CEO Retreat
ICII 2023 pre-conference workshop
Topline and Bottomline strategies for inclusive insurance
About the Workshop Host

**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.
Workshop Structure

01. Business case & business modeling
02. Organisational Development & Institutional culture
03. Topline & Bottomline strategies
04. Visions of the Future
About the workshop

• The workshop presents insights on strategies and business models from successful inclusive insurance providers.
• designed for senior executives and insurance practitioners interested increasing their investments and footprint in inclusive insurance business.
• aims to demonstrate how inclusive insurance providers can make inclusive insurance viable and profitable while providing superior client value for their customers.
Setting the scene: Inclusivity of Insurance Markets

Demand Profile
- Inappropriate products
- Distrust
- Informality of risk management
- Poor understanding
- Low experience
- Risk exposure
- Misconception

Supply Profile
- Lack of data
- Poor market understanding
- Lack of data & models
- Low margins
- Low capacity
- Unattractive risk/return profile
- Traditional insurance culture & focus

Low insurance penetration rate
- low coverage
Setting the scene: Covid brought new opportunities…

- Avoiding business closure
- Become more relevant
- New products
- Rethinking business strategy
- Embracing technology
**Speaker introduction**

**Lorenzo Chan**  
CEO, Pioneer Insurance Group and Chair of the Board of the Microinsurance Network, Philippines

**Agnes Chakonta**  
Managing Director, Madison Life, Zambia

**Saurabh Sharma**  
Director Emerging Consumers, Britam, Kenya

**Dorothy Salifu**  
Head of Operations, Hollard Life, Ghana

**Lemmy Manje**  
Founder & CEO, FinProbity Solutions, Rwanda/Zambia  
Moderator
• What business strategies (topline and bottomline) can be employed by market players to achieve better results in inclusive insurance business?
• What organizational structure is ideal for pushing inclusive insurance in a company?
• What sort of institutional culture and work-style is ideal to driver inclusive insurance business?
• How can shareholders support senior management in pushing inclusive insurance in insurance companies?
Part 1: Business Case and Business Modelling
Part 1: Business Case and Business Modelling

• Why inclusive insurance?
• Strategic partnerships
• Product offerings
• Distribution
• Customer centricity
• Innovation in product design
• Technology application in the inclusive insurance value chain
D1: Why invest in inclusive insurance?

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
Lorenzo Chan
CEO, Pioneer Insurance Group and Chair of the Board of the Microinsurance Network, Philippines
Part 1: Business Case and Business Modelling

• Mass market comprise 82% (96 million) of the population
• Partnerships bring the benefit of credibility and ability to scale
• Tailor-fit products and programs, product bundles
• Simple, easy-to-understand, accessible and affordable products responsive to market needs
• Blended approach, technology as an enabler
Agnes Chakonta
Managing Director,
Madison Life, Zambia
WHY INCLUSIVE INSURANCE

1. Demand/Need for products.
2. Untapped Market
3. Diversification
4. Future growth
PRODUCT LINES

Phase 1
Death and illness of principal

Phase 2
Funeral cover added

Phase 3
Family members added

Phase 4
Travel insurance/Medical Cover
DISTRIBUTION CHANNELS

Phase 1: Agent Partner Model - successful
Phase 2: Direct distribution - complete failure
Phase 3: Bancassurance - successful
Phase 4: Affinity Groupings - successful
Phase 5: Technology/Start-up packs - Failure
Phase 6: Insurtechs
NATURE OF DEMAND

Phase 1: Mandatory/Compulsory
Phase 2: Optional
Phase 3: Voluntary
CUSTOMER CENTRICITY

Phase 1
Product Development without Much Focus on the Client but profits

Phase 2
Customer engaged and consulted

Phase 3
Customer is part of the Process of Product Development. Involve other partners
INNOVATION AND TECHNOLOGY

**INNOVATION**
- Evolving needs
- Develop Demand
- Rebranding /excitement

**TECHNOLOGY**
- Easy of managing the Business
- Cost Management
- Distribution Channel
- Product Development
Saurabh Sharma
Director Emerging Consumers, Britam, Kenya
Our vision for Microinsurance at Britam

“Insurance with Impact”
Microinsurance at Britam

- 2 MILLION+ INSURED LIVES
- 45% INSURED WOMEN CLIENTS
- 34% CAGR GROWTH
- 43% MICROINSURANCE MARKET SHARE
- 85% RENEWAL RATE SINCE 2018
- OVER $30M CLAIMS PAID
Our Commercial Strategy: Products & Channels

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>GROUPs &amp; MSMEs</th>
<th>EMBEDDED INSURANCE</th>
<th>CLIMATE INSURANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>TARGET</td>
<td>Micro, Small &amp; Medium Sized Enterprises</td>
<td>Digital and non-digital ecosystems</td>
<td>Farmers, NGOs &amp; Government bodies</td>
</tr>
<tr>
<td>PRODUCT TYPE</td>
<td>Group health, funeral, accident &amp; business insurance</td>
<td>Bite sized health, accident &amp; funeral products</td>
<td>Index based crop, livestock, flood insurance products</td>
</tr>
<tr>
<td>DISTRIBUTION</td>
<td>Conventional channels (brokers, agents, banks)</td>
<td>Aggregators (Digital &amp; non-digital) enabled by micro agents</td>
<td>Aggregators enabled by micro-agents</td>
</tr>
<tr>
<td>KEY PARTNERS</td>
<td>Supermarket chains, Cooperatives</td>
<td>Airtel, Safaricom, Google</td>
<td>Pula, ACRE, Zep re</td>
</tr>
<tr>
<td>CURRENT OUTREACH (PREMIUM)</td>
<td>US$ 8M</td>
<td>US$ 4.5M</td>
<td>US$ 1M</td>
</tr>
<tr>
<td>CURRENT OUTREACH (CUSTOMER NUMBERS)</td>
<td>100K+</td>
<td>1.5M+</td>
<td>60K+</td>
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</tbody>
</table>
Dorothy Salifu
Head of Operations,
Hollard Life,
Ghana
Business Case and Modelling
Hollard Life MeBanbo Funeral & Disability Insurance
Business Case and Modelling
Hollard Asomdwee Micro Small & Medium Enterprise Insurance
Modelling Inclusive Insurance: Hollard Ghana

- Customer Centricity
- Inclusive Use of Technology
- Distribution
- Customised Product Design
- Focus on Customer Journey, Feedback, Financial Literacy
- Strategic Partnerships
Hollard’s Strategic Microinsurance Partnerships

With B2B businesses that already engage target customers

e.g., microfinance institutions, telecom companies, etc.
Customised Product Design
MeBanbo Life Insurance & Asomdwee MSME Insurance

Life Insurance product (MeBanbo), and bundled life and non-life product (Asomdwee)
Product Distribution via Partner Channels
MeBanbo Life Insurance & Asomdwee MSME Insurance

Using the existing distribution structure of B2B, Ghana Enterprises Association (GEA)
Customer Centricity
MeBanbo Life Insurance & Asomdwee MSME Insurance

From Signup to Claims
Customer Journey, Feedback, & Financial Literacy Focus

MeBanbo Life Insurance & Asomdwee MSME Insurance

Feedback from the target market
Inclusive Use of Technology
MeBanbo Life Insurance

Use Of USSD (also on feature phones) in addition to typical smart phone access
Hollard’s Organisational Development & Institutional Culture

- **Organisational Structure**: Traditional Insurance Company that conducts Microinsurance functions

- **Institutional Culture**: We do well by doing good. 
  Whether Big or Small – We will insure it!

- **Staff Induction & Training**: General Staff Webinars, Departmental training

- **Agility & Decision-making**: 
  - **Flexibility** – Decision makers must be adaptable & adjust strategies 
  - **Data-driven** – To make informed decisions 
  - **Collaboration** – With partners, regulators 
  - **Responsive** – To unique market needs

**Inherently Inclusive**
Part 2: Organizational development and institutional culture
Part 2: Organizational development and institutional culture

• Organisational structure
• Institutional culture
• Staff induction and training
• Agility and decision making
Lorenzo Chan
CEO, Pioneer Insurance Group
and Chair of the Board of the Microinsurance Network, Philippines
Part 2: Organizational development and institutional culture

• Secure support from the top
• Appoint a Champion
• Immersion program
• Empower a young team to run the operations (underwriting, claims settlement, P&L responsibility)
• Go out to the field
Agnes Chakonta
Managing Director,
Madison Life, Zambia
ORGANISATIONAL DEVELOPMENT AND INSTITUTIONAL CULTURE

Organizational Structure
- Support the Business

Institutional Culture
- Value the Business
- No fear for Failure

Staff Induction and Training
- Staff should be Trained, equipped and Empowered

Agility & Decision Making
- Take the Risk
- Quick decision making
Saurabh Sharma
Director Emerging Consumers, Britam, Kenya
Pros & Cons of a Standalone Microinsurance unit

- Better Partner Management
- Quick Decision Making
- Improved Tracking

- Tough Beginnings
- Managing Support Services
- Resource Constraint
Dorothy Salifu
Head of Operations, Hollard Life, Ghana
Part 3 Topline and Bottomline Strategies

• What business strategies (topline and bottomline) have you employed to achieve better results in inclusive insurance business?
• What works? And What doesn’t work?
• What are the lessons learned and insights?
Lorenzo Chan
CEO, Pioneer Insurance Group
and Chair of the Board of the
Microinsurance Network,
Philippines
Part 3: Topline and Bottomline Strategies
Part 3 Topline and Bottomline Strategies

• 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
Agnes Chakonta
Managing Director,
Madison Life, Zambia
Topline and Bottomline Strategies

Success Factors

- Start with Achieving Client Confidence;
- Understand the culture and environment;
- Education of the clients is key;
- Product must be accepted by the intended market and generate desired volumes;
- Aggregator must have necessary capacities; Scale, collect premiums and settle claims using cheap means;
- A win–win arrangement with the aggregator
- Always work with simplified products;
- Add appropriate sweeteners;
- Good communication/interaction;
- Take ownership;
- Employ technology.

How and Why Did It Go Wrong?

- Project failed to generate the targeted interest and volumes.
- Product not accepted by the intended market.
- Overly dependant on the agent; project proved costly to the Agent;
- Failure to market Madison Life as a company and brand;
- Lack of education/Product knowledge;
- Informal Protection Scheme working well.
Multiple branding and distribution

Phase 3 & 4

Channel

- Marketeer Associations
- Enterprise association
- Banks and MFIs
- Taxi and Bus Associations
- Workers Unions

Brand

- Mutende
- Dignity
- Ubuntu
- Tilitonse

Target group

- Micro - Entrepreneurs
- Micro - Entrepreneurs
- Low-wage earners
- Drivers
- Low-wage earners e.g. Casual workers, Teachers, Civil Servants, Miners etc.
Saurabh Sharma
Director Emerging Consumers, Britam, Kenya
**Path to Profitability & Scale**

- **Start with key distribution partner**
- **Shift to Group only products**
- **Added digital embedded products**

**GWP CAGR: 34%**
Topline & bottom line strategies: Key lessons

Long Term View

Insurance is a long term business, such a view can help learning from failure

Organization structure

Independent & Autonomous structure can bring focus & ownership of value chain

Client Centricity

Client centricity in the value chain from product design to client education to claims
Dorothy Salifu
Head of Operations, Hollard Life, Ghana
# Topline and Bottomline Strategies

<table>
<thead>
<tr>
<th>Top-Line</th>
<th>Using innovative distribution channels, Activation drives, e.g., market storms and road shows</th>
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<tbody>
<tr>
<td></td>
<td>Leveraging technology to reach a wider audience (USSD)</td>
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<tr>
<td>Bottom-Line</td>
<td>Managing costs and risks in a bid to maintain profitability</td>
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<tr>
<td></td>
<td>Optimising underwriting processes and implementing efficient claims management</td>
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Topline and Bottomline Strategies

**What Doesn’t Work**
Assumptions with no customer Engagements

**What Works**
1. Constant Engagement
2. Customer oriented engagements and feedback
3. Learn and leverage on lessons from other companies who have done this

**Lessons learned**
Inclusivity is the way to
Inclusivity takes work
Part 4: Visions of the Future
Part 4: Visions of the Future

• What’s next?

• What do you think will drive success of your inclusive insurance business?
Lorenzo Chan
CEO, Pioneer Insurance Group
and Chair of the Board of the
Microinsurance Network,
Philippines
Part 4: Visions of the Future

• Agri insurance
• Public-Private Partnerships
• Continuous innovation on the 6 Ps
  ➢ Product and price enhancements
  ➢ Digital app
  ➢ Claims process (8/24)
Agnes Chakonta
Managing Director,
Madison Life, Zambia
<table>
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<th>VISIONS OF THE FUTURE</th>
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<tr>
<td><strong>Customer Centricity</strong></td>
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<tr>
<td><strong>Innovating New Products and Services and ways of doing business</strong></td>
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<tr>
<td><strong>Consumer Education</strong></td>
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<td><strong>Buy in from all Stakeholders</strong></td>
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<tr>
<td><strong>Trained, Equipped and Empowered Staff</strong></td>
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<tr>
<td><strong>Increased usage of technology to increase penetration and manage costs.</strong></td>
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<td><strong>Streamlined Customer experience across all touch points, to build Loyalty</strong></td>
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<tr>
<td><strong>Build Economies of Scale to lower Cost – Invest in R &amp; D</strong></td>
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<tr>
<td><strong>Organisation Structure and Culture</strong></td>
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<tr>
<td><strong>Drive more sales – Huge untapped market</strong></td>
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<tr>
<td><strong>Improved and Expanded Distribution Channels</strong></td>
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<td><strong>Persistence and Endurance</strong></td>
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Saurabh Sharma
Director Emerging Consumers, Britam, Kenya
Our long term ambition

- A Top 10 insurance company in Kenya
- Fifty million insured lives by 2030
- RoE at 30%+ driven by profitability
- Sustainability & impact to be the key values
- Activate 100k+ micro agents
- MI expansion in all seven countries
- 65% of insured to be women
- Fully digital Ops claims TAT <3 days
Dorothy Salifu
Head of Operations, Hollard Life, Ghana
Visions of the Future

What's next?
1. More Partnerships
2. Product Enhancements based on customer feedback

What will drive success of your inclusive insurance
1. More Education
2. Shared testimonials
3. Customer co-product designer

Insurance →
Risk ←