



1st Annual
**Pan-African Bancassurance
& Alternative Distribution
Conference**
Ghana 2018

INNOVATE OR DIE:

Ideas are ten a penny but getting them to the market is the real art

Presented by: Andrew Fiifi Simpson (CEO, GN Life Assurance)
Topic: **Enhancing the Insurance Experience through
Digitilisation**



Presentation Summary

- Introduction
- Global Drivers for Change –The Case for Digital Transformation
- The Motivation for Value Creation
- Recent Trends
- The Way forward –Embracing a Digital Culture

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Introduction

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Introduction

- It's a known fact that insurers pick up technology slowly;
- This cannot continue; change in consumer behaviours; social and economic impacts; disruptive technologies and possible competition from outside-industry players make it imperative for insurers to act fast.

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Global Drivers for Change

The Case for Digital Transformation

Drivers for Change – The Case for Digital Transformation

- **CLIENTS CALL FOR CONVENIENCE:**

Simplicity and convenience across Value Chain; easy access to information. Traditional processes cannot fulfil this need.

- **CHANGE IN SOCIAL AND BEHAVIOURAL PATTERNS:**

Baby boomers nearing retirement and living longer;
Growing millennials (Gen Y) unlikely to do business the old fashioned way;
Urbanisation in most african countries and growing middle class.

- **OPERATIONAL EFFICIENCY:**

Need for insurers to achieve operational efficiency and deliver prudent financial results
This calls for drastic change in current business models.

Global Drivers for Change cont'd

- **THE CASE FOR “BIG DATA” MINING ;**
Use of analytics to drive innovation,
Establish trends; price and underwrite effectively,
Customise solutions and ensure customer retention.

- **THE NEED TO REMAIN COMPETITIVE;**
Digital revolution is here;
Threat from companies who own big data, insurtechs/fintechs,etc.

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Motivation for Value Creation

The underpinning motive for Change

Motivation for Value Creation

QUESTION:

What should be an insurer's primary motive for embracing digitilisation?

Motivation for Value Creation

- A genuine desire and commitment to create value for customers and relevant stakeholders -a complete shift of business paradigm placing customers at the heart of the business.

The Lemonade example.

<https://www.youtube.com/watch?v=6Uo8uhV8c6Y>

<https://www.youtube.com/watch?v=-Rjvy3tWe84>

- Strong commitment to achieve operational efficiency and improving bottom line.
- Commitment to constantly remain relevant.

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Recent Trends

Recent Trends

- Data Analytics, Internet of Things (IoT), Artificial Intelligence (eg. **Watson by IBM, Alexa by google and Siri by Apple**), Blockchain, Mobile Apps and related technologies are slowly but surely transforming the traditional insurance business model.
- The US, Europe and Asia have already taken the lead with these technologies. Africa still lags behind.
- These technologies are shaping and changing insurance distribution, underwriting and pricing, service delivery and claims payment – the entire value chain.

Recent Trends

Distribution

- ✓ Online Researchers –use of aggregators (googlecompare –now pulled out), insurers' websites-about 70% of personal lines sales are influenced by this approach in Europe and about 20% in South Africa.
- ✓ Mobile apps – penetration still low around the world but gaining grounds. A lot of players coming on board in Africa and can be a useful tool in a bancassurance relationship;
- ✓ New small businesses – Next Insurance, Gather, etc.
- ✓ Chatbots – potentially to replace human agents (has its own issues).

Recent Trends

Underwriting

- Underwriting focus shifting from risk pooling to personalised underwriting & charity projects. Combination of data analytics and IoT is creating the shift.
- In the motor insurance space, telematics is allowing for personalised underwriting and pricing e.g. **Telematics by Vanguard Assurance (Ghana)**.
- Use of wearable devices influencing underwriting in the life and health insurance space.
- Automation of underwriting process- design of simple products and acceptance based on answering a set of simple questions on-line or using mobile technologies.
- Cyber Insurance moves beyond data breaches (business interruption policy)

Recent Trends

Customer Service and Claims

- Automated services offering convenience and easy access to policy information – chatbots, mobile apps for claims reporting, etc.
- Blockchain technology – Safesure/Lloyds example.

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The Way Forward

Embracing a Digital Culture

The Way Forward

- Benefits for automation and digitalisation are enormous.
- Delay in taking decisions can be costly.
- Insurers and partners must build a case for digitisation considering their needs and where competition is going.
- There must be a conscious effort to build a culture for digitilisation.
- Initial outlay can be expensive but marginal cost can be next to nothing.
- Partnerships with Insurtechs and Fintechs may be the way to go. This has the potential of reducing the initial cost and provide immediate opportunity to add value or enhance the customer experience across the value chain.

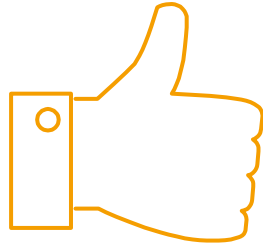
VIDEO

The Way Forward

Final Words

Regulation, product complexity, and insurers' large balance sheets have kept digital attackers from insurers' gates. That is changing, but in ways incumbents should embrace. They can flourish in the digital age—if they move swiftly and decisively.

(Digital/McKinsey – Facing Digital Reality)



THANKS!

Any questions?

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