

# 8<sup>TH</sup> Eastern & Southern Africa Regional Conference on Inclusive Insurance

## TOPLINE AND BOTTOMLINE STRATEGIES FOR INCLUSIVE INSURANCE MARKETS CEO Retreat, Kenya April 24, 2023





The CEO retreat aim to demonstrate how inclusive insurance providers can make inclusive insurance viable and profitable while providing superior client value for their customers.



# Speakers – Part I



**Dr. Nelson Kuria**  
Board Chair, CIC  
Group, Kenya



**Geric Laude**  
( Virtual) Head of Retail  
Insurance, Pioneer  
Insurance Philippines



**Hadil Abdel Kader**  
( Virtual) Head of  
Emerging Consumers and  
Public Affairs, AXA Egypt

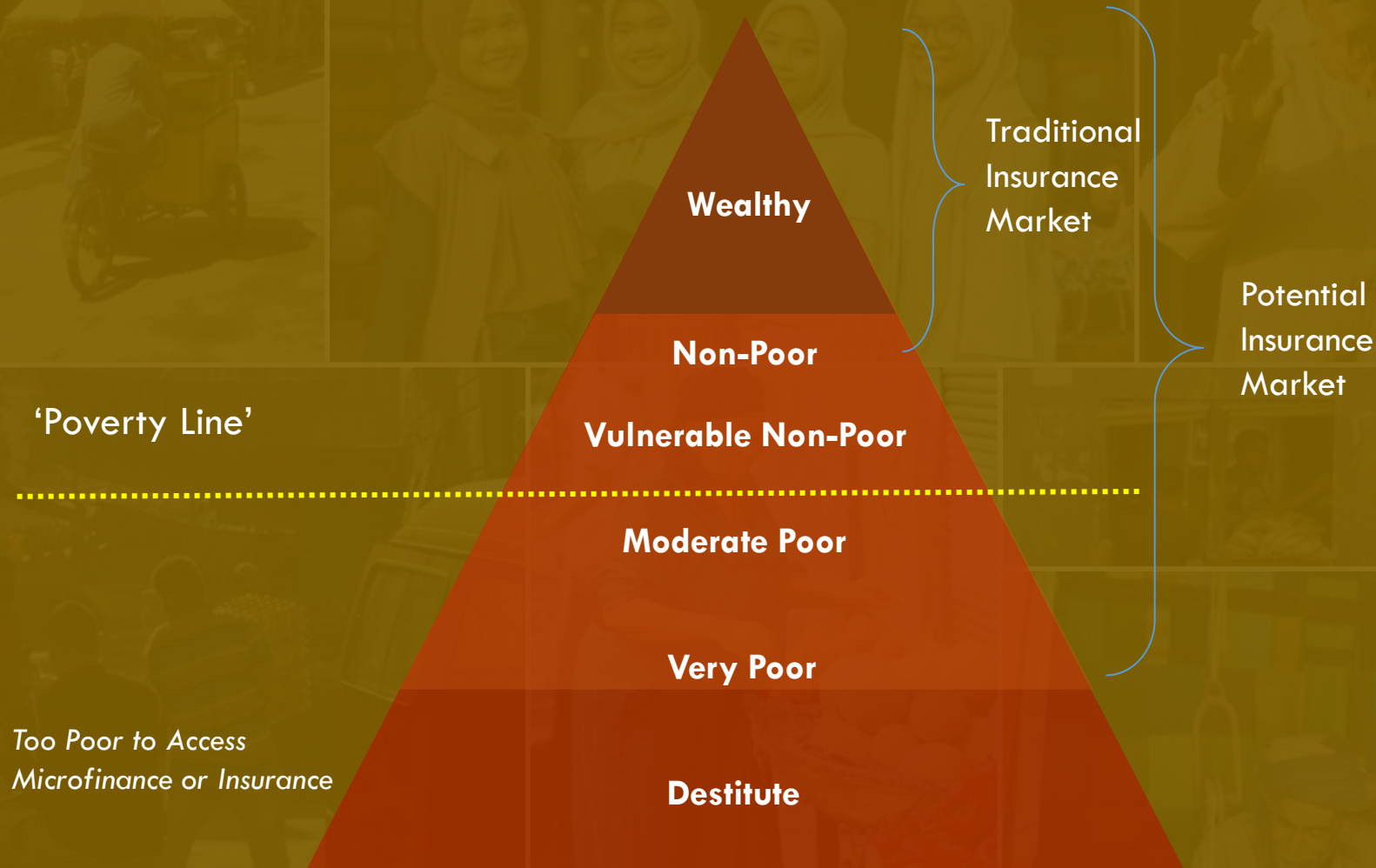


**Andrew Nkolola**  
CEO, aYo Zambia,  
Zambia



# The Business Case for Inclusive Insurance

# Business Case



## **Inclusive insurance**

All persons have effective access to insurance from responsible providers

Aim to provide access to insurance for excluded groups

## **Microinsurance**

Insurance for low-income persons, provided by different entities and based on generally accepted insurance practices





The Blue Ocean

Uptapped market

Penetration & Performance  
Opportunity



# The Business Case for Inclusive Insurance



# Strategies to make Inclusive Insurance work





# Key Lessons in Inclusive Insurance

**Geric Laude**  
**Pioneer Microinsurance**



## WHAT WORKED

Focus on Customer

Distribution  
Thru Partnerships

Affordable

Organizational Risk-taking  
& Autonomy



## WHAT DID NOT WORK

Focus on Products

One-on-one Selling

Cheap

Play By the Rules &  
Lack of Autonomy





**Most important value  
proposition:  
Fast and fair claims settlement**

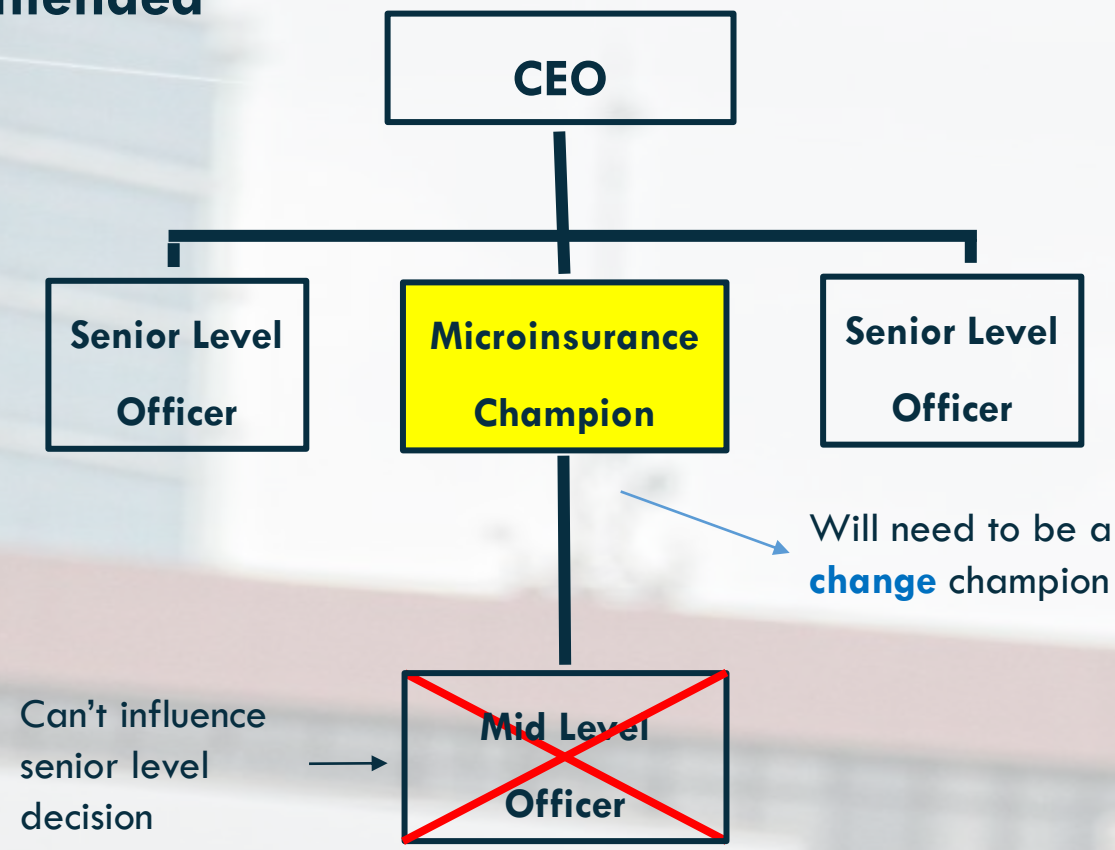




# Organisational development for inclusive insurance

# Organize to Deliver: Design The Structure for the Outcome

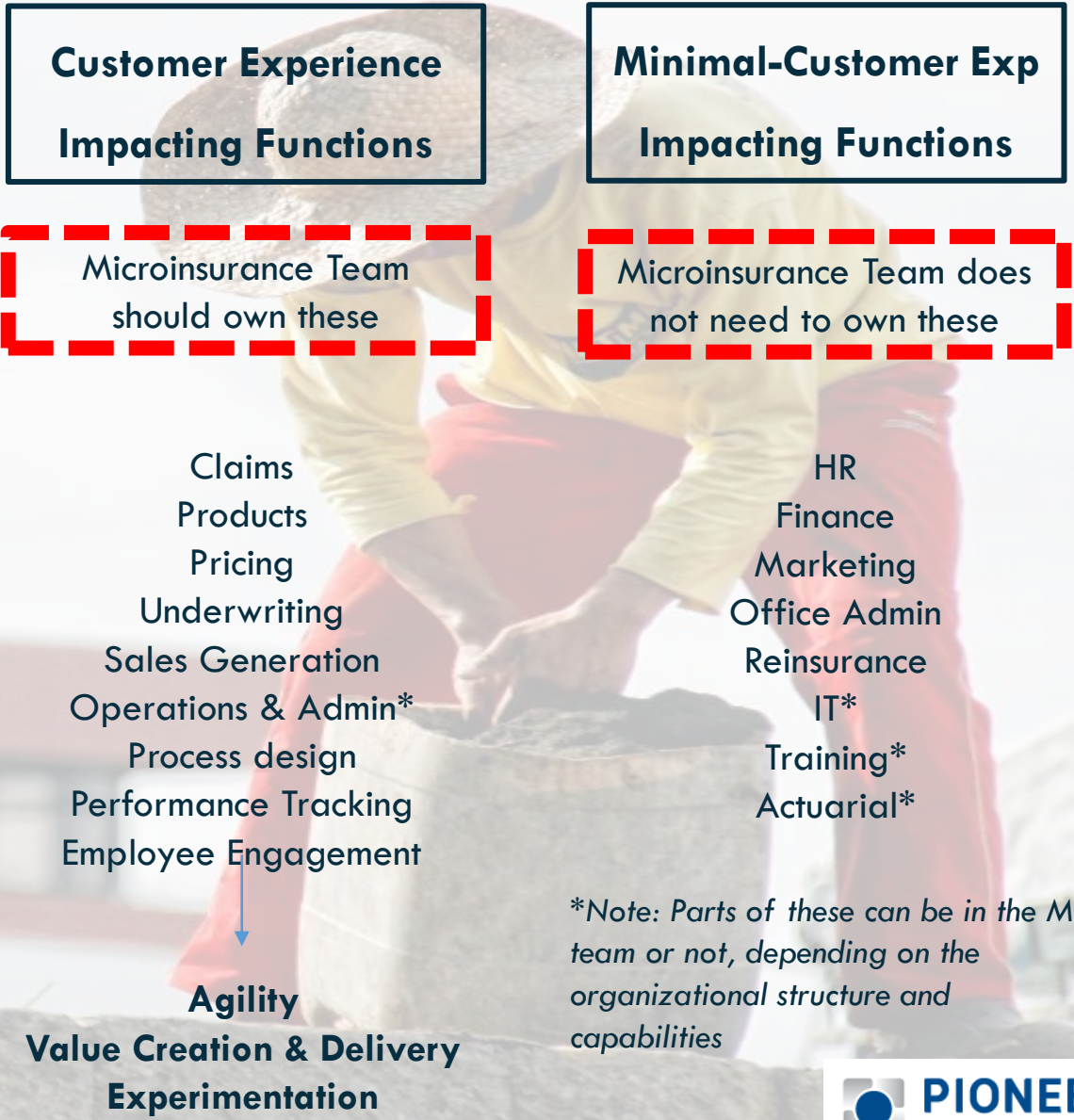
## Intended



A MI Champion ideally should be one level down from the CEO

A **change in the business model** is necessary in order to do good Microinsurance.

It has to be run as a separate business unit, with its own P&L.





# Organisational development for inclusive insurance





# Products and Business models

# Inclusive **digital insurance**; trends, models



# Why is Mobile Insurance **IMPORTANT** in inclusive insurance business

Mobile insurance has the potential to:



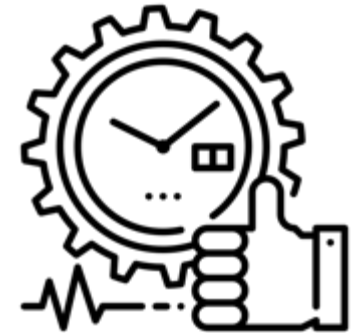
Rapidly increase  
scale

Access to large  
base of MNO  
subscribers



Reduce costs of  
distribution

Effective way of  
aggregation of  
clients



Enhance efficiency in  
policy and claims  
administration

Integrate to Mobile  
Money for claims  
payments



# Evolution of Inclusive Digital Insurance Models



Loyalty

Free to customers  
Telco/MNO uses insurance to reduce churn, loyalty of customers, increase “average revenues per user” (ARPU) & increase revenue for either airtime, data bundles or MM usage or e-transfers



Freemium

Free (basic cover) +  
Paid (additional cover)  
MNO pays for the base amount of cover, and the client pays for an additional value of cover



Paid

Voluntary offer to all subscribers (Opt in)  
Use of e-wallets for payments or deductions for premiums  
End-user pays the entire premium.



# Inclusive digital insurance



Together with MTN.

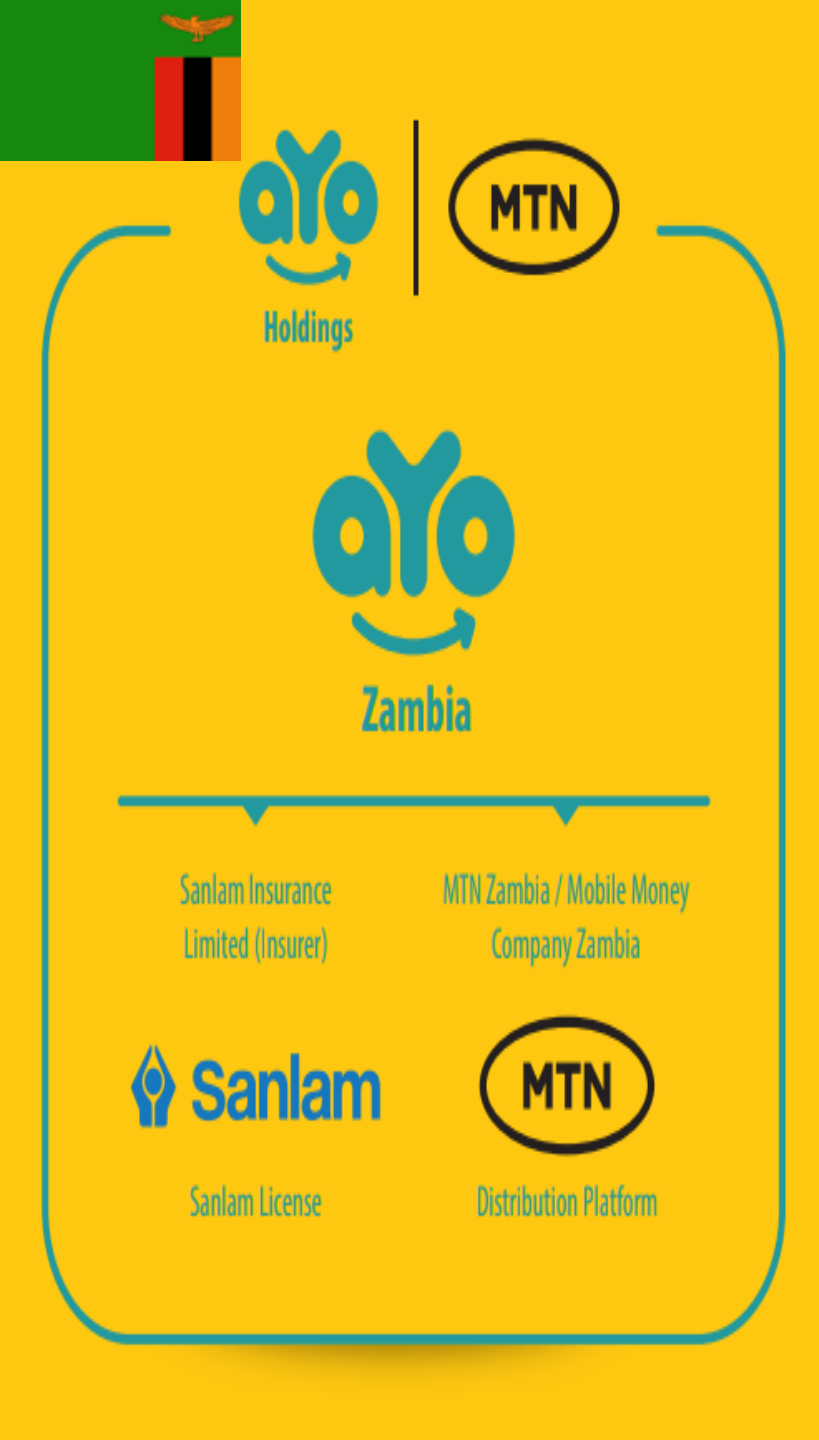


ECARCII 2023 CEO Retreat Prezo - aYo



Fin Priority Solutions





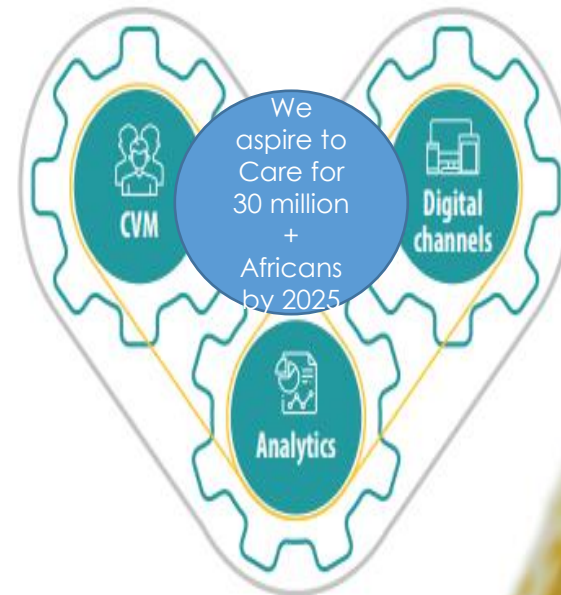
## Purpose

To make insurance relevant, easy to use and thereby add improvement to the lives of the clients.



## Ambition

We aim to be an engagement company, increasingly leveraging analytics, customer value management and digital channels towards creating a future where everyone uses insurance.



OUR  
PURPOSE





# Nature of Business

From the year 2020, **ayō** Insurance Zambia has grown by an extra 1 million customers across the country from 2 million to 3 million in 2022, driving sign ups through the USSD code \*296# on MTN.

A fully digital micro insurance service from signup, sharing information, including your beneficiary, to automatically boosting your premiums and claiming.

This platform does not require the user to only have a smartphone device and as such, makes the **ayō** range of products and services accessible to a broader target audience regardless of device type.



# Capturing the Top & Bottom line CVP





# Capturing the Top & Bottom line with CVP

## •The Need

- The Cost
- The way
- The Trust



Identifying clear present customer needs/anxieties.

"Don't guess....ask"

# Capturing the Top & Bottom lines with CVP

- The Need

## • The Cost

- The way
- The Trust

"I am gaining  
and not  
losing"



Adopting  
Customer  
driven trigger  
based  
frequent  
consumption  
that's  
affordable  
and  
scalable.





Capturing the Top  
& Bottom line CVP

- The Need
- The Cost
- **The way**
- The Trust



# Capturing the Top & Bottom line with CVP

## Testimonials

I dialled \*296#. Within two days the claim was paid. I received K825 through MTN mobile money It helped us with hospital bills. We also used it for transport because I had to go for physio. We used the other money to buy medicine which was prescribed.

"I trust MTN therefore I trust aYo.....and it actually works"

- The Need
- The Cost
- The way

## •The Trust in Manifestation

Leveraging Partnerships for brand familiarity that drives customer acceptance



# CVP Growth Journey



Simple life, device cover



Value from adding countries, existing business base case



Simple investments, home, hospital cash, travel products



Additional revenue from products to the same customers



Family funeral, agri, home & contents cover



Wealthier clients, more revenue from complex products



Ecosystem driven embedded products



Revenue from partner created offerings

Increasing enterprise value from premium income and profitability. Stronger customer engagement and customer metrics. Improved financial inclusion. Stronger corporate and SME relationships with ecosystem.



Don't stress reinventing the wheel of a car....just put fresh air in it



## Key lessons on partnerships to drive inclusive insurance



# Key learnings from partnerships

1. **Position (micro)insurance as solving a partner's problem, beyond earning commission**
2. **Partners need to be part of the product and program design and implementation**
3. **The customer-facing frontliners of the partner may be the most important stakeholder in the partnership. Their “what's-in-it-for-me” must be addressed.**
4. **Successful partnerships have embedded Microinsurance in their performance metrics and system**
5. **Mandatory/bundled products are easier path to volume and sustainability.**  
**One-on-one selling is rarely sustainable.**



# Tips for business engagement



# Key lessons on business viability and client value





What's next for AYO's inclusive  
digital insurance

# Next frontier

**Innovations** such as “underwriting by selfie” may be incorporated to existing value propositions to improve service and reduce risk.



- **Full automation of the claims process**, including the use of AI and OCR to streamline claims and identify fraud;
- Using **IoT devices** as an integrated part of insurance propositions;
- Building **automated mobile handset checking** into the process;
- ‘**Underwriting by selfie**’ to improve service and reduce risk.
- **Data mining** e.g. “automated customer profiling and segmentation from data, with automated targeted campaign messages
- Giving customers the ability to choose **alternative premium collection** methods (e.g., MoMo money, data units, virtual card, other Telco subscriber, loyalty points etc.)
- Reaching customers via **multiple integrated channels & platforms** (“platform omni-channel”)







Drivers of inclusivity and business  
growth

Round table discussion

# pennyworth advice



# Thank you

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