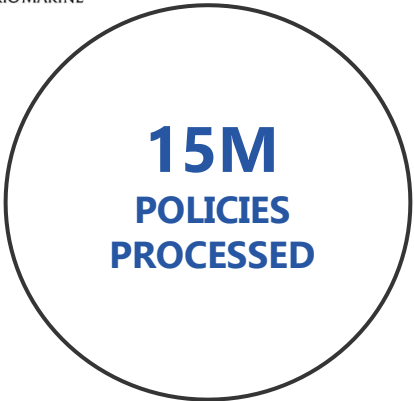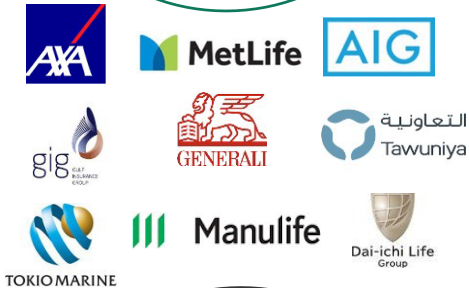DEMOCRANCE
Democratizing Insurance

MAKING INSURANCE ACCESSIBLE TO THOSE WHO NEED IT MOST: BENEFITS & CHALLENGES OF USING TECHNOLOGY

08th Regional Inclusive Insurance Conference, 26th April, 2023
Session 6: Inclusive Digital Insurance Models
NAIROBI, KENYA

Q2 2022

A SHORT INTRO ABOUT DEMOCRANCE

20+ INSURANCE CLIENTS

16 MARKETS LIVE

15M POLICIES PROCESSED

50+ PRODUCTS SUPPORTED

Company Overview

- Democrance is a B2B InsurTech, offering a SaaS, plug-and-play technology platform that digitizes sales & distribution verticals of the insurance value chain for leading insurance companies.

- We enable insurers to sell digitally across multiple channels from a single platform:

Online D2C   Agents   Brokers   Banks   Aggregators   Partners

Individual & Commercial product lines supported:

Motor   Travel   Home   Health   Life   A&H
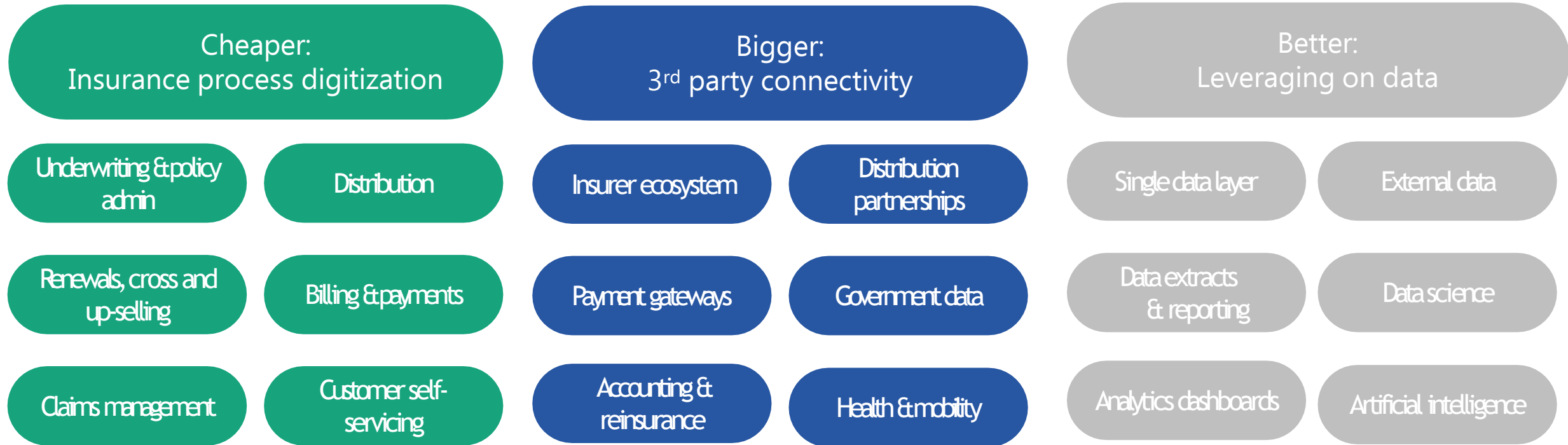
P&C SME   Marine   Micro   Group Life   Fleet   Cargo

OUR TECHNOLOGY SOLUTION: WHITE LABELLED SAAS PLATFORM

Cheaper: Insurance process digitization		Bigger: 3rd party connectivity		Better: Leveraging on data	
Underwriting & policy admin	Distribution	Insurer ecosystem	Distribution partnerships	Single data layer	External data
Renewals, cross and up-selling	Billing & payments	Payment gateways	Government data	Data extracts & reporting	Data science
Claims management	Customer self-servicing	Accounting & reinsurance	Health & mobility	Analytics dashboards	Artificial intelligence

WHY INCLUSIVE INSURANCE IS CHALLENGING: WHAT HAS NOT WORKED?

DEMAND-SIDE (CUSTOMER)

Poor awareness and trust in insurance in developing countries
- ✓ Difficult to understand value
- ✓ Insurers often don't have good brand recognition

Customer journey is too complicated
- ✓ Lots of paperwork at policy enrolment and claim
- ✓ Insurance exclusions and long Terms & Conditions

Collecting insurance premium collection is difficult
- ✓ Low-income segment don't have bank account or credit/debit card

SUPPLY-SIDE (INSURER)

Traditional distribution channels are not viable
- ✓ No access to low-income population

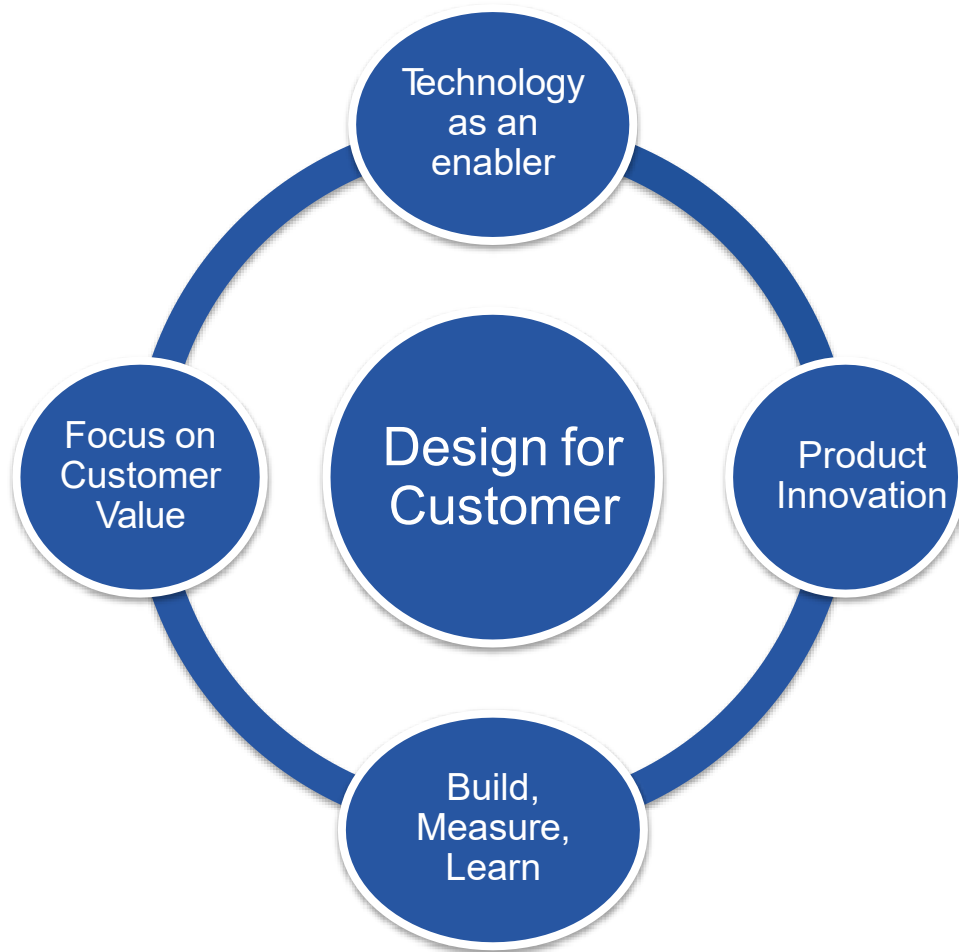**Insurers often struggle to understand this segment**
- ✓ Pressure on short-term results
- ✓ Develop simple product and value propositions

**Legacy technology cannot process mass low-premium policies**
- ✓ Lack of a flexible IT platform to integrate with non-traditional partners and manage millions of policies

DIGITAL INCLUSIVE INSURANCE: WHAT HAS WORKED?

- Technology as an enabler
- Focus on Customer Value
- Design for Customer
- Product Innovation
- Build, Measure, Learn

We will continue to innovate for marginalized communities and contribute to build resilient societies thanks to the power of technology. #democratizinginsurance

OUR MICRO INSURANCE JOURNEY: WHAT HAVE WE ACRHIEVED?

1 M
Low-income active customers

New Innovation

Improved Efficiencies

New customer Segments
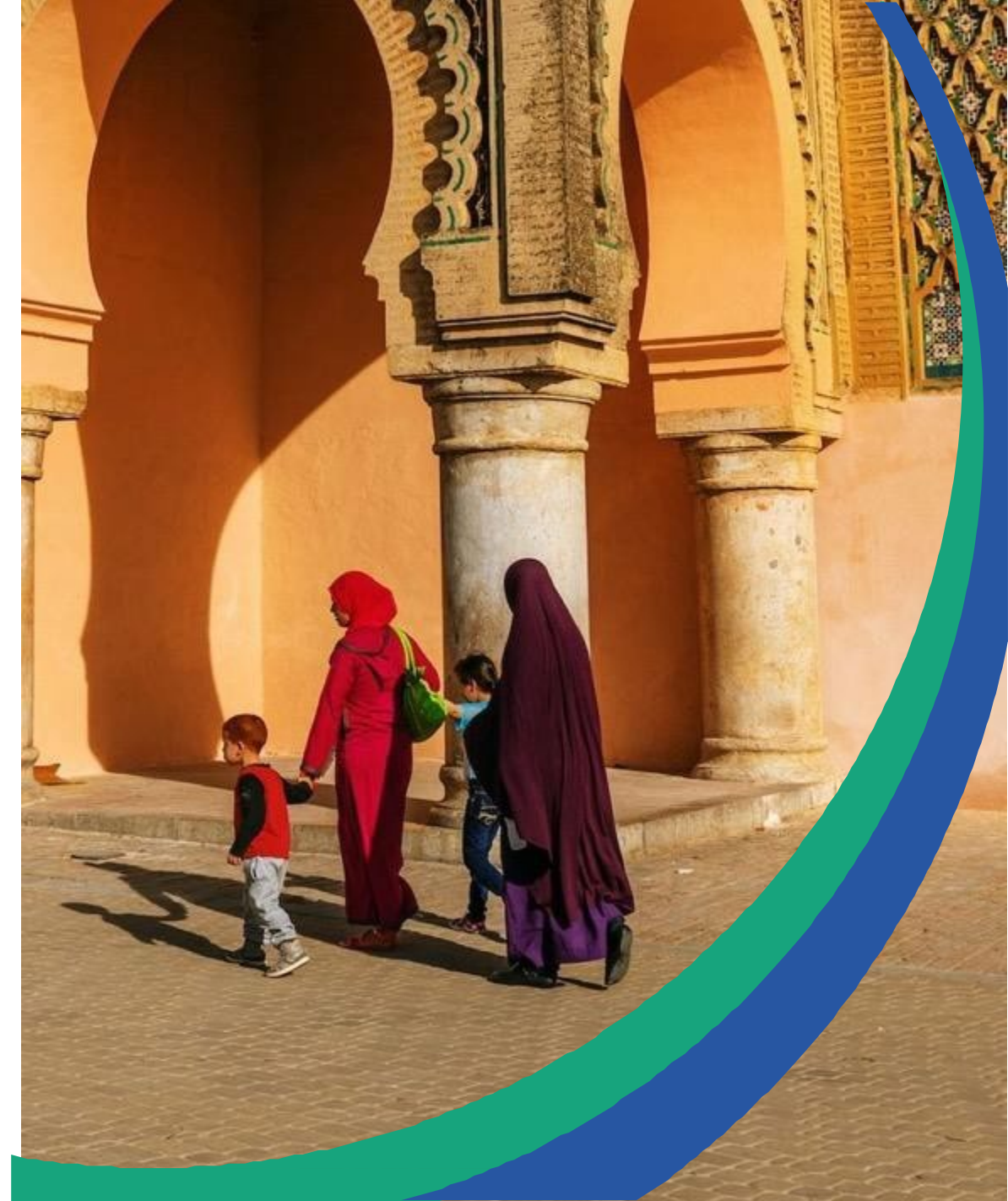
HOW WE ENABLE LEADING INSURERS TO SELL MORE MICRO INSURANCE THROUGH TECHNOLOGY

Front End Journeys

Customizable, responsive, out-of-the-box journeys for all customer, broker and agent interactions.

Key Features:

Journeys are customized with your brand guidelines (Logos, colors & fonts).

No code journey builder tool, to easily create and edit journeys in minutes.

Human Centric designed UI, ensuring a seamless UX with each interaction.

Product Builder

Digitize and manage your products with our in-platform configurable rating engine.

Key Features:

Take control of your products and easily edit underwriting rates, rules & prices.

Increase your speed to market, configure, launch & test new products quickly

Configure policy admin & payment workflows on a product level.
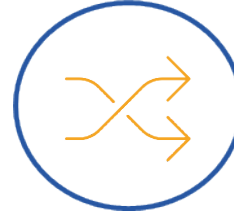
API Connectivity

Connect in real time to your core systems, partners & external data sources with the use of our API's

Key Features:

Extract data from government entities to pre-populate user submission data.

Integration with existing internal systems such as CRM, accounting and reinsurance.

Enable partners to consume Democrance   API's for Quoting & Binding Policies.

Reporting & Analytics

Custom reporting available & in-depth performance dashboards to monitor all activity.
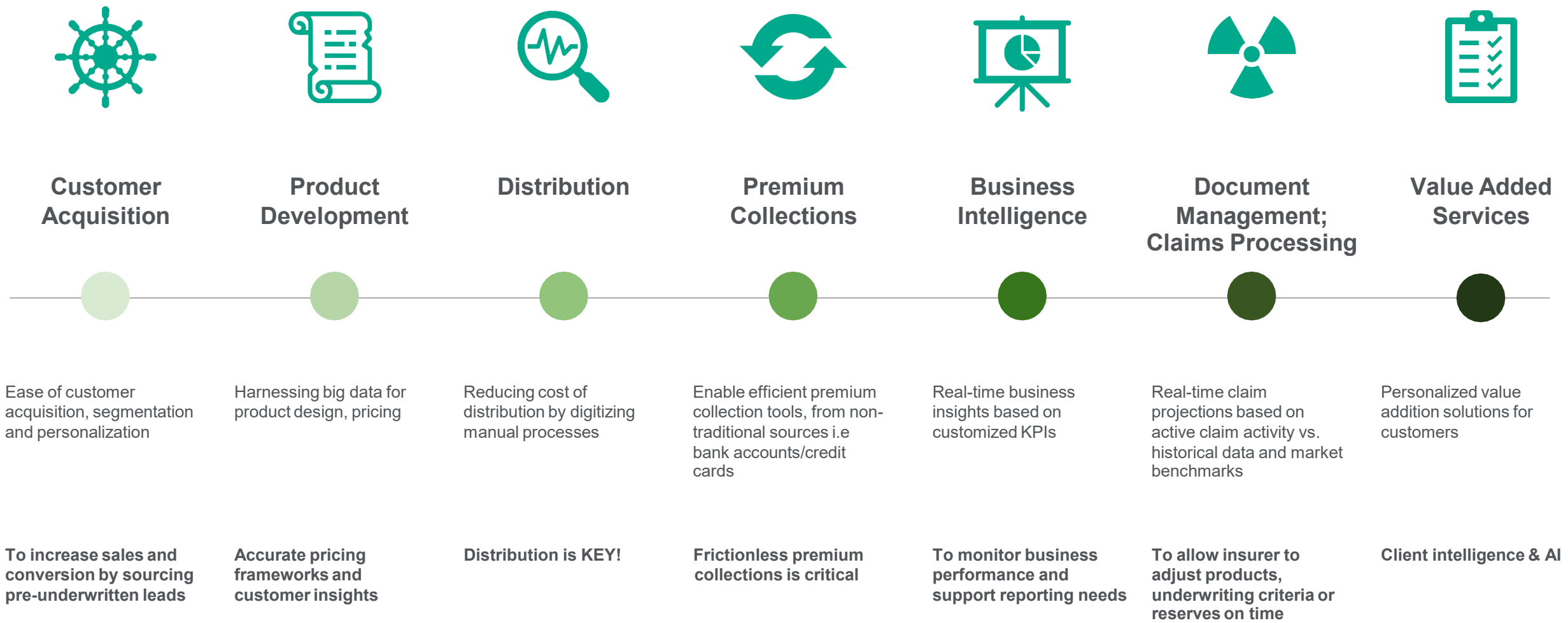
Key Features:

Create custom report types, available to send via API or manually timed SFTP delivery.

View product or channel performance via your in-platform customer dashboard.

Ability for management to contextualize performance and determine possible changes.

THE ROLE OF TECHNOLOGY FOR SUSTAINABLE MICRO INSURANCE PROGRAMS

Customer Acquisition	Product Development	Distribution	Premium Collections	Business Intelligence	Document Management; Claims Processing	Value Added Services
Ease of customer acquisition, segmentation and personalization	Harnessing big data for product design, pricing	Reducing cost of distribution by digitizing manual processes	Enable efficient premium collection tools, from non-traditional sources i.e bank accounts/credit cards	Real-time business insights based on customized KPIs	Real-time claim projections based on active claim activity vs. historical data and market benchmarks	Personalized value addition solutions for customers
To increase sales and conversion by sourcing pre-underwritten leads	**Accurate pricing frameworks and customer insights**	**Distribution is KEY!**	**Frictionless premium collections is critical**	**To monitor business performance and support reporting needs**	**To allow insurer to adjust products, underwriting criteria or reserves on time**	**Client intelligence & AI**

FUTURE OPPORTUNITIES: ENABLERS & DRIVERS

1) Digitization
Insurers will need to adopt higher level of innovation & technology adoption
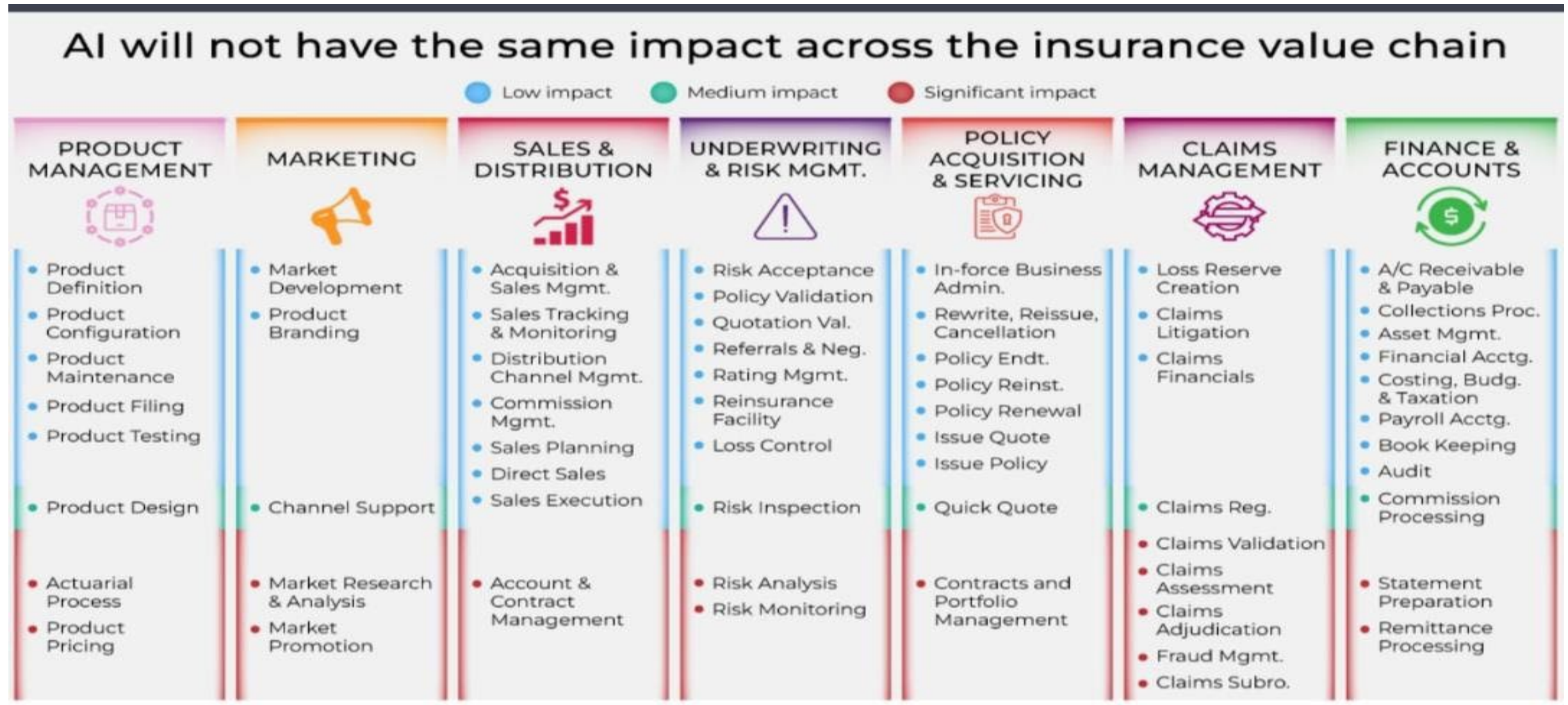
3) Analytics, Data Science & Artificial Intelligence (AI)
Use of big data is on the increase, to better address customer changing needs. (i.e. in 2021 Insurance industry invested/spent $3.6bn)

2) Insurance Eco-System
IOT, lifestyle devices integrated into insurance product design
 i.e. Health, Motor sector

4) New Solutions: Personalization
Customers designing their own insurance solutions

FUTURE OPPORTUNITIES: ENABLERS & DRIVERS

AI will not have the same impact across the insurance value chain

Low impact · Medium impact · Significant impact

PRODUCT MANAGEMENT	MARKETING	SALES & DISTRIBUTION	UNDERWRITING & RISK MGMT.	POLICY ACQUISITION & SERVICING	CLAIMS MANAGEMENT	FINANCE & ACCOUNTS
• Product Definition • Product Configuration • Product Maintenance • Product Filing • Product Testing	• Market Development • Product Branding	• Acquisition & Sales Mgmt. • Sales Tracking & Monitoring • Distribution Channel Mgmt. • Commission Mgmt. • Sales Planning • Direct Sales • Sales Execution	• Risk Acceptance • Policy Validation • Quotation Val. • Referrals & Neg. • Rating Mgmt. • Reinsurance Facility • Loss Control	• In-force Business Admin. • Rewrite, Reissue, Cancellation • Policy Endt. • Policy Reinst. • Policy Renewal • Issue Quote • Issue Policy	• Loss Reserve Creation • Claims Litigation • Claims Financials	• A/C Receivable & Payable • Collections Proc. • Asset Mgmt. • Financial Acctg. • Costing, Budg. & Taxation • Payroll Acctg. • Book Keeping • Audit
• Product Design	• Channel Support		• Risk Inspection	• Quick Quote	• Claims Reg.	• Commission Processing
					• Claims Validation	
• Actuarial Process • Product Pricing	• Market Research & Analysis • Market Promotion	• Account & Contract Management	• Risk Analysis • Risk Monitoring	• Contracts and Portfolio Management	• Claims Assessment • Claims Adjudication • Fraud Mgmt. • Claims Subro.	• Statement Preparation • Remittance Processing

Source: Swiss Re

DEMOCRANCE
Democratizing Insurance

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CASE STUDY:
TECHNOLOGY FOR MOBILE WALLETS/E-KIOSK PAYMENTS

Democrance track record

- Mexico, Egypt, Philippines

Partnership Value proposition

- Freemium: mobile wallet / e-payment subsidises insurance premium to increase wallet usage
- Paid up-/cross-sell: premium deducted from mobile wallet, payment card or cash at kiosks

Marketing and Sales (offline to online)

- Face-to-face promotion by agents at Retail kiosks
- Digital and BTL marketing by Democrance
- In-App notification

Democrance's Platform for Wallet partnerships

- Democrance back-end platform: campaign management, policy, billing and claim administration + data aggregation to feed the Insurer legacy policy admin system
- Front-end customer journey
  - Policy Enrolment: kiosk teller enrolls customer on Democrance web portal (online/offline)
  - Issuing e-Certificate via SMS / Email / in-App / POS etc.
  - My Wallet and Claim portal for self-servicing
- Democrance API integration with billing platform (for upsell)