Insurtech influence across emerging markets

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A tricky business

Five challenges in microinsurance delivery

1. Imperfect or inadequate knowledge of the consumer
2. Inadequate access to the consumer
3. Non-traditional consumer needs
4. Low literacy levels or inexperienced consumers
5. Inappropriate operational cost structures and/or small value premiums
Insurtech in the emerging world

Where is it being used?

Digital platforms: 59
Technology-enabled partnerships: 56
New data and analytics: 27
Index-based: 15
Peer-to-peer: 4
Demand-based: 4
Insurtech in the emerging world

Most of the technology applications focus on improving existing business models.
Insurtech in the emerging world

But pockets of innovation show potential of insurtech to improve product design and consumer experience.
Tech for a tricky business

How are these categories of insurtech able to solve some of the challenges identified?

<table>
<thead>
<tr>
<th>Understanding the consumer</th>
<th>Understanding consumer needs</th>
<th>Consumers’ lack of experience</th>
<th>Business model challenges</th>
<th>Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Alternative data to deepen understanding</td>
<td>• Uncovering needs through new <strong>data and analytics</strong></td>
<td>• Personalised and remote in-person support</td>
<td>• Reduce cost of access</td>
<td>• Digital access to traditional models</td>
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<tr>
<td>• New ways to <strong>collect</strong>, <strong>communicate</strong> and <strong>analyse</strong> data</td>
<td>• Responding to needs at scale</td>
<td>• <strong>Gamify</strong> and <strong>iconify</strong> to overcome illiteracy</td>
<td>• Improve <strong>integrated process</strong> efficiency through automation</td>
<td>• Real-time and automated access</td>
</tr>
</tbody>
</table>

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Data and analytics deep-dive

Data use cases that increase client and business value

Product development

Behavioural data from sensors used in risk assessment and pricing

Sales

Chatbots for personalised and efficient sales

Premium collection

Flexible payments and coverage updates via SMS

Servicing and Risk management

Nudges and rewards for less risky behaviour

Claims processing

Aerial images for accurate claims
Voice and facial analytics for detecting fraud

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Thank you

Please engage with us:

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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 seeking to unlock development outcomes through inclusive financial services and the financial sector more broadly.

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