

Jet home protect (JHP)

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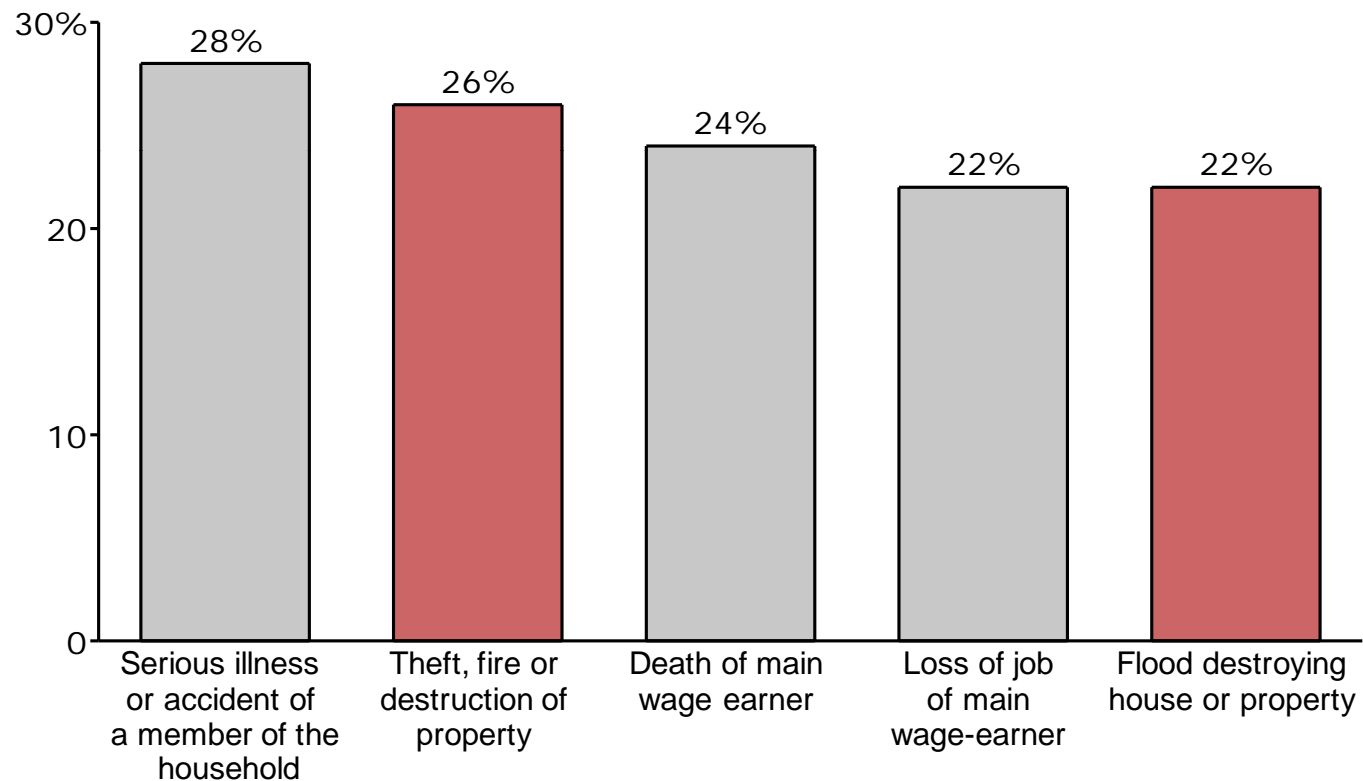


Who is Hollard?

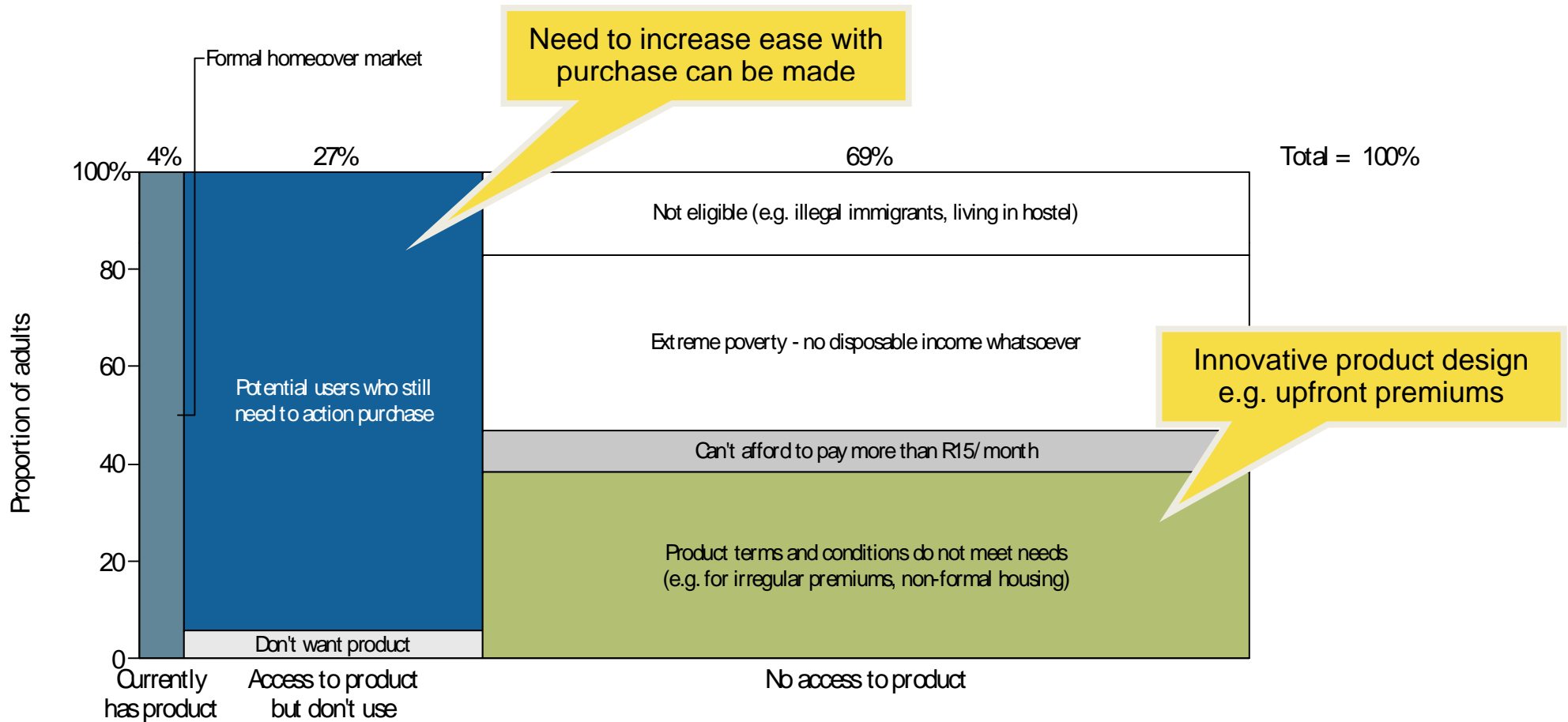
- Hollard is the largest independent insurance group in South Africa.
- We operate as a single business with both Short-term and Life licenses
- Our business is built around over 100 strong and mutually beneficial partnerships
- We have over 6 million individual policy holders

Low income consumers identified “theft, fire and destruction of property” as a major risk

Proportion of survey respondents identifying risk



There was significant home cover market growth potential





Background

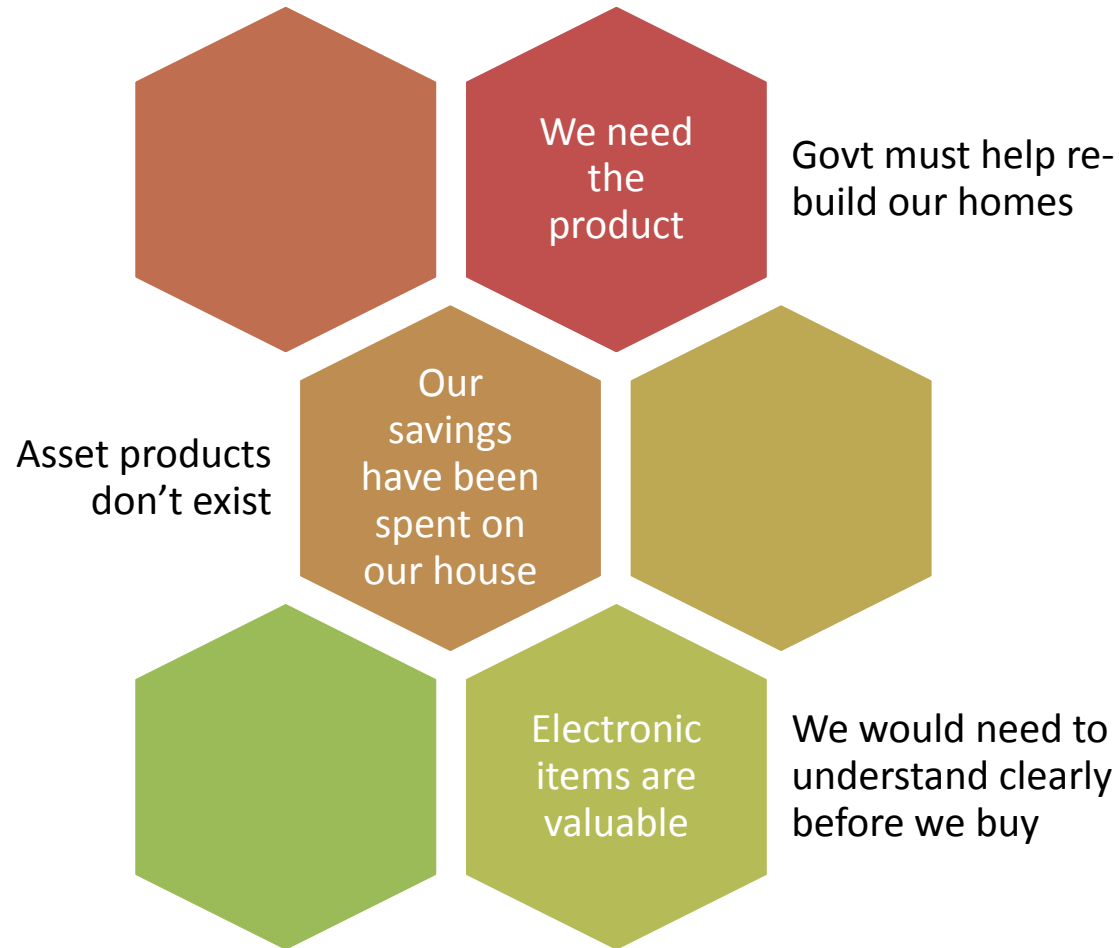
- The product offering was developed to provide low-income individuals in LSM categories 1-5 with effective access to short-term risk insurance products.
 - In 2011, 43% of all South African adults lived in households classified as LSM 5, representing approx. 20 million adults (16+ years). They earn approximately R2,500 per month (USD 15 per day)
- This was in line with the Mzansi asset insurance product standard developed as a collective effort by South African Insurance Associations' (SAIA) members in response to the Financial Sector Charter
- SAIA Financial Sector Charter committee agreed to define this market as households with a **combined income of less than R3000 per month and with building values below R250 000**



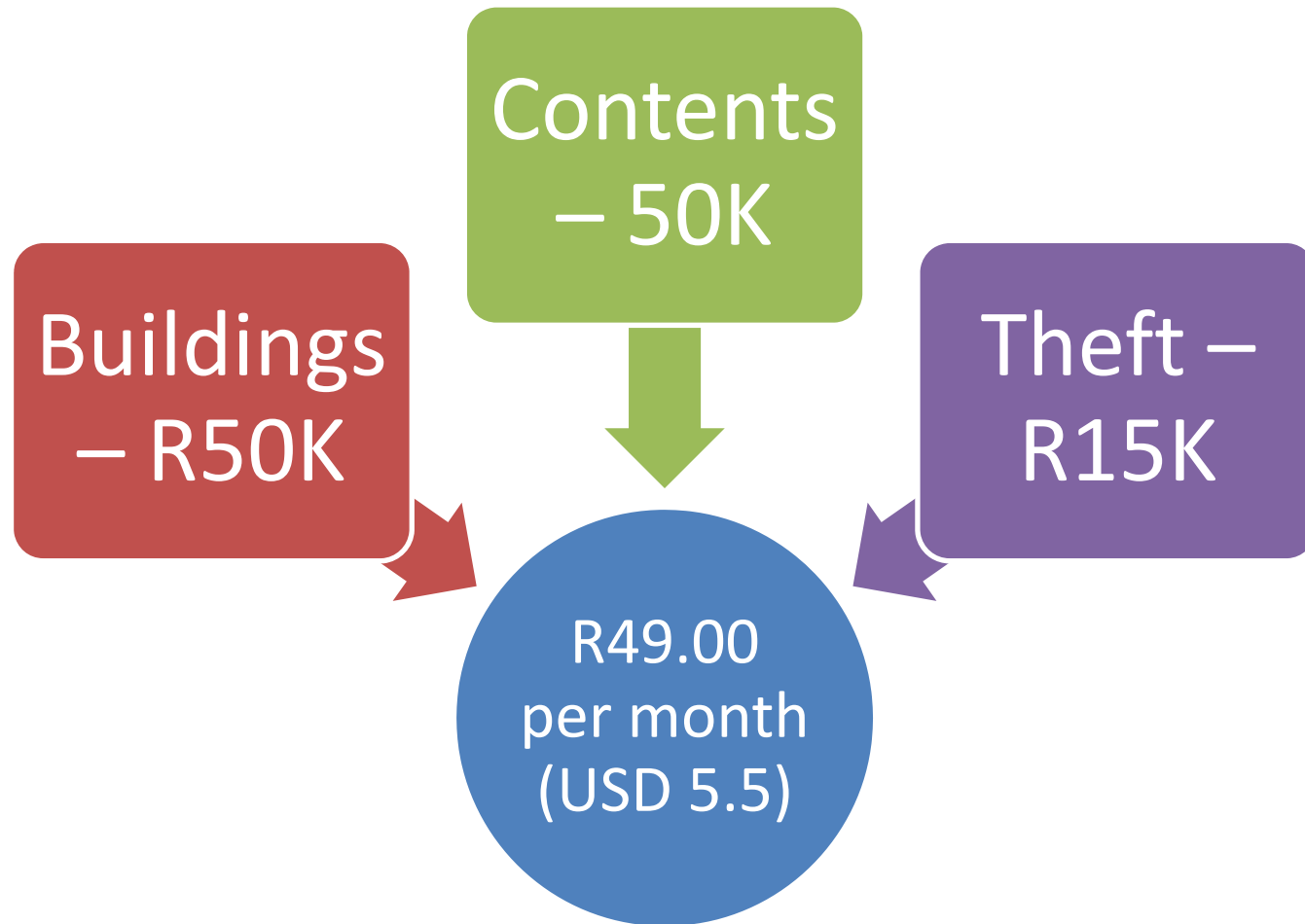
Potential challenges

- Anticipated that project would need
 - Technical assistance with pricing and structuring of benefit.
 - IT and mobile solutions that would support claims or administration of this product
 - However, despite limited information on this market actuaries were able to make valid assumptions and the cost of IT/Mobile solutions proved not to be cost effective.
- Needed to clearly establish the customer need, the features and price bracket

Customer insights before we launched



Product





What is covered?

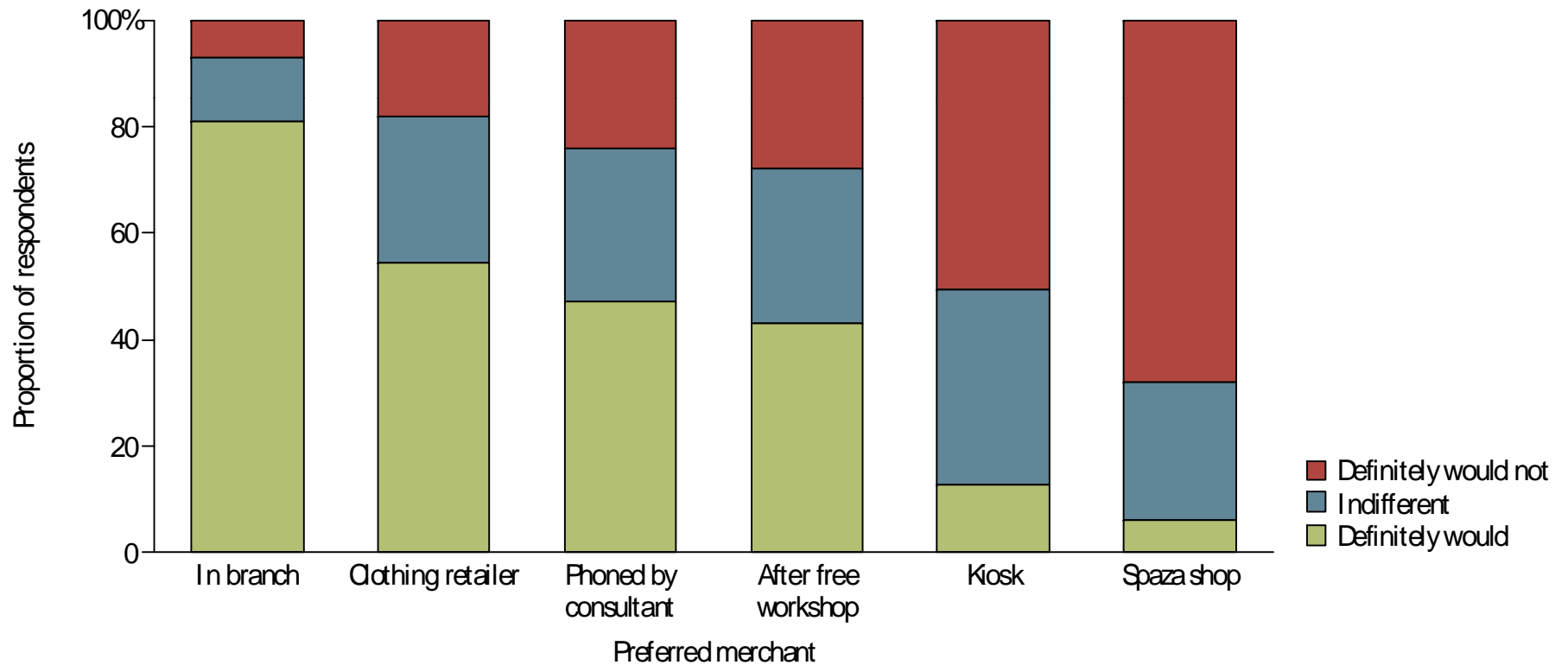
- Cover for loss or damage to buildings and contents caused by fire, lightning, explosion, storm, wind, hail, snow, natural flood, theft or burglary
- Liability cover for accidental death, injury, loss or damage to other people or property caused by fire on the covered property
- Covered property includes:
 - House, boundary walls and outbuildings
 - Household goods and personal possessions that are inside the house and belong to the residents (including fixtures, fittings and contents)
- Excess: R100 per claim

Distribution?

- Explored formal retail, informal retail and banking
- Hollard sought distributors who could meet the following criteria:
 - Strong brand affinity
 - Large foot print of walk-in customers
 - Provide flexibility around premium payment
 - > allow the low income market to pay premiums in cash
 - > be flexible with regards to the date customers would have to pay their premium each month
 - > permit customers to make lump sum payments or partial payments to account for erratic cash flow

Respondents would prefer to purchase from trusted channels and also want the opportunity to discuss the product and ask questions about it...

SURVEY DATA



Note: n=300 primary financial decision makers in LSM 3-5 living in RDP houses, brick backrooms or houses in Gauteng
Sources: Mzansi Short Term Insurance Product Research (May 2007)

Distribution?

Jet

Lower LSM store within Edcon

Use of call centre to sell

Later rolled out to in-store

Sales process?

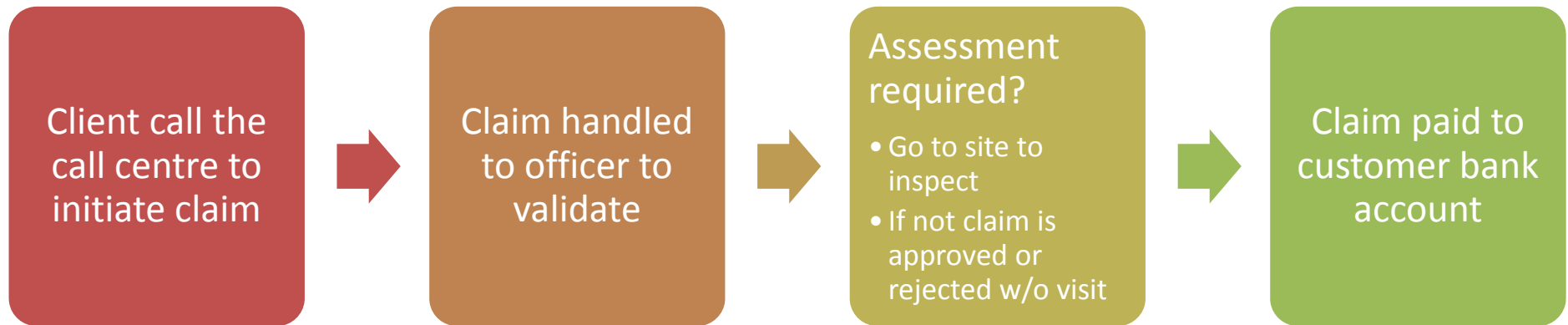
Call centre



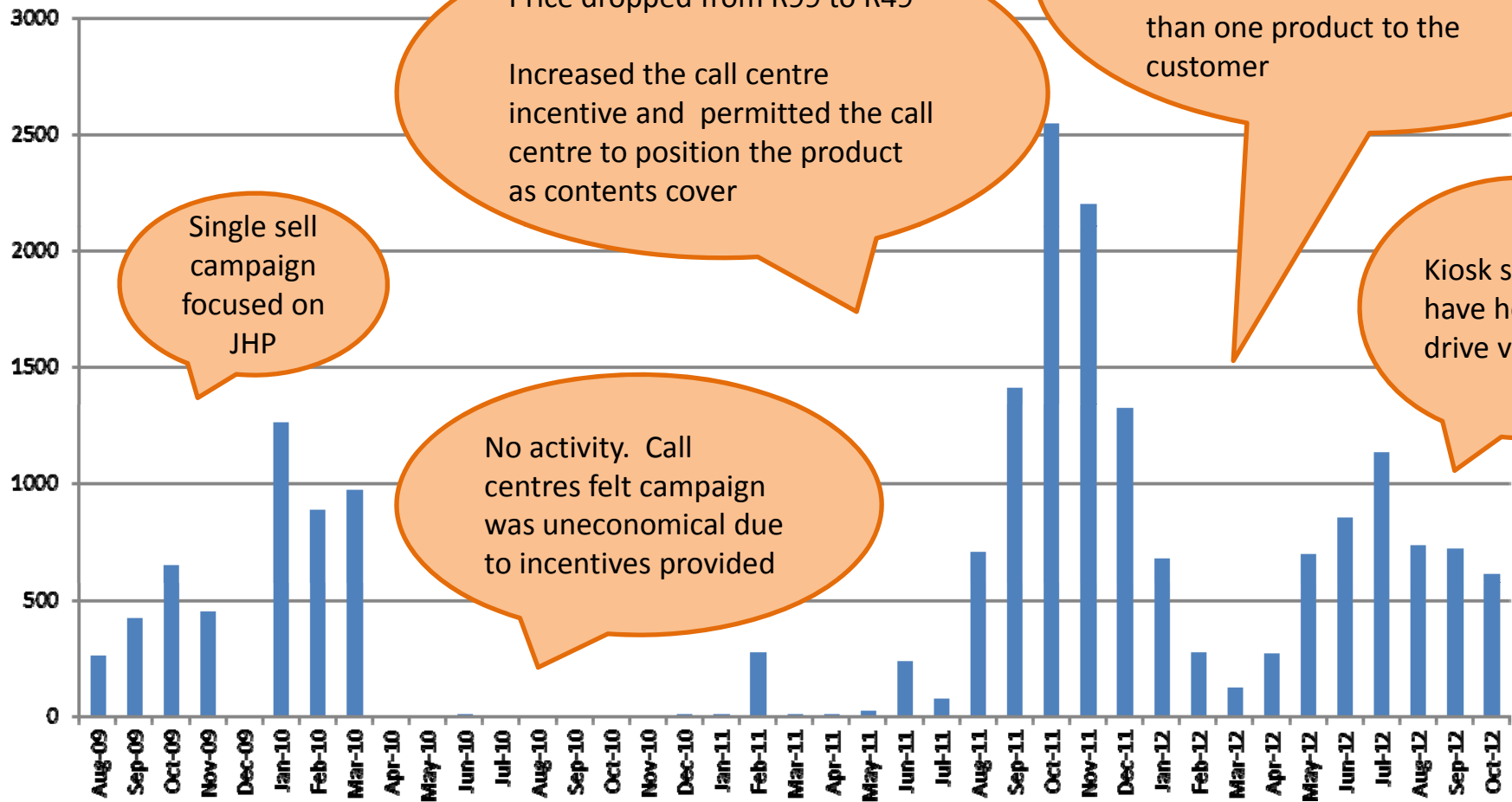
In-store agent



Claims handling?



Sales have been highly variable and we have sold approx. 20K policies...



Single sell campaign focused on JHP

Price dropped from R99 to R49
Increased the call centre incentive and permitted the call centre to position the product as contents cover

No activity. Call centres felt campaign was uneconomical due to incentives provided

Sales in this period dropped due to the introduction of the multi-sell strategy where we allowed the call centres to sell more than one product to the customer

Kiosk sales have helped drive volumes

Challenges

- As a **low margin** product it does not typically get sufficient resource allocation to support and sustain sales levels
- Call centres are not the right channel to be selling this product
 - Need for information by clients is not well supported in the centre
 - Product excludes shacks, most JET clients own this type of housing
- More product information and education is required to support the sale of this product
 - Next marketing campaign is expected to have a positive impact on sales

**RADIO
DRAMA**

Jet Home Protect Character Descriptions

Jet Home Protect



Alfred Modise

63 year old male, widower. Good English, but somewhat distinct older-black-man-accent.

Jet Home Protect



Lwazi Modise

18 year old male. Alfred's son. Well-spoken, just finished Matric. Works as a waiter.

Jet Home Protect



Fortunate Leshaba

25 year old female. Alfred's daughter. Well-spoken, working as a sales assistant in a retail store.

Jet Home Protect



Theo Leshaba

30 year old male. Fortunate's husband. Well-spoken. Works as a teacher at a local High School. Has a gambling problem.

Jet Home Protect



Ben Tshabalala

30-something year old male. Life long family friend of the Modises. Lost his parents long ago, but due to their insurance scheme, he had a good enough life and he could go to university

ACTIVATION

R20 Airtime Voucher

Home Protect

Financial Services

Jet Home Protect

EKNAYA IKHAYA

PROTECT THINGS YOU'VE WORKED HARD FOR

Home Protect

Financial Services



SALE





Thank You