



HARNESSING THE INSURETECH HYPE FOR MICROINSURANCE

12th International Microinsurance Conference: Sri Lanka

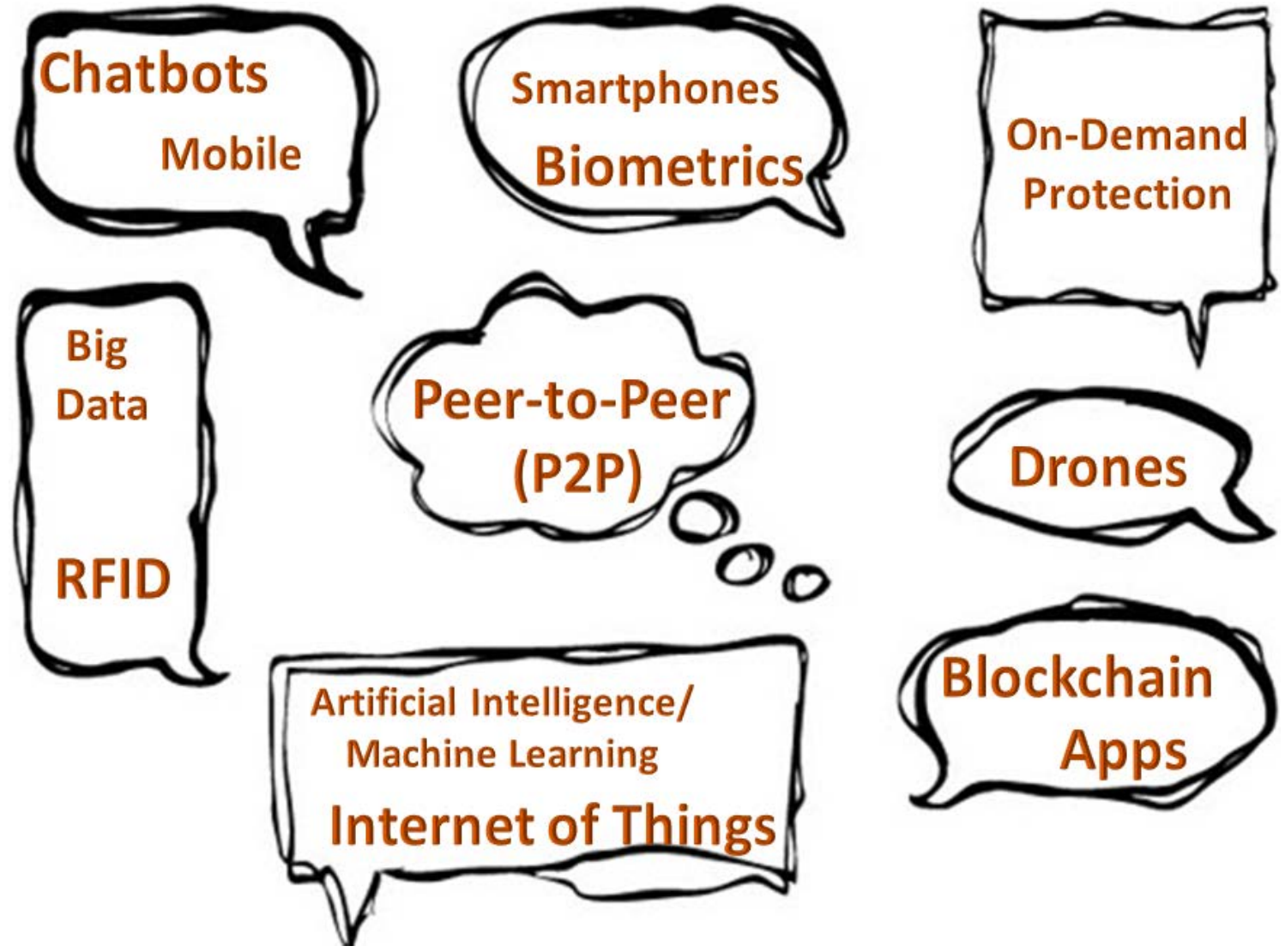
16 November 2016



EXPERTS IN CREATING
INCLUSIVE DIGITAL
INSURANCE MARKETS



BUZZWORDS OF INSURETECH





BUZZWORDS OF INSURETECH



1. Artificial Intelligence / Machine Learning

2. Peer to Peer (P2P)

3. On-Demand Protection

4. Chatbots

5. Internet of Things

BUZZWORD #1

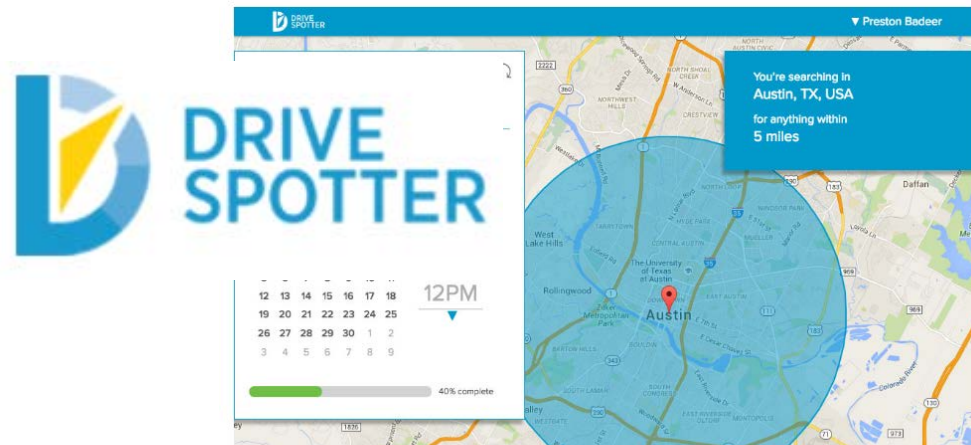
Artificial Intelligence/
Machine Learning



ARTIFICIAL INTELLIGENCE/ MACHINE LEARNING

What's happening in the traditional insurance space?

- Leveraging new and unstructured sets of data.



AGGREGATE



First, we work with you to aggregate dash camera footage for the drivers and vehicles you specify in your fleet.

ANALYZE



Next, our patent pending computer vision software analyzes your video for vehicle fuel, safety and upkeep events.

ADVISE



Then, we advise fleet managers and other key stakeholders about how to best engage, train and incentivize your drivers.

众安保险
ZhongAn Insurance

- **400m** customers with **4bn+** policies
 - 380m policies written in one day for Nov 11, 2015 shopping festival in China
- **8bn USD** valuation of Series A financing

ARTIFICIAL INTELLIGENCE/ MACHINE LEARNING

The microinsurance perspective

- Endless possibilities: Product Customization, Individual Risk Assessment...
- Big challenge: Reliable Datasets
- Example:



BUZZWORD #2

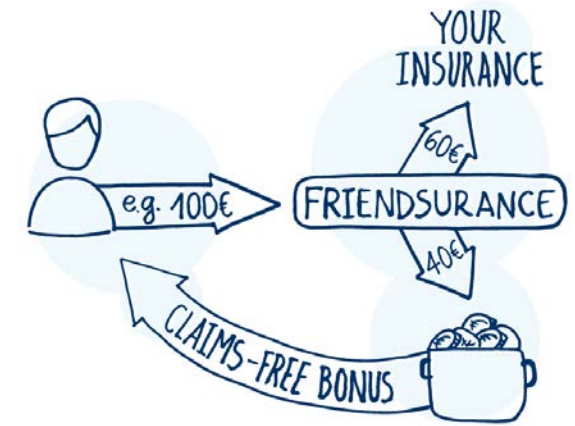
Peer-to-Peer



PEER-TO-PEER (P2P)

What's happening in the traditional insurance space?

- Different definitions, but some common features
 - “Mutual in a tech environment”?
 - Dividing into smaller pools that share in risk and reward
 - Portion of premiums covers small claims, portion for insurance co.
 - Upfront premiums vs. pay-for-claims
 - Friends/family vs. random groups
- Examples of 33-80% savings over traditional products, created by groups' shared incentives to minimise fraudulent claims.
- Questions remain:
 - How do you scale pools while also maintaining the benefits of social solidarity?
 - How do you leverage groups for claims efficiency?
 - How do you translate and simplify the concept for emerging consumers?



Tribe

so-sure
social insurance

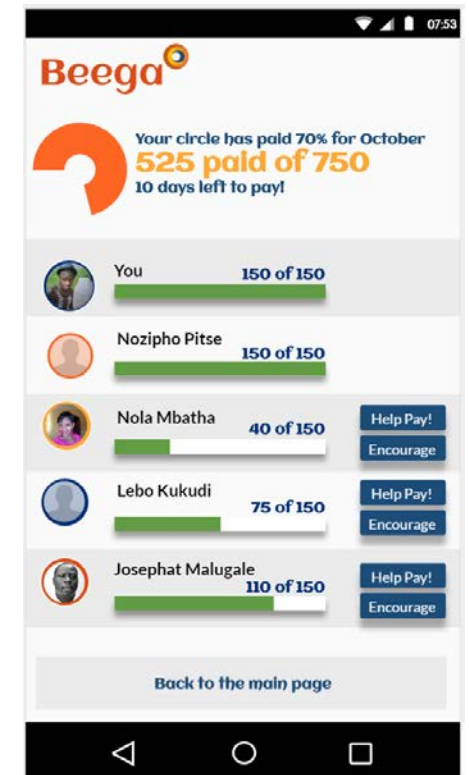
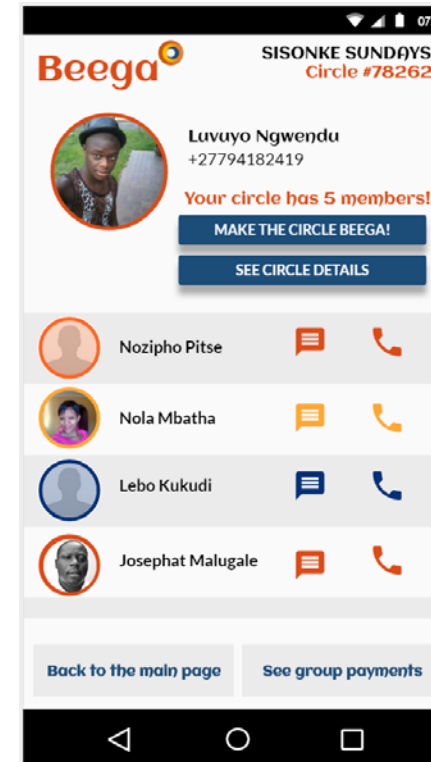
Lemonade

inclusivity
solutions

PEER-TO-PEER (P2P)

The microinsurance perspective

- P2P already exists in various forms
 - ROSCAs, VSLAs, ASCAs, Stokvels, Burial Societies
- Market research in South Africa:
 - Groups want transparency
 - Simplicity and efficiency
 - Want rewards for group success, but no penalties for bad members
 - Key to success: linking to unique existing structures in local markets
- Red flags:
 - Balancing low-touch with the value of social interaction
 - Balancing complex concept without smartphones/visuals/high data costs



BUZZWORD #3

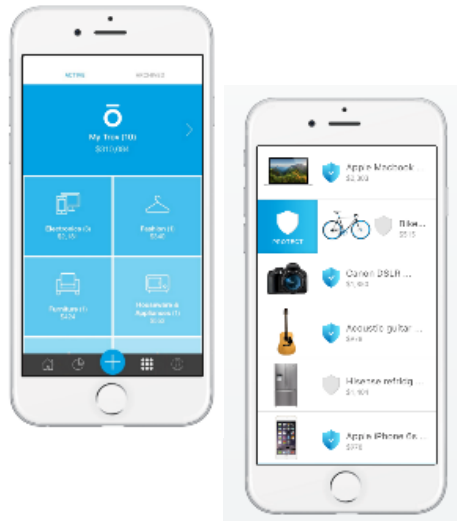
On-Demand
Protection



ON-DEMAND PROTECTION

What's happening in the traditional insurance space?

- **Trov:** Create digital database of assets and turn on/off cover as needed
- **Cover:** Insure anything by taking a photo of it





ON-DEMAND PROTECTION



The microinsurance perspective

- Alignment with emerging consumer mindsets
- What have we seen already?
 - Short-term accident insurance:
 - Safari Bima
 - Cover2Go
 - Agriculture insurance:
 - ACRE/Kilimo Salama
- Smartphones will open more opportunities
- Challenges:
 - Requires more frequent decision-making to “turn on” insurance coverage
 - Adverse selection: buying cover before risky events

BUZZWORD #4

Chatbots

CHATBOTS

What's happening in the traditional insurance space?

- Insurance examples: Spixii, Lemonade, etc.
- Facebook Messenger:
 - 34,000 chatbots in first 6 months
 - Challenges persist with bad user experience, but successes are evolving
 - Best Use Cases:
 - Driving people toward subscriptions
 - Facilitating small transactions
 - Customer service

So what is SPIXII?

SPIXII is an automated insurance agent dedicated to making insurance quicker, easier and more personal than ever before.

With a simple conversation, find out what insurance would be right for you in an instant. Finally no more form-filling. No more confusing jargon. This is insurance made simple.

Do you remember the last time your computer crashed? That moment when you wonder if all your documents and photographs have backed on the hard-drive. Remember the sense of relief when you check and see that they're all still there? Insurance is life's hard-drive. And we believe you should have all the information at your fingertips on how to get the right one.

That's Spixii's mission. It's insurance, but not how you know it.



CHATBOTS

The microinsurance perspective

- Low-touch vs. High-touch



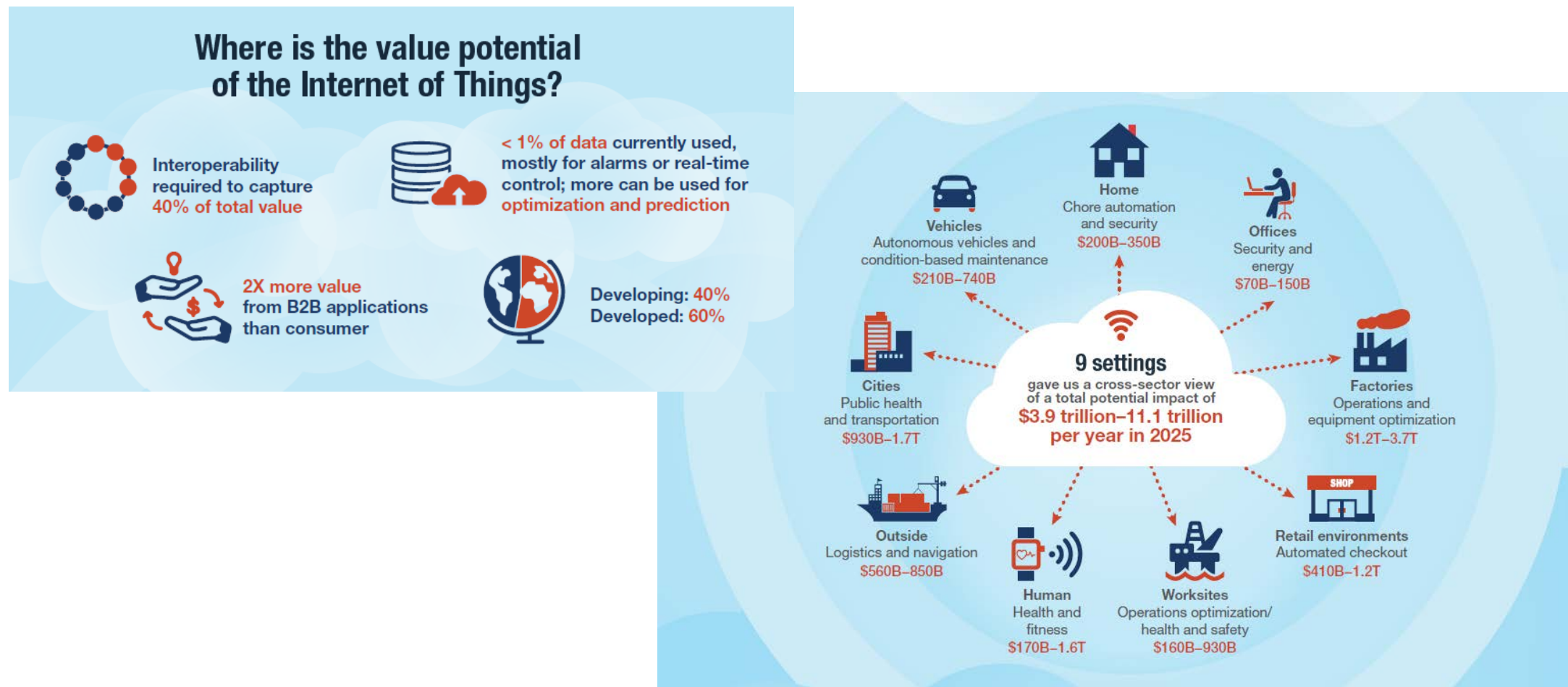
- Key Considerations:

- Literacy rates
- Smartphone penetration
- Target market age
- Trust

BUZZWORD #5

Internet of Things
(IoT)

INTERNET OF THINGS

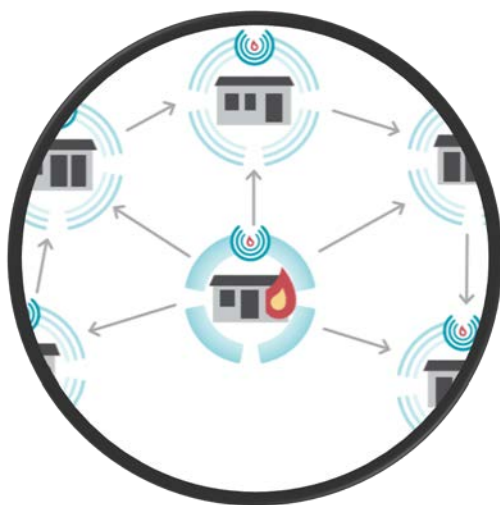




INTERNET OF THINGS



The microinsurance perspective





CONCLUSION



- InsureTech is set to continue expanding
 - Better Products
 - Better Distribution
 - Better User Experience
 - Better Customer Value
 - More Use Cases for Microinsurance

- Microinsurance as a leader





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INCLUSIVE DIGITAL
INSURANCE MARKETS

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