



UNLOCKING DEMAND – DELIVERING VALUE TO OUR CUSTOMERS

International Microinsurance Conference 2016 – Colombo
Quentin Gisserot – AXA Emerging Customers

Setting the scene: our value proposition aims to make customers' first experience of insurance positive

Emerging customer characteristics

Low-to-middle income people in emerging countries
With limited discretionary income

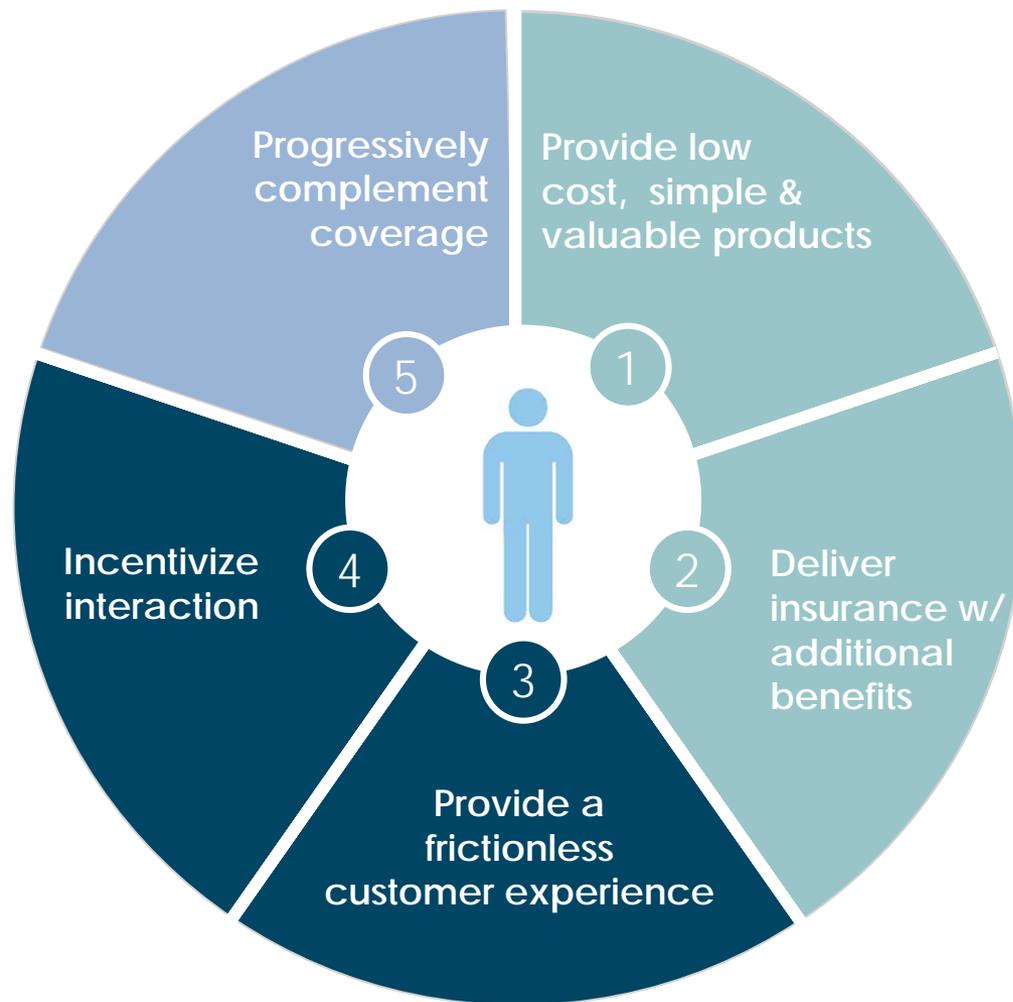
Living complex financial lives
irregular inflows and outflows

Aware of the risks they face
main concerns related health, protection and crop

Rely on informal protection mechanisms which they trust
communities, cooperatives, relatives

Mostly 1st time buyers
85% of people in emerging markets have never had insurance

The five elements of our value proposition



Our value proposition will be made tangible through a set of impact measurement KPIs

In this context, why measure our impact?

BUSINESS DRIVER

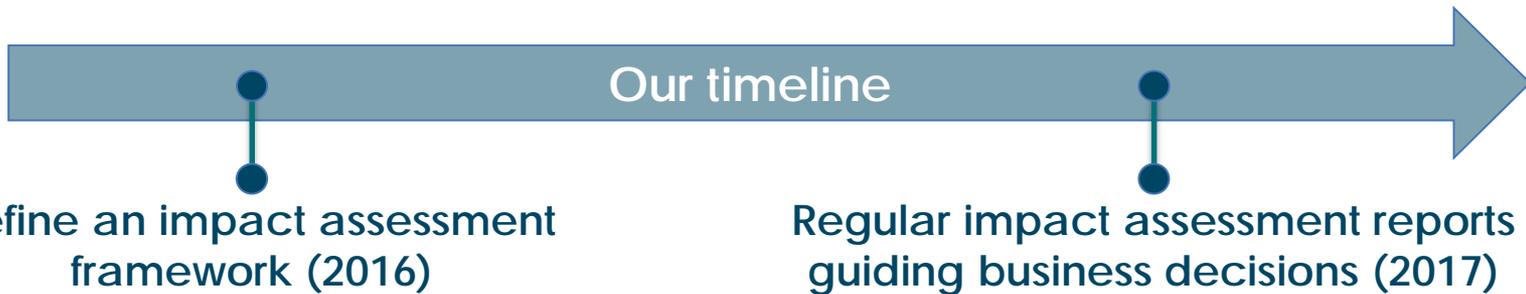
- Making our value proposition tangible
- Ensuring schemes' financial sustainability
- Differentiating ourselves vis-à-vis our partners

IMAGE AND CORPORATE RESPONSIBILITY

- Integrated reporting and sustainability analytics
- External visibility and reputation

MANAGE RISKS

- Particularly in new / risky markets which can lead to important losses
- Adjust your strategy



Where do we start? Several complementary tools

Timing

Ex ante

Ex post



PRODUCT GUIDELINES & GRADING TOOLKIT

- ➔ Definition of what is/isn't Emerging Customers insurance
- ➔ Quality ranking per product/initiative

IMPACT KPI INCLUDED IN OPERATIONAL REPORTING

- ➔ For example:
 - claims ratio,
 - use of add-on services
 - claims rejection ratio
 - Promptness of claims...

FULL-FLEDGED IMPACT STUDIES

- ➔ Client surveys
- ➔ Understanding customers expectations and feedback on products

1 - Start with products: micro-insurance can't be a miniaturised version of insurance

Product Quality Scoresheet

- ✓ Simple /6
- ✓ Understood /6
- ✓ Accessible /6
- ✓ Valuable /6
- ✓ Efficient /6

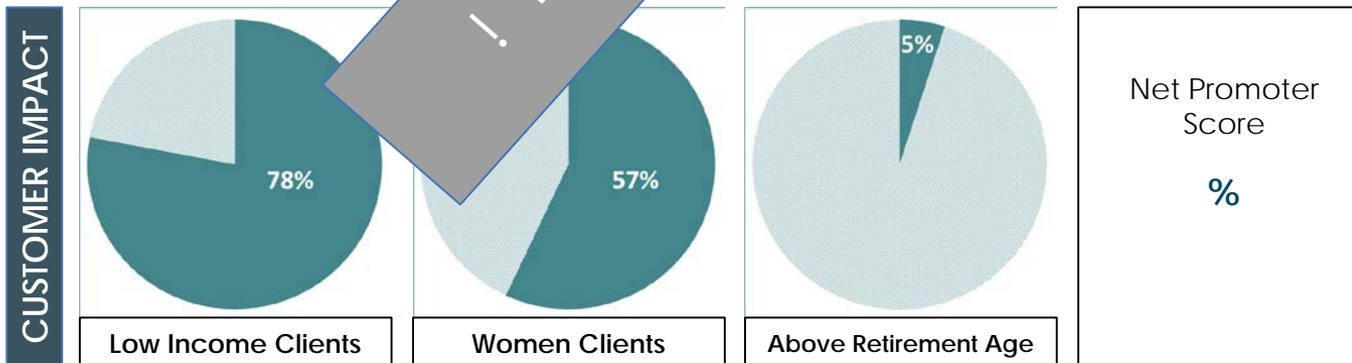
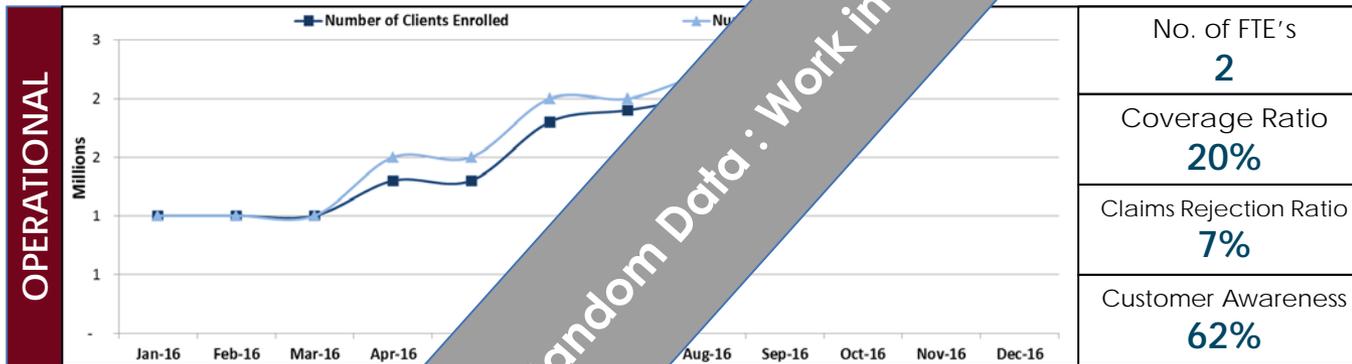
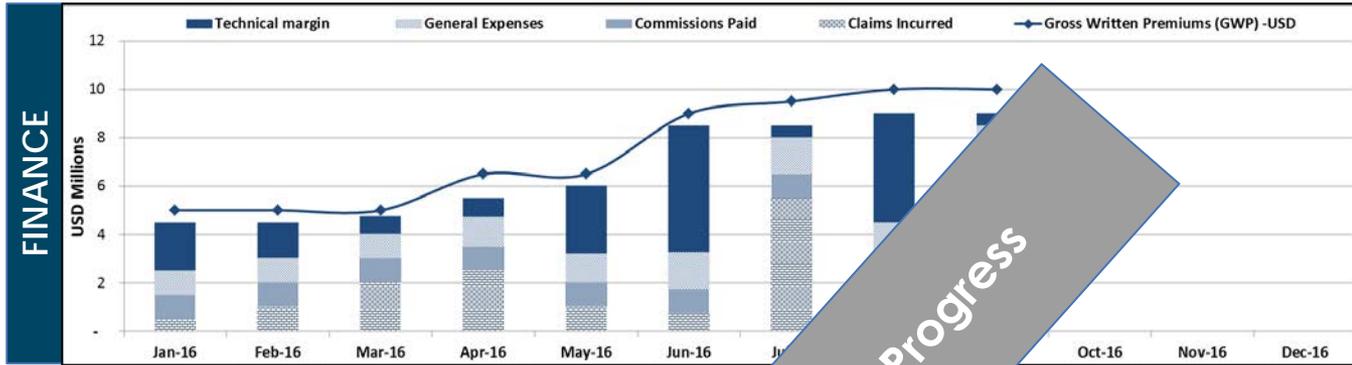
Total score: /30



Our approach

- A "score sheet" to grade products
- Adapted from the Microinsurance Network's SUAVE framework
- Simple to fill for the entities: tick-the-box, one sentence explanation
- Encourage adoption of best product design practices
- Data will be compiled by the central Emerging Customers team.

2 - Measuring value : go beyond financial KPIs reporting

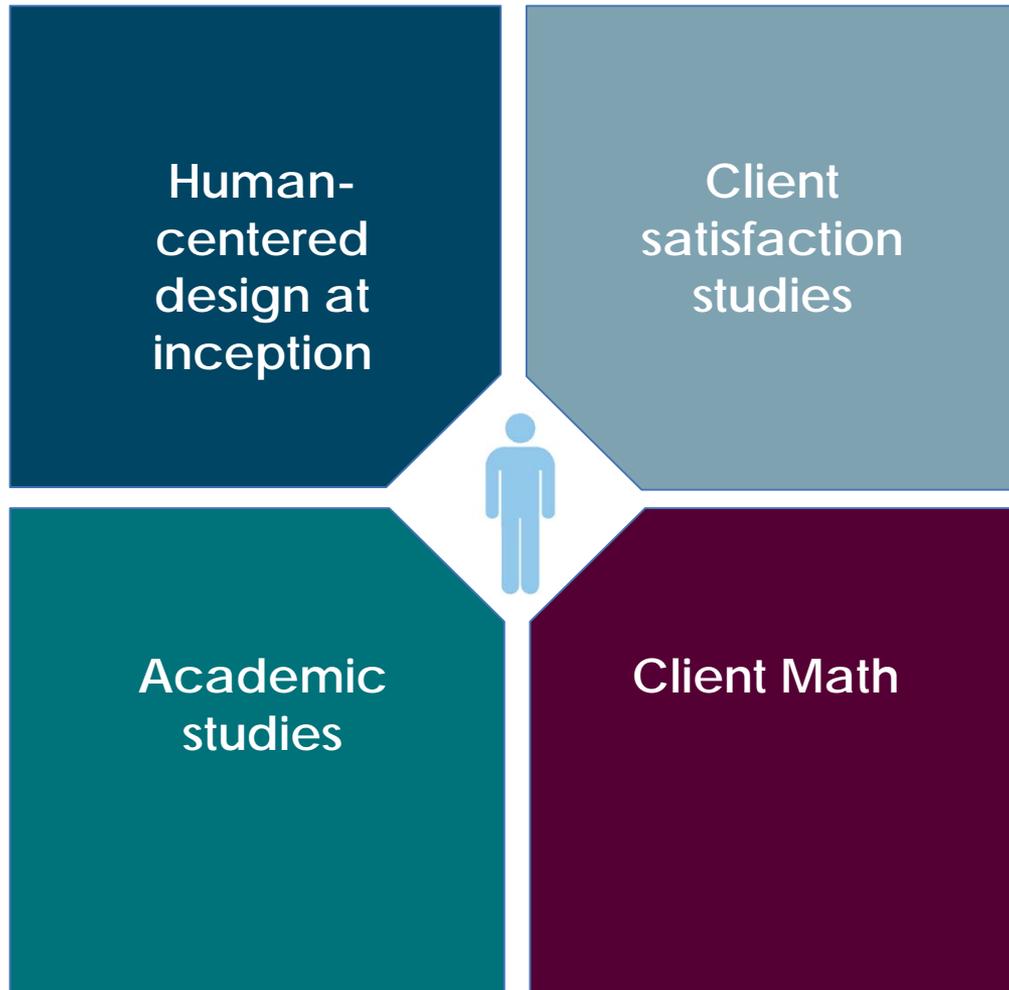


! Random Data : Work in Progress



Use this data to adjust product and processes

3 - Conduct targeted customer impact studies



✓ Trust that the customer always knows better!

Impact in a B2B2C landscape: rely on partnerships where an alignment of interests AXA-partner-customer is explicit

Top 3 drivers for the partners	Partnerships in place / pipeline			Potential partnerships to be explored by 2020		
	MFI / rural banks	Telcos	M-financial services	Large corporates	Remittance companies	Others (Retailers, Utilities)
Risk Management Protecting productive or consumption loan portfolio (e.g., credit life)	3 rd		3 rd			
Reputational & CSR Reinforcing responsible company image		3 rd		2 nd	3 rd	
Gain market share / differentiate Leverage valuable insurance products to increase enrolment rates, ARPU ¹ and retention	1 st	2 nd	1 st		1 st	3 rd
Drive salesforce efficiency Develop an insurance solution proposition for partners to incentivize their sales force				1 st		2 nd
Increase supply chain stability Attract and secure input supply (e.g. Insure crops from for food & beverages)				3 rd		
Adjacent source of rev. Leverage their existing customer base or distribution infrastructure to add insurance within their product range	2 nd	1 st	2 nd		2 nd	1 st

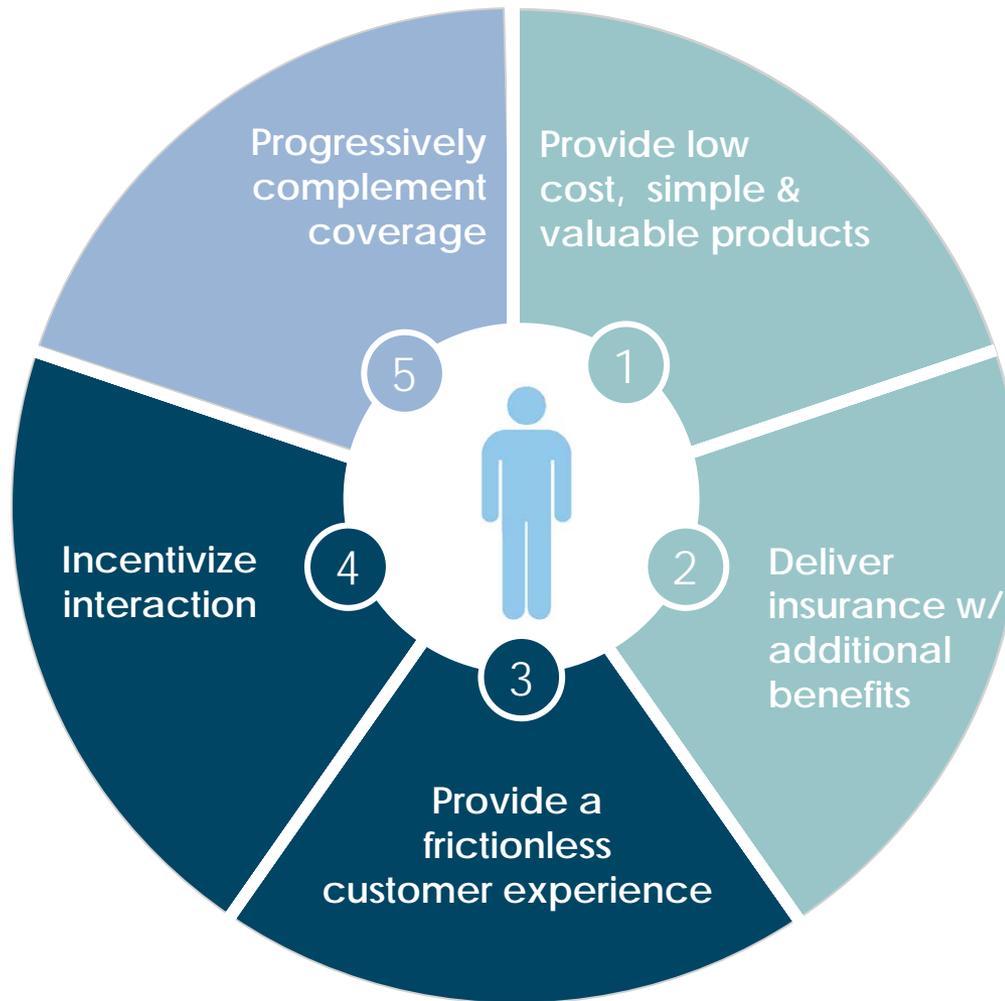
Key Success Factors of partnership design

- Determine nature & priority of value drivers per country and partner
- Design partnership to ensure long-term commitment (e.g. first free/mandatory, progressively move to paid, slowly multi-equipment)

1 – ARPU stands for “average revenue per user”



Conclusion: measure success over your initial objective



✓ We want to drive social impact through business performance

Thank you!