

# Insurtech tracker update

Methodology



# Database update overview

## Phase 1

- Update existing insurtechs

## Phase 2

- Web-search for new insurtechs

## Revised Database

- Insurtech categories revised
- Stage of product life cycle added
- Insurance products added
- Dynamic unique platform list added

# Phase 1

- Phase 1 – update existing database
  - Check existing entries still active (inactive insurtech removed)
    1. Insurtech category ([revised list](#))
    2. Challenges addressed ([unchanged list](#))
    3. Country of operation
  - Capture additional information:
    1. Short description of insurtech (limited to 255 characters)
    2. Stage of product life cycle ([Product development/Sales/Premium Collection/Servicing/Claims](#))
    3. Product type ([Life, health, asset etc](#))

**Definitions in  
appendix**

*\*Note definitions of all categories captured in the downloadable excel database*

# Phase 2

- Web search for new insurtechs
  - Variations on insurtech (insuretech and Instech)
  - Insurance and technology
- Per region
  - Latin America, Asia and Africa
  - For top 5 countries with the most insurtech from each region
- Controlling for language
  - Tecnología y seguros in Latin America
  - Technologie et assurance for francophone Africa
- Targeted searches
  - Agriculture, index-based or parametric insurance

# Revisions to database

## 1. Insurtech categories revised

OLD

New-data and analytics

Digital platform

Technology enabled partnerships

Index-based insurance

Peer-to-peer

Demand-based insurance

New

New data and analytics – Chatbots

New data and analytics – IoT

New data and analytics – Telematics

New data and analytics - Machine learning and A.I.

New data and analytics - Smart contracts

Digital platforms - Consumer facing

Digital platforms - Provider facing

Technology-enabled partnerships

Parametric insurance

Peer-to-peer insurance

Demand-based insurance

# Revisions to database

## 2. Stage of product life cycle added

Product life cycle	Description
<b>Product development</b>	The process involved in designing and pricing the insurance product.
<b>Sales</b>	The process of reaching consumers and extending the insurance product to them. It involves the disclosure of information to the consumer and the acceptance of the policy contract by the consumer, provided that he or she meets the relevant requirements.
<b>Premium collection</b>	The systems and mechanisms in place to facilitate the payment of insurance premiums by consumers.
<b>Servicing</b>	Done in the back office of an insurance provider once a policy is sold. It refers to the processing of an insurance policy and all communication around it, i.e. signing up the consumer, monitoring premium payments, sending out notifications, verifying information provided, handling consumer complaints, etc.
<b>Claims processing</b>	All activities around the processing of an insurance claim. The claim needs to be lodged and verified before a pay-out is made to the consumer.

# Revisions to database

## 3. Insurance products added

Long-list of products which have been categorised into the following list:

- Any (not applicable to a particular product type or can be applied to any product)
- Life and disability
- Job loss
- Health
- Asset (no vehicle)
- Travel
- Accident
- Vehicle
- Business
- Agriculture
- Other

# Revisions to database

## 4. Dynamic unique platform list added

- Database captured initiatives per country
- To avoid double counting insurtechs list combined into a unique list
  - Using name as unique identifier
  - Capturing all challenges addressed, product life cycles and products impacted
    - Even if not applicable in all countries
  - Insurtech category remains unique per entry

# Thank you

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## About Cenfri

The Centre for Financial Regulation & Inclusion (Cenfri) is a global think-tank and non-profit enterprise that bridges the gap between insights and impact in the financial sector. Cenfri's people are driven by a vision of a world where all people live their financial lives optimally to enhance welfare and grow the economy. Its core focus is on generating insights that can inform policymakers, market players and donors who seek to unlock development outcomes through inclusive financial services and the financial sector more broadly.

## About FSD Africa

FSD Africa is a non-profit company that aims to increase prosperity, create jobs and reduce poverty by bringing about a transformation in financial markets in sub-Saharan Africa (SSA) and in the economies they serve. It provides know-how and capital to champions of change whose ideas, influence and actions will make finance more useful to African businesses and households. It is funded by the UK aid from the UK Government. FSD Africa also provides technical and operational support to a family of 10 financial market development agencies or "FSDs" across SSA called the FSD Network.



# Insurtech categories (1 of 3)

Insurtech typologies	Description
<b>New data and analytics</b>	New data, analytics and communication fill the information gap and allow new customer insights. New data and analytics initiatives collect and analyse data to inform insurers and technical service providers (TSPs) about consumer needs and behaviour patterns. This includes both alternative data sources, as well as new uses of traditional data points.
New data and analytics - Chatbots	A chatbot is a computer program or an artificial intelligence which conducts a conversation via auditory or textual methods. Such programs are often designed to convincingly simulate how a human would behave as a conversational partner.
New data and analytics - Telematics	Telematics - the technology of sending, receiving and storing information using telecommunication devices to control remote objects
New data and analytics - Machine learning and A.I.	Machine learning - algorithms and mathematical models that computer systems use to progressively improve their performance on a specific task. This is essential the first step towards A.I.
New data and analytics - Smart contracts	Smart contracts - computer protocol intended to digitally facilitate, verify, or enforce the negotiation or performance of a contract. Smart contracts allow the performance of credible transactions without third parties. These transactions are trackable and irreversible. This includes blockchain applications.

# Insurtech categories (2 of 3)

Insurtech typologies	Description
<b>Digital platforms</b>	These platforms take face-to-face or human-based elements out of insurance provision and replace them with an online platform
Digital platforms - Consumer facing	Consumer facing platforms
Digital platforms - Provider facing	Provider facing platforms
<b>Mobile partnerships</b>	Partnerships for insurance delivery are not new, but the introduction of technology makes it possible to include retailers or MNOs in the partnerships that previously played a smaller role in the delivery of insurance. These partners provide insurers with access to their consumer base and linked aspects such as data on these consumers or infrastructure, which can be leveraged for servicing.
<b>Parametric insurance</b>	Parametric insurance compensates consumers automatically in the event of a loss. Unlike traditional insurance, which assesses losses on a case-by-case basis, parametric insurance offers policyholders a payout based on the analysis of a data index across a geographically defined space, which has inbuilt triggers that occur when the index indicates a risk event has occurred. Digital technology enables the system to collect the indicator data in a systematic and detailed way, and it transmits the data to the insurer. Smart contracting can be applied to automate and streamline the pay-out process to save costs.

# Insurtech categories (3 of 3)

Insurtech typologies	Description
<b>Peer-to-peer insurance</b>	Peer-to-peer (P2P) platforms offer solidarity grouping for individuals who have the same insurable needs. Peer groups, such as owners of houses or cars, families or friends, team up to absorb each other's risks, with everyone contributing premiums to insure each other's losses. This system relies on digital technology to connect the individuals with each other on a digital platform or marketplace independent of location.
<b>Demand-based insurance</b>	Demand based insurance relies on risk-modelling technology to pick up on triggers by a consumer for insurance provision. Demand-based products are individualised covers, often triggered in real time for either a limited amount of time or priced according to usage only.

# Challenges addressed (1 of 2)

Challenges addressed	Description
Lack of information on consumers	Low income consumers engage less often with the formal sector than traditional, higher income insurance consumers. Coupled with lower official documentation ownership and lower formal employment observed in the low-income space, this affects the amount and quality of consumer data that insurers can obtain. Reliable information on asset ownership, health and claims behaviour for insurance purposes is vital for adequate risk profiling, product design, sales, servicing, payments collection and claims assessment.
Lack of access to consumers	Traditional insurance generally relies on branches, brokers, agent networks and aggregators such as employers for insurance distribution. Physical touchpoints and aggregators are largely concentrated in urban areas or areas with a large number of high-income individuals or commercial enterprises. However, the reality is that a high proportion of the microinsurance target market is unbanked (over two billion adults worldwide <sup>4</sup> ), is self or informally employed and/or engaged in farming and lives in rural areas. This makes it difficult to reach this target market to sell policies, provide post-sale service, collect premiums and pay out claims.

# Challenges addressed (2 of 2)

Challenges addressed	Description
Different and new consumer needs	Products designed and priced for mainstream insurance markets often do not meet the specific needs of low-income consumers (Churchill, 2007). Designing products and processes to meet these needs requires a tailored approach, informed by target market realities. This includes consideration of the risk events that will be most appropriate to cover (i.e. cover for assets not traditionally covered by insurance, such as individual livestock), the manner and timing of premium collection (seasonal versus monthly) and which documentation is needed to verify claims.
Consumers inexperienced with formal financial services	Low-income consumers often have lower literacy levels and are generally less familiar with the formal insurance concept (Churchill, 2006). This poses a challenge at multiple interaction points along the product lifecycle, given that the information provided to the consumer needs to be adequately packaged.
Constrained business models	Low-income consumers have, by definition, limited incomes and therefore struggle to afford expensive insurance premiums. This is often compounded by the unpredictability of this target market's income streams. Insurance premiums therefore need to be adequately priced to be affordable and attractive to this consumer segment. A low-premium environment constrains business models for insurers, requiring low costs and high volumes for the business case to be viable. The traditional approach to insurance delivery, however, involves costly infrastructure (both front-end and back-end).