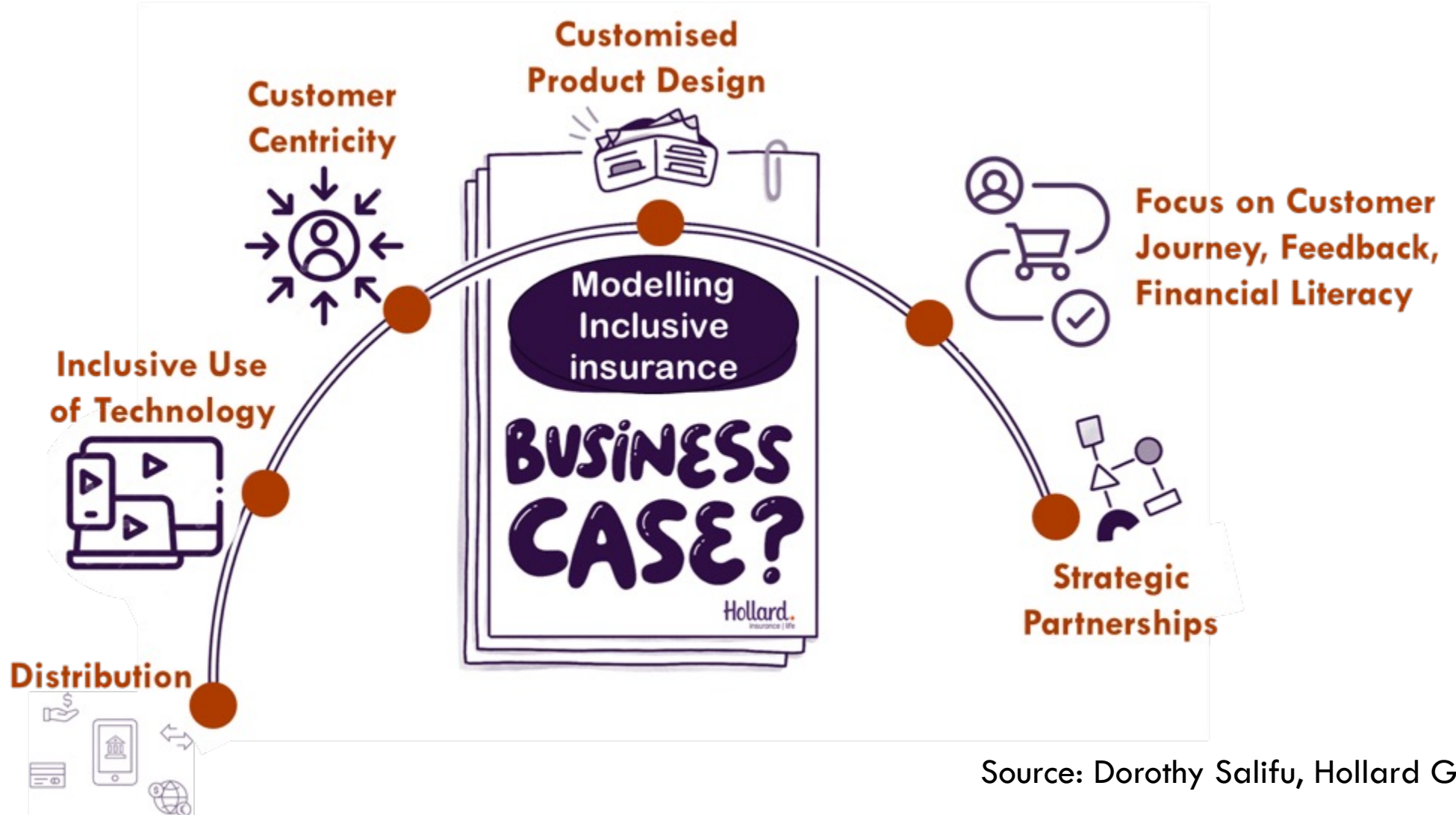
85% RENEWAL RATE SINCE
2018



OVER \$30M CLAIMS
PAID

OVER 1 MILLION USD IN PROFIT FOR MICROINSURANCE BUSINESS

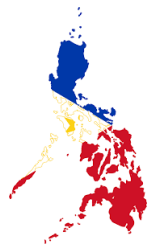
Modelling Inclusive Insurance: Hollard Ghana



Source: Dorothy Salifu, Hollard Ghana



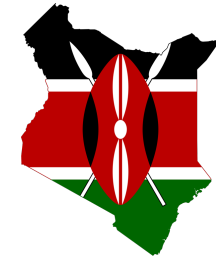
2022				
Nr of micro-insured	817,632	628,583	19,000	1,000,000
GW Premium income	\$ 3,845,162	\$ 3,592,642	\$ 49,000	\$ 1,300,000
GI Claims ratio	19%	17%	80%	10%
Nr of products	16	7	3	1
Nr of partners	6	5	3	1
Sustainability	yes	yes	not yet	yes



19.5M+
Oct 2023
Life & Non-life



3M+
2022
Health



2M+
2022
Health

Source: Pioneer, Bima, Britam

1 Key Challenge - Social transformation through formal insurance

While people can comprehend the importance of insurance as a risk management product, their primary objective is usually to meet the daily needs and expenses to survive and thrive but they are willing to pay for insurance if value is communicated and demonstrated.

2 Key Challenge - Social transformation through formal insurance

Technology is a great enabler but has its own limitations especially for people in the lower population strata as they still prefer human touch to a certain extent at least until the time when they have full confidence and trust in insurance products and providers which will come with demonstration of the right service delivery at right time. Digital works with and for humans!

3 Key Challenge - Social transformation through formal insurance

Break the notion that insurance is complicated, complex and inflexible: the terms & conditions which are not easily comprehensible by everyone must be simplified for transparency, access and service delivery.

4 Key Challenge - Social transformation through formal insurance

Get the right distribution and service delivery partners with aligned goals and long-term perspective in terms of investment and returns.

Strategically think beyond commissions but problem solving.

5 Key Challenge - Social transformation through formal insurance

Focus on value rather than price and your own convenience; **Customers will pay for a product that delivers the** best value for their money and addresses what keeps them awake at night.

6 Key Challenge - Social transformation through formal insurance

Build the right organisational structures and institutional culture; buy agility of you don't have it.

Path to meaningful social transformation

Bringing the customer to the centre of corporate strategy, decision making and organization design



Selecting,
understanding and
profiling market
segment(s)



Design appropriate
solutions

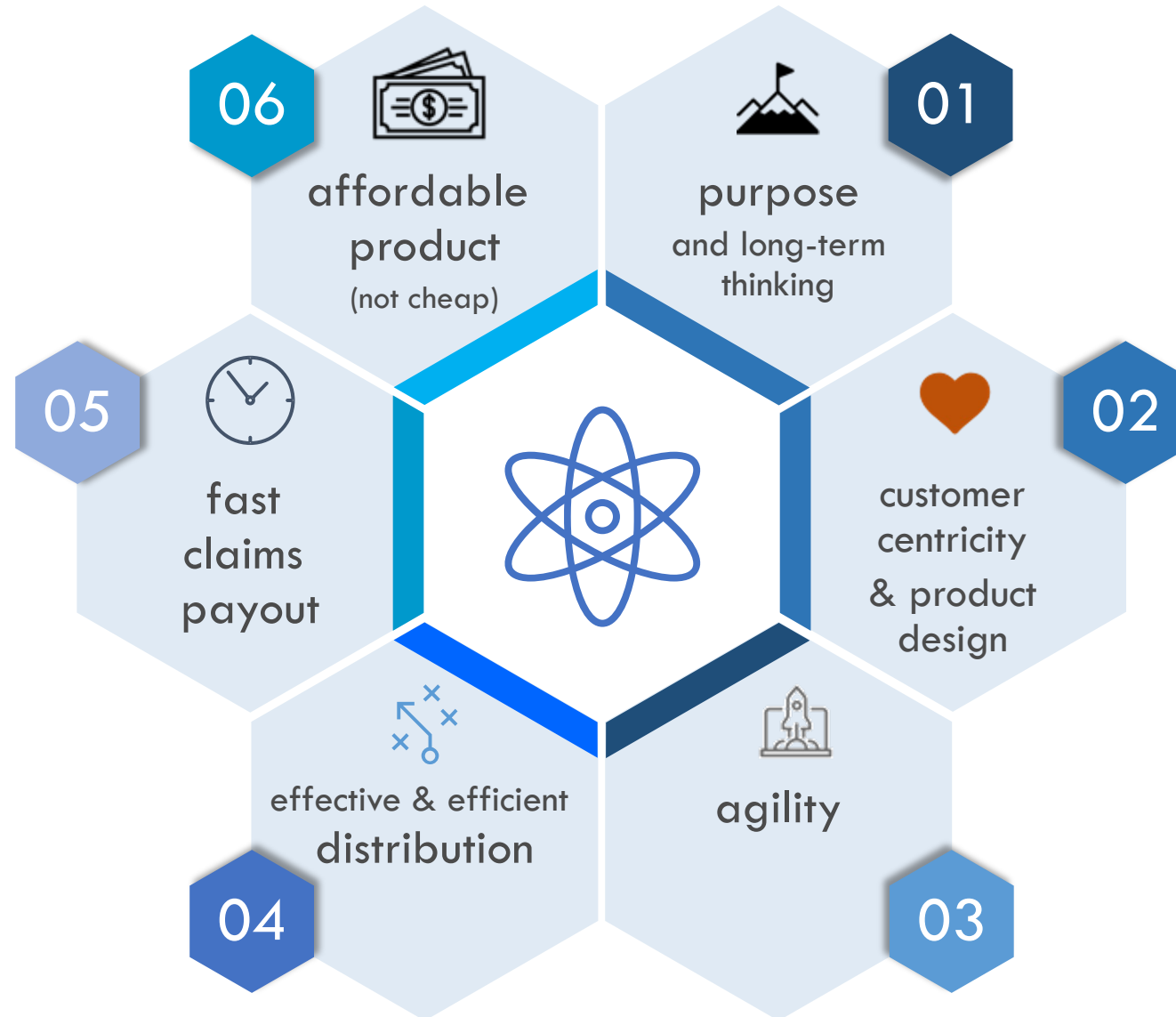
- Focus on “problem solving”
- Broader definition of customer value proposition
- Consider value added service for tangibility



Test solution with
market segment (s)

Path to meaningful social transformation

Success factors



Source: Adapted from
Microinsurance Master

What can drive inclusive insurance in your company?

QUESTION

- A** Organisational structural change & human capital investments
- B** Client centric product development process
- C** Investment in dynamic distribution
- D** Appointment of champion
- E** Investments in R & D
- F** Technology and innovation
- G** Other (specify)

Thank you

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