InsurTech for development

A review of insurance technologies and applications in Africa, Asia and Latin America

Focus Note

- Lack of information on consumers
- Inadequate access to consumers
- Different & new consumer needs
- Consumers inexperienced with formal financial services
- Constrained business models
How is InsurTech addressing 5 challenges in microinsurance?

1. Lack of information on consumers

   - Alternative and digital data to allow for improved knowledge of customer (e.g. sensors, mobile call data and online surveys): Cignifi (Sub-Saharan Africa)

   - Digital communication increases real-time access to high volumes of data (e.g. car sensors, wearables): ByteMoney (South Africa), Yatis (India)

   - Application of analytics in early stages (e.g. predictive analytic models, machine learning): Arya.ai and Aureus analytics (India)

2. Inadequate access to consumers

   - Technology enabling online delivery of insurance (e.g. digital brokers, digital platforms for sales & servicing): Jagadiri (Indonesia), Bidu (Brazil), InsuredHQ (Asia)

   - Access through technology-enabled partnerships (e.g. m-insurance): Tigo, Bima and MicroEnsure (Ghana)

   - InsurTech models remove the need for onerous client interaction (e.g. Index-based insurance, P2P): Kilimo Salama (Kenya)

KEY SO-WHATS

- Partnerships with MNOs have successfully addressed challenges in accessing consumers.
- Newer technologies such as AI and P2P are still largely untested.
- New business models have allowed for product innovation.
- Technology applications that bridge experience levels are still limited.
- Many initiatives are focusing on reducing the costs of doing business.
- The lack of data analytics applications is a key barrier to further advancements in InsurTech for development.

Trends observed from the review

- The total number of initiatives included in this scan was 157.
- Please note that initiatives can be mentioned multiple times across the five categories. Text highlighted in bold provides an example of InsurTech initiatives. This list is not comprehensive.

Key: The total number of initiatives included in this scan was 157.
### Different & new consumer needs

- P2P allows for new products and delivery approaches: Tongjubao (China)

- Product design 2.0 through the bundling of services beyond insurance (e.g. value-added benefits through wearables): GOQii (India)

### Consumers inexperienced with formal financial services

- Remote and personalised support to inexperienced consumers (e.g. chatbots, digital chat services): Hello Doctor (Kenya), RenRenBx (China)

- “Iconify” interaction to overcome literacy barriers (e.g. mobile applications, websites): Stock Shop Academy (South Africa)

- Monitor and respond to consumers in real time (e.g. data analytics): Touchkin (India)

### Constrained business models

- Leveraging digital infrastructure reduces marginal cost of insurance delivery (e.g. digital platforms): Saldo (Mexico), Remedinet Technologies (India)

- Digital data and automation allows for more cost-effective outsourcing arrangements (e.g. digital platforms, new data and analytics): dotXML (South Africa), ClaimSync (Ghana)

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New data and analytics:
Digital data generation, communication and analytics are used to inform insurers about customer needs and behaviour patterns in the form of new data and analytics.

Peer-to-peer (P2P):
Peer groups, such as owners of houses, cars and household items, team up to absorb each other’s risks, with everyone contributing money to insure the group members’ losses.

Digital platforms:
Insurers or third-party service providers use digital technology to offer insurance products or services online on digital platforms that take face-to-face or pen-to-paper elements out of the insurance provision and bring down delivery costs.

Demand-based insurance:
Demand-based insurance is triggered by an action of the consumer and relies on sophisticated risk-modelling technology. It covers asset insurance products, which would not be possible to cover individually under traditional microinsurance approaches.

Technology-enabled partnerships:
Insurance providers, mobile network operators (MNOs) or other aggregators and technical service providers (TSPs) enter into strategic technology-enabled partnerships to take advantage of marketing, client acquisition and premium payments through an established brand.

Index-based insurance:
Index-based insurance (IBI) is used to protect against shared rather than individual risks, such as weather fluctuations, disease outbreaks or price loss.

Please note that we are constantly updating the InsurTech tracker. The current number only includes the initiatives identified through this scan to date and does not reflect the full universe of InsurTech initiatives. If you are aware of any initiatives that should also be included in the scan please email antonia@cenfri.org.