



# Inclusive Insurance and ICT - The untapped Potential

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17 - 18<sup>th</sup> October 2019

Speke Resort Munyonyo

# Current ICT utilisation in insurance sector



- Automation
  - Operations
  - Calculations of various parameters
  - SMS reminders
  - Data management
- Access to information
  - Client portal
- Lemonade insurance app is fully automated and doesn't use any human intervention

# Current Benefits



- Less paperwork
- Faster processing and feedback
- Less paperwork and more convenience
- Less input/omission errors
- More revenue



# Current drawbacks



- ICT is only used to automate already known functions/calculations
  - debit/credit notes
  - renewals notices
  - cover notes
- Not used to generate or discover
  - Unknown patterns
  - Predict behaviour
  - Hidden relationships
- Fear of mobile money
  - Non MM options knocks out the majority of Ugandans

## ... Current Drawbacks



- Very minimal biometric verification methods
  - Most use IDs and passwords.
- Murdering of insurance members in order to benefit from hefty insurance claims for beneficiaries
  - Why don't they put a cap on the insurance premium someone can accumulate?
  - Excesses can be paid to member or to a cause/charity they like.
- Lack of awareness
  - Many people are not aware of the various insurance products

# Needs of the people



- Finances
  - Short term borrowing against the insurance facility
  - Use as collateral for loans elsewhere
  - Withdrawal and replacement option
- Insurance against unconventional stuff
  - Unexpected loss of employment/income
  - Theft of phones, laptops and electronics
- Short term insurance plans with cashback options at the end of the period incase nothing happens.
  - A percentage is refunded OR
  - The time period is extended by some extra days/months for free



# Needs of the people



- Quick returns even for long term policies
  - Yearly or 2-yearly cash bonus payouts
- Intangible benefits during policy existence
  - Information on good deals
  - Information on investment opportunities
- Flexibility
  - Change from one policy to another
  - Adjustments in monthly payment plan

# Needs of the people



- Transparency
  - Assurance that the insurers earn profits from moral and legal activities.
- Non cash payments
  - Animals, produce, etc
  - Airtime, mobile money, etc
- Group Insurance
  - It has worked for SACCOs / Loans.



# Alternative ICT Insurance Products



## 1. Sure Buddy

- Pay by watching adverts

## 2. AYO MTN Insurance

- Pay by loading airtime
- Zambia, Uganda and Kenya

## 3. Friendsurance

- Social media friends
- successfully leverage the platforms of tech giants like Google, Facebook and Twitter

# SureBuddy



SureBuddy and its partners will fix your phone's broken screen up to twice a year. For free!

[GET COVERED](#)

By clicking "Get Covered" you accept the T&C's below.

- Insures a phone against screen breakages / cracks
- Install the app and watch a minimum of 180 adverts per month.
- In case the phone screen cracks, you take it to Phone Doctor for repair at a 90% discount



PRODUCTS -

HOW TO SIGN UP?

MAKE A CLAIM -

SUPPORT & FAQ'S

Uganda -

# Affordable cover on your phone

aYo brings you an easy way to get hospital cover for accidents (not illness) and life cover. Simply register on your cellphone for **aYo Recharge with Care** and get a minimum of 30 days' free cover every time you load MTN airtime. You can also add **aYo Send with Care** cover to the money you send home or use to pay school fees through MTN Mobile Money.

I'm interested >

Make a claim >

## Recharge with Care

DIAL \*296#

Find out more >

Get free hospital for accidents (not illness) or life cover for a minimum of 30 days every time you load MTN airtime.

Dial \*296#  
T&C apply

## Send with Care

DIAL \*165\*1\*4#

Find out more >

Get triple the amounts you've sent via MTN Mobile Money over the last 4 months, paid to your loved ones over a year, should anything happen to you.

Dial \*165\*1\*4#  
T&C apply



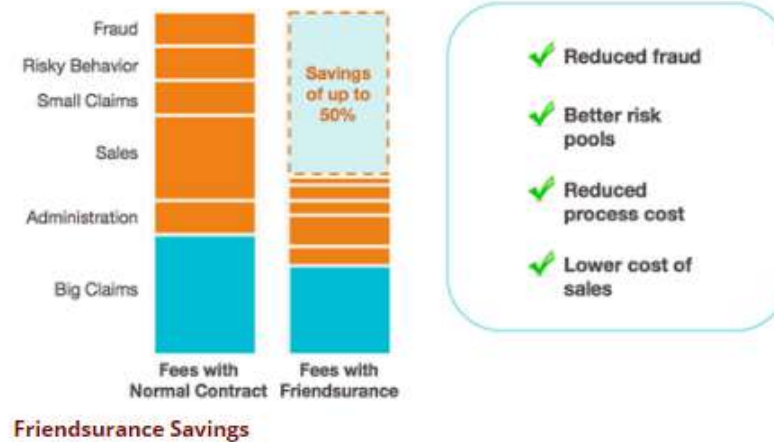
# Friendsurance

- Social media friendly
- When someone signs up for Friendsurance they join with a group they already know.
- They pay a premium up front, but if no one in the group makes a claim within the year, everyone gets reimbursed.

## REPORTED BENEFITS

Friendsurance's services benefit both policyholders and insurance providers. The insurance provider receives a new mode of distribution, increasing their accessibility to attractive groups, as well as simultaneously reducing their claim ratios. Friendsurance offers policyholders high discounts on insurance premiums and provides users with tools including an accessible, friendly website and helpful support staff.

- Friendsurance passes on 20% to 40% fewer claims than conventional insurers.
- Over two years, Friendsurance grew the number of participating insurers by a factor of 10 and is now sustaining a monthly customer growth figure of 20%.
- This innovation reduces fraud, reduces cost, and expedites the customer acquisition process (See the figure below - Source - Friendsurance).



## THE DIGITAL INSURER'S VIEW

Digital has disrupted the traditional methods of collaboration and information sharing and new models of value creation are evolving posing a threat to incumbent insurers. With the control shifting from insurers to consumers, insurance startups such as Friendsurance who successfully leverage the platforms of tech giants like Google, Facebook and Twitter are bound to heat up the

competitive landscape.

Today's current leaders must find ways to build communities and leverage digital platforms to engage with prospects and

# Future outlook



- Connection with other databases
  - Financial card records
  - Criminal records
  - Driving records
  - Mobile money records
- Intelligent predictions
  - Data Mining engine to unearth unknown patterns and hidden relationships
  - What is the murder likelihood of a given person by his/her beneficiary?
  - What is the life expectancy of a given individual?
- Move to online biometric verifiers
  - Online fingerprinting is already available

# ... Future outlook



- Solutions to challenges like:
  - Compatibility between current legacy systems and external partner databases
  - Fast handling of increasing data volume and processing load
- Solutions to the needs outlined earlier
  - Mobile money payment option
  - Flexible policies
  - Cash options
  - Quick returns
  - Intangible benefits
  - Non cash payments
  - Group insurance
  - Transparency
  - Lack of awareness



# Conclusion



Its time to use ICT to increase inclusive insurance

- More powerful computations
- Include the people excluded from the cash economy (little disposable income)
- More collaborations
- More revenue

Thank you

