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micro insurance network

Munich Re Foundation
From Knowledge to Action

Is this microinsurance's Uber moment?

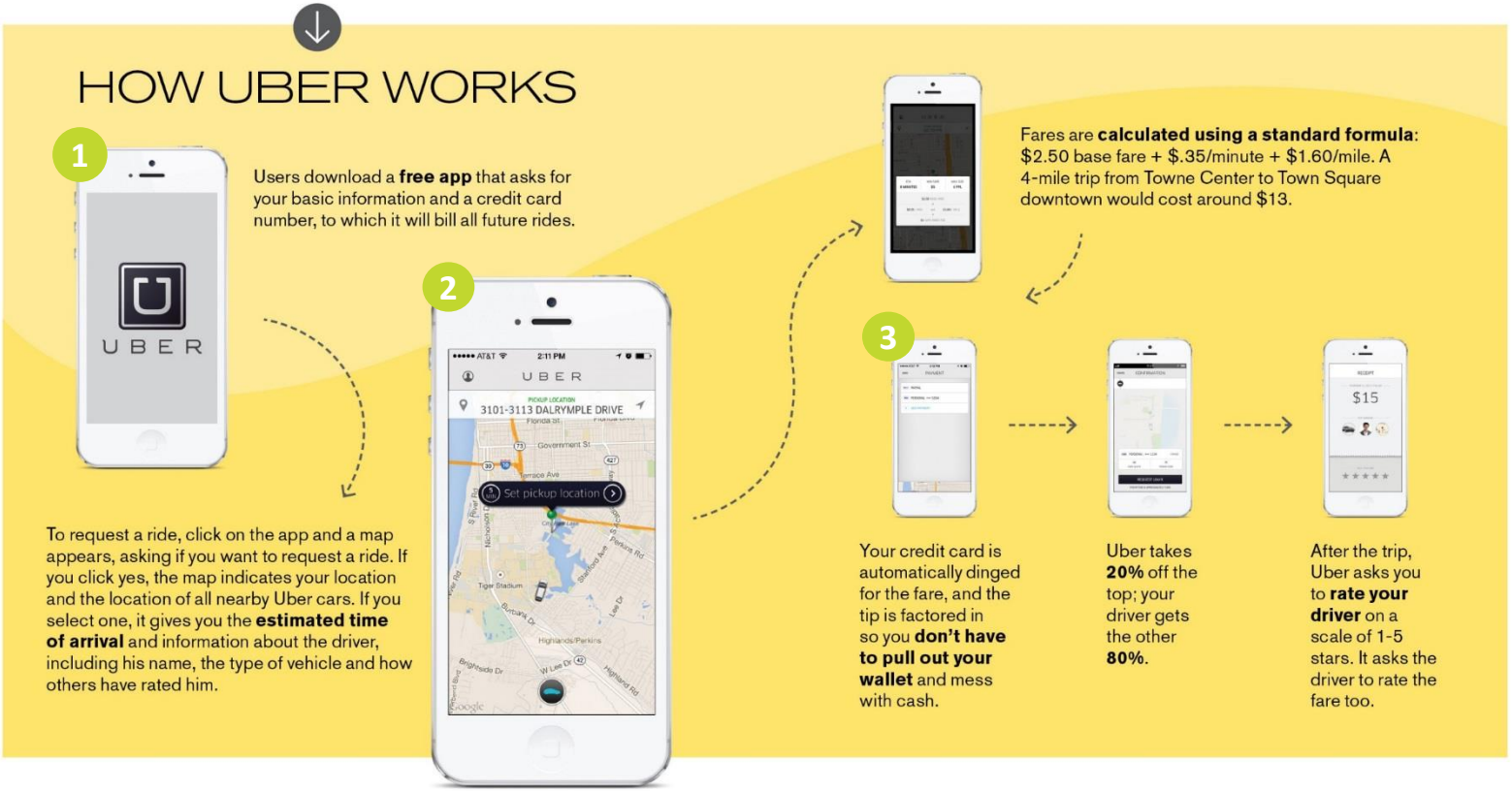
12th International Microinsurance Conference
November 17, 2016

REDUCING POVERTY
THROUGH FINANCIAL SECTOR DEVELOPMENT

Why Uber?

1. **Uber is not about selling taxies, but providing transport solutions for our needs**

2. **Uber finds an available taxi, estimates the price of the trip and the length (time), before you even need to request it vs. traditional way of trying to a hail a taxi and negotiate the price afterwards.**

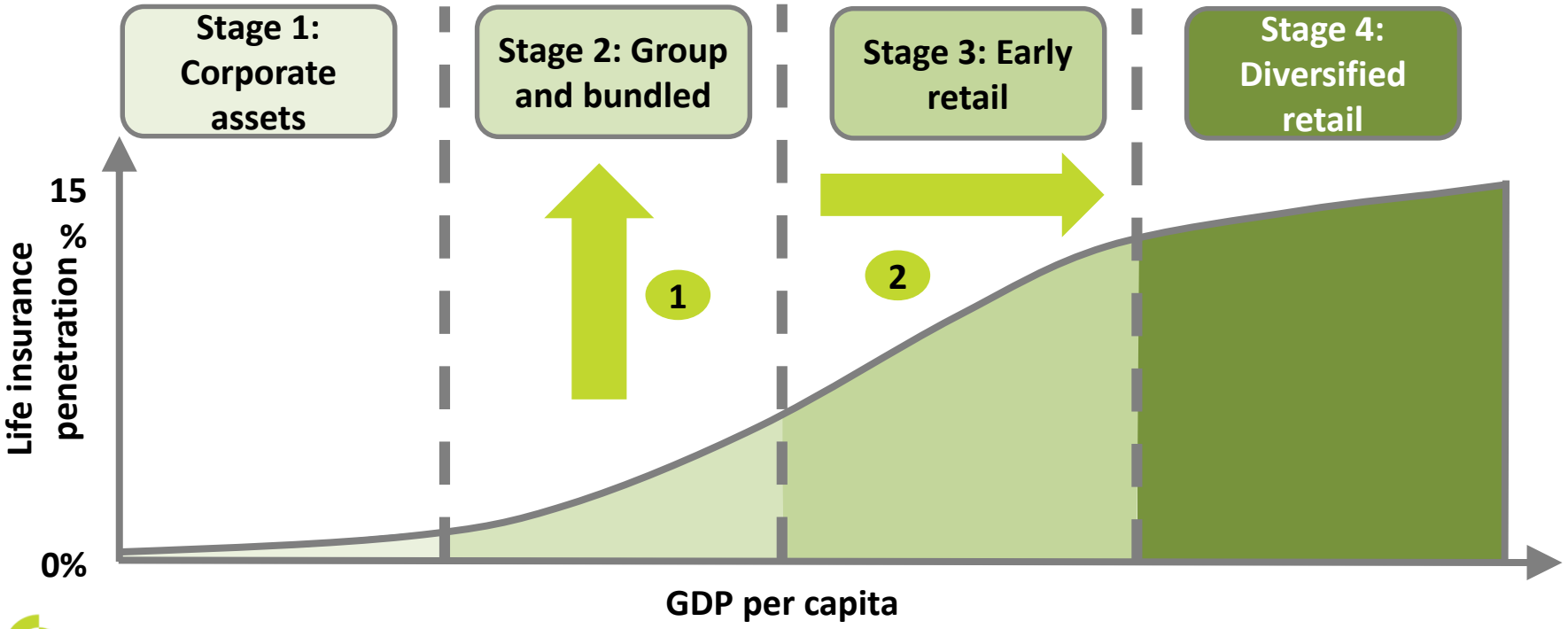


3. **Uber is a digital platform/intermediary to taxi services but not a taxi service itself**

Why should we care? The evolving role of tech in insurance market development

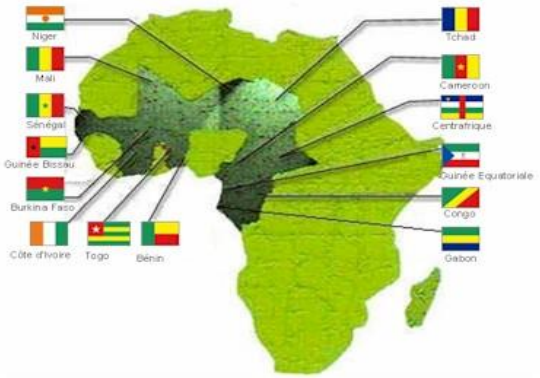
1 Can tech expand outreach and value at lower levels of income?

2 Can tech enable voluntary, individual outreach?



Source: Adapted from Webb (USAID, 2006), Lester (2009), OECD (date unknown) and Dickinson (2000)

Technology is expected to drive the growth!



- 14 Countries
- Population ~ 146 millions inhabitants
- 161 licensed insurers
- Premiums = 2 billion dollars ~ 1% GDP
- Less than 10% of the population covered by an insurance contract

Microinsurance development plan adopted in 2014:

- *aiming to increase the insurance penetration in our fourteen countries*
- *(Digital) Technology expected to drive the growth*
- *phone as a powerful tool,*
- *Few products launched recently*
- *Ongoing project to draft guidelines – expected to have new regulations next year.*
- *Planning to acquire our own « technological platform » to effectively supervise mobile (digital) operations.*

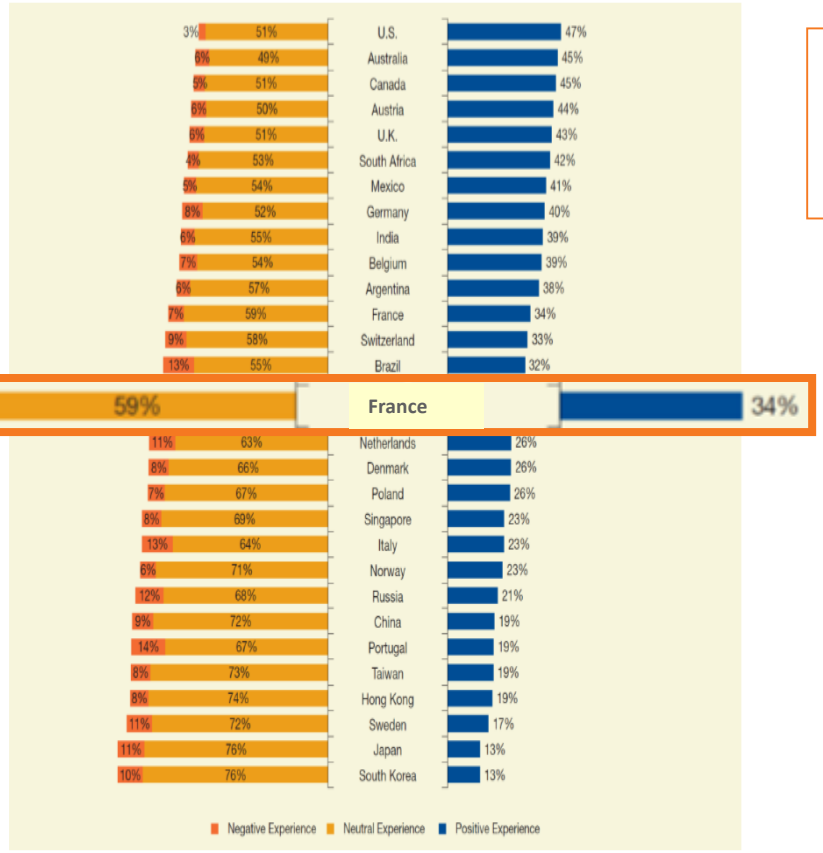
When People protect People

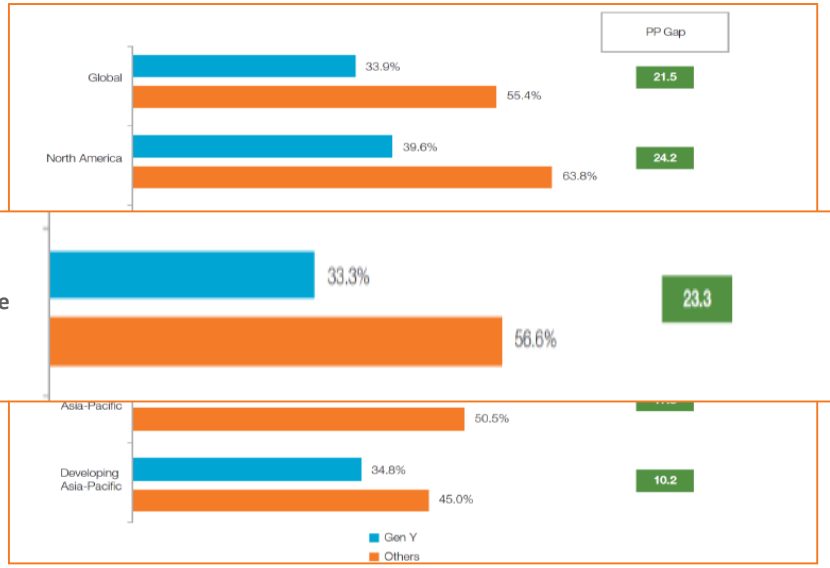
同聚保
TongJuBao

Problems : Insurance User Experience

Problem 1

Negative User Experience

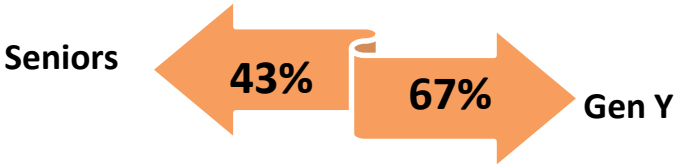




Customers with Positive Experience, by Age and Region (%), 2015

Problem 2

Generation Y & Older Satisfaction Deficit :



Problem summary

insurer's view

FRUSTRATION LEVELS HIGH → GENERATION Y LEADS DECLINE

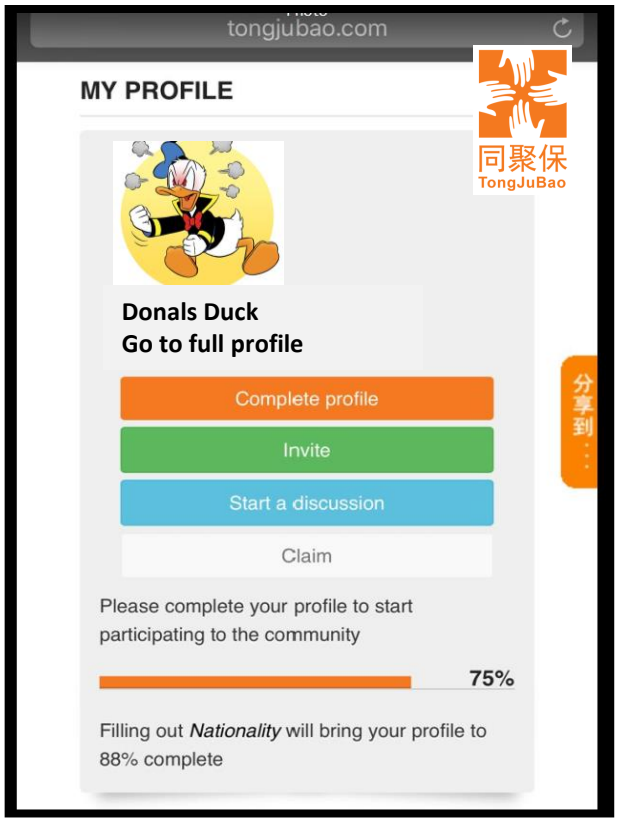
IT'S ONLY GOING TO ACCELERATE !

user's view

EVERYONE NEED PROTECTION → NOBODY LIKE INSURANCE

WHY ?

Ask Donald



Contract:

ID Loss & Theft

Member Nº: 38.888

Donald, welcome to the TONGJUBAO community!

Let's review the reasons why you joined us.

1. « They take your money & they keep it! »
2. « They make profit from rejecting claims! »
3. « You sign 1 page summary and never read 40 pages of contract until it's too late! »

05 Solution? Build P2P Communities

Sharing Risk between Members

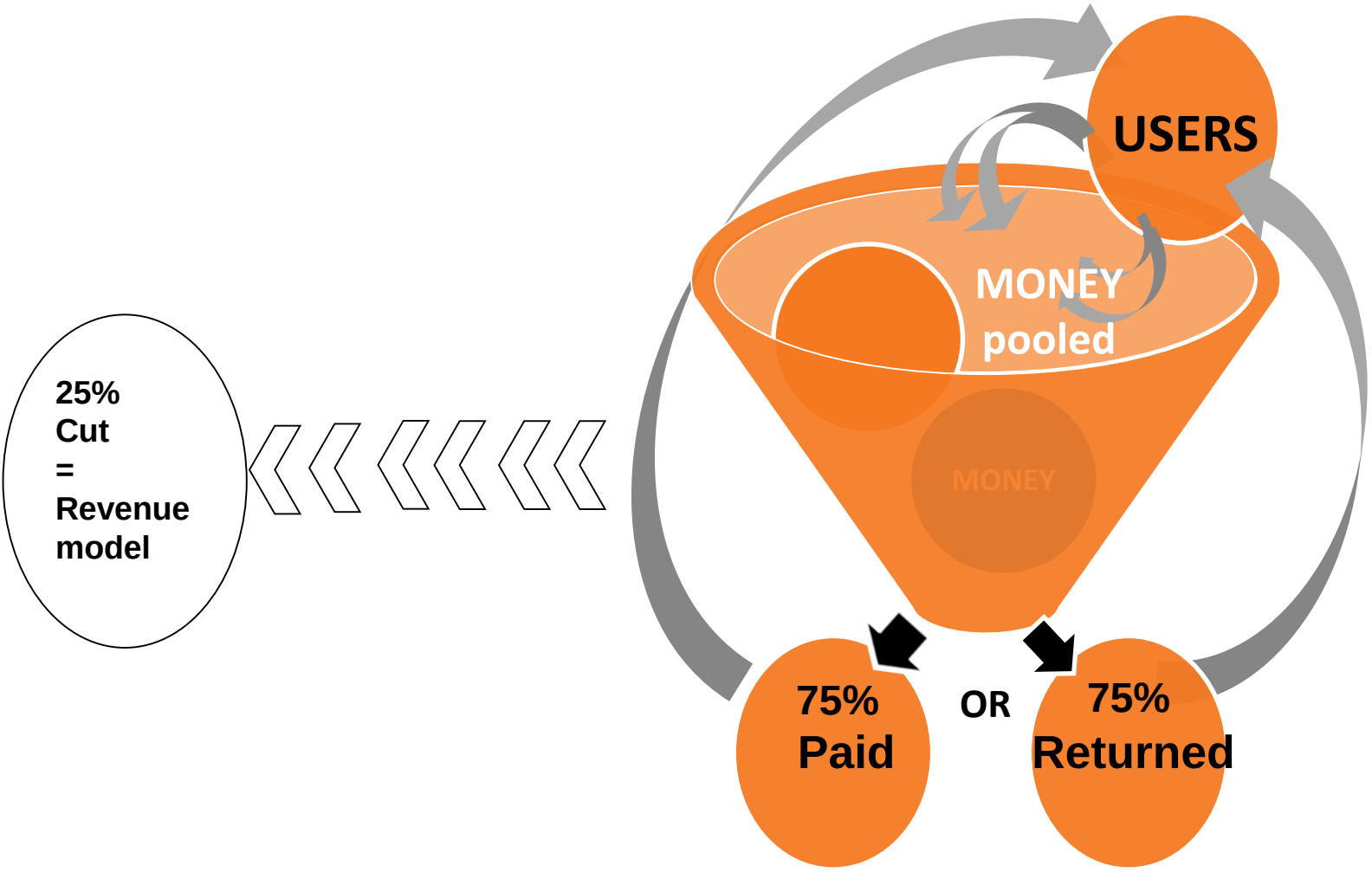
Individual Service Contract
Between Each Member & P2P

Modelisation | **Platform** | **Claims**

P2P · Protect

Community <u>always</u> get 75% back

Money Paid or Returned



Money back +no conflict +transparency/empowerment

Insurance Problems	TongJuBao Solutions
☹ Profit from rejecting claims = conflict of interest	☺ Claim as a service = no loss/gain from claims
☹ Lack of transparency	☺ Monthly reporting = learning curve ☺ + return power to users

VISION + STRATEGY + EXECUTION

P2P INSURANCE by P2P PROTECT

3 components

VISION	=	MUTUAL & EQUITABLE
STRATEGY	=	UNIQUE PRODUCTS
EXECUTION	=	MOBILE EXPERIENCE

09 Innovative covers = go-to-market strategy

2015 - 2016
(12 months / 4 products)

2017
(12 months / 12 products)

MARIAGE SAFETY - Q4 2015

DIVORCE FIRST AID - Q2 2016

ID LOSS & THEFT - Q2 2016

CHILD SAFETY - Q3 2016

Enter traditional insurance field

- •Travel
- •Health
- • Car Repairs

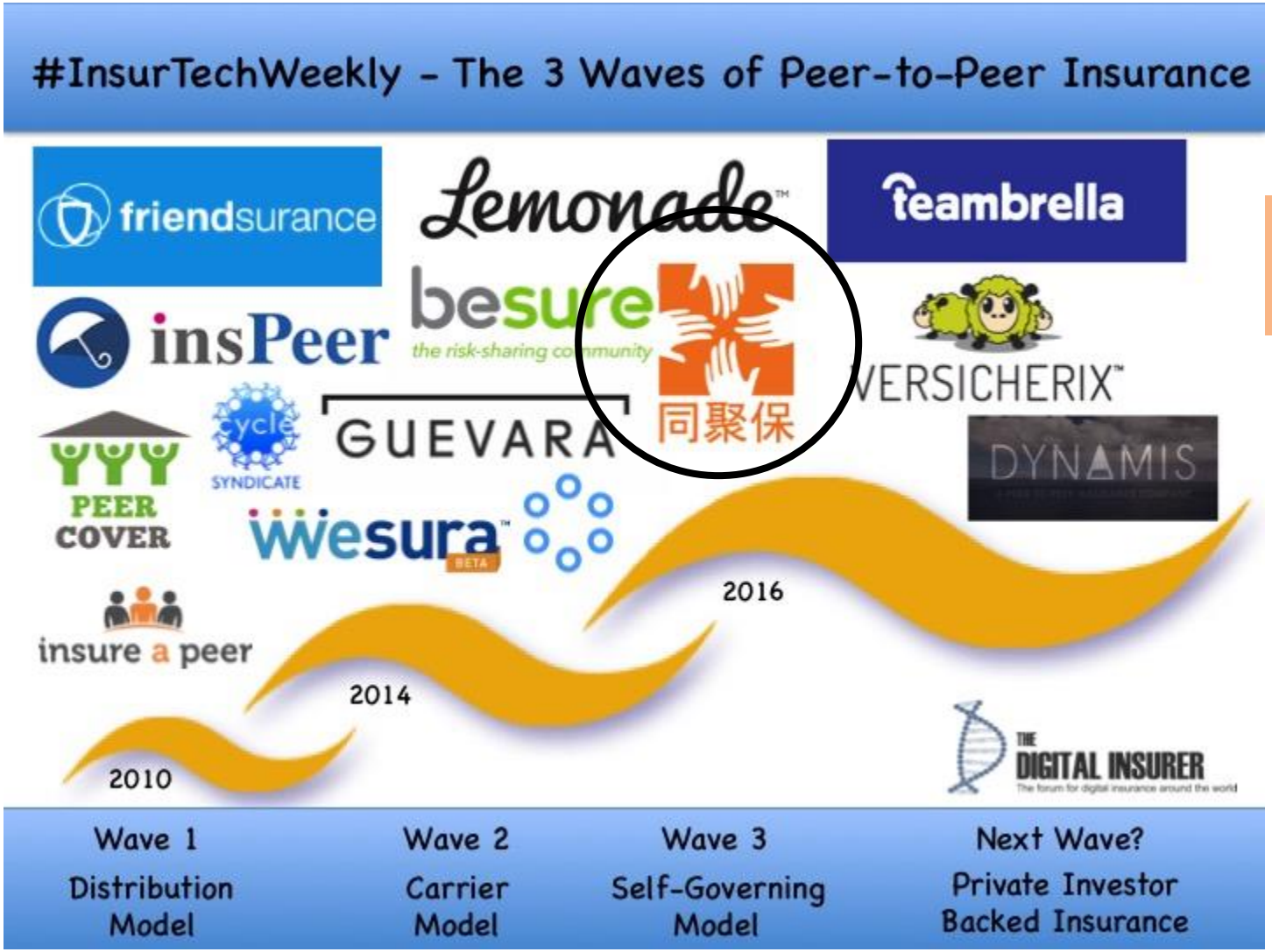
More innovative covers

- "terrorism"
- "Pollution"

And also

More micro-insurance
as core go to market model

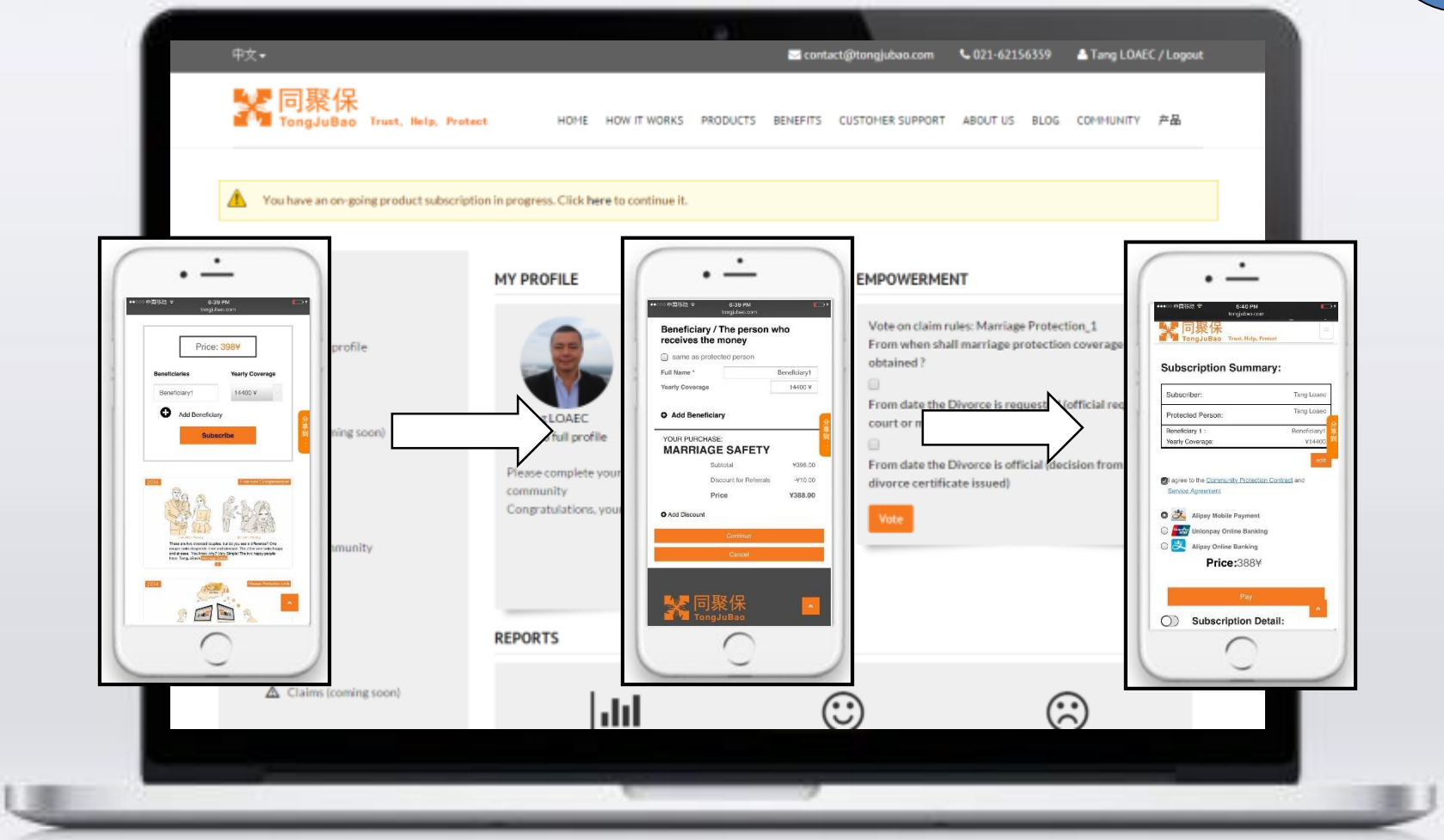
Unique in an emerging P2P insurance industry



Credit to Rick Huckstep – Insurtech Thoughtleader at TheDigitalInsurer

Execution = Web-mobile UX responsive

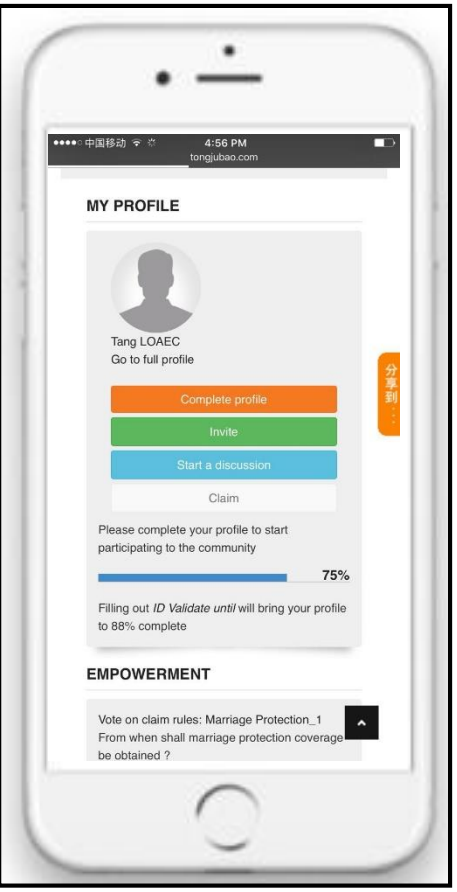
V 1



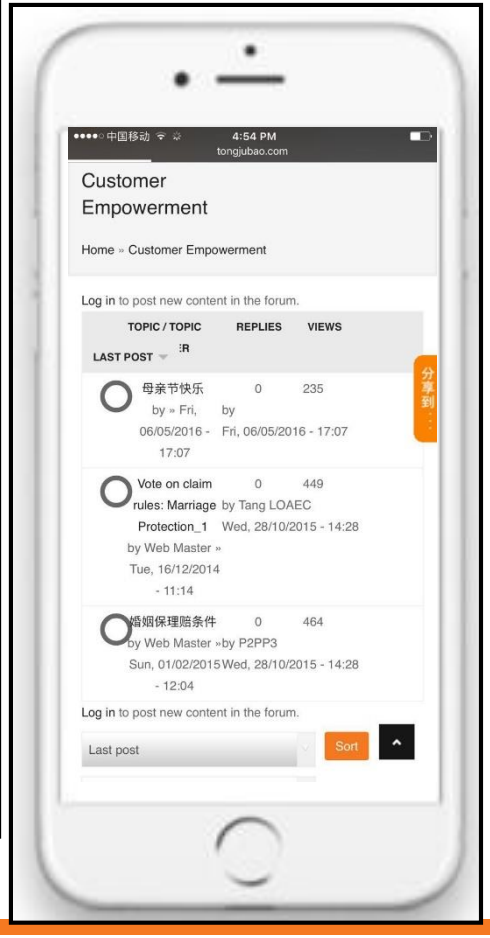
Discussion for Empowerment & Frequency

V 1

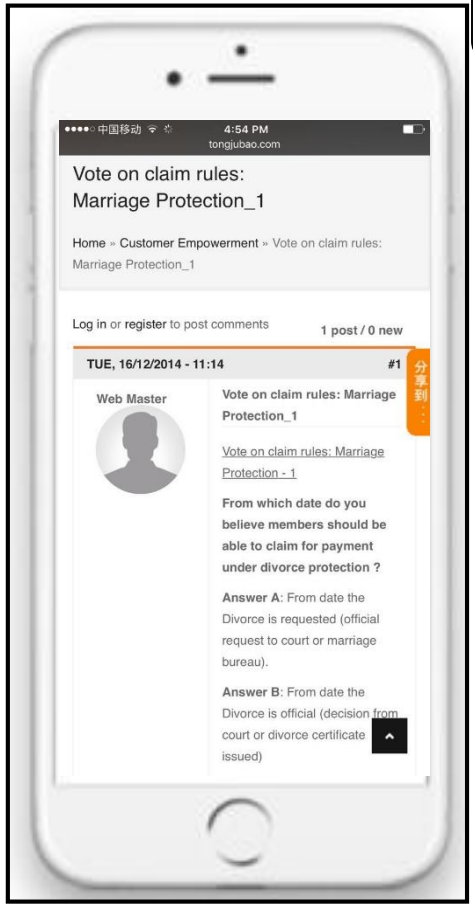
Users profiles



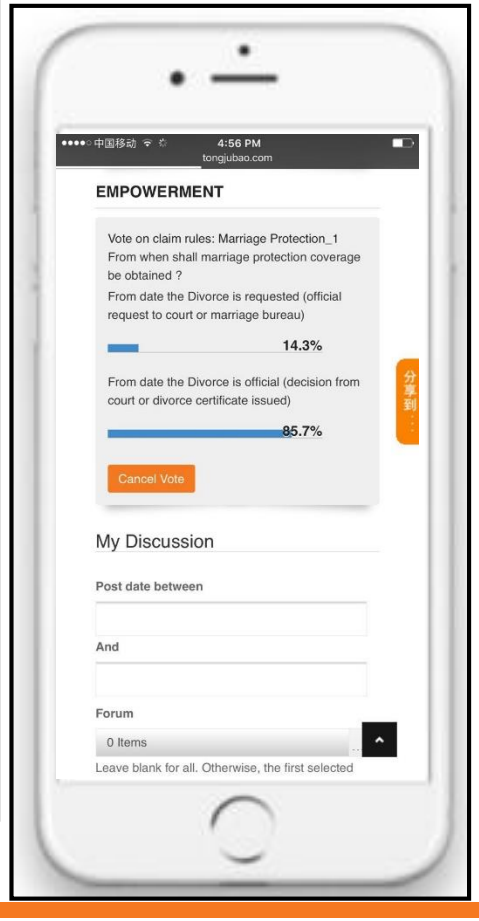
Discussions board



Vote on products



Vote results

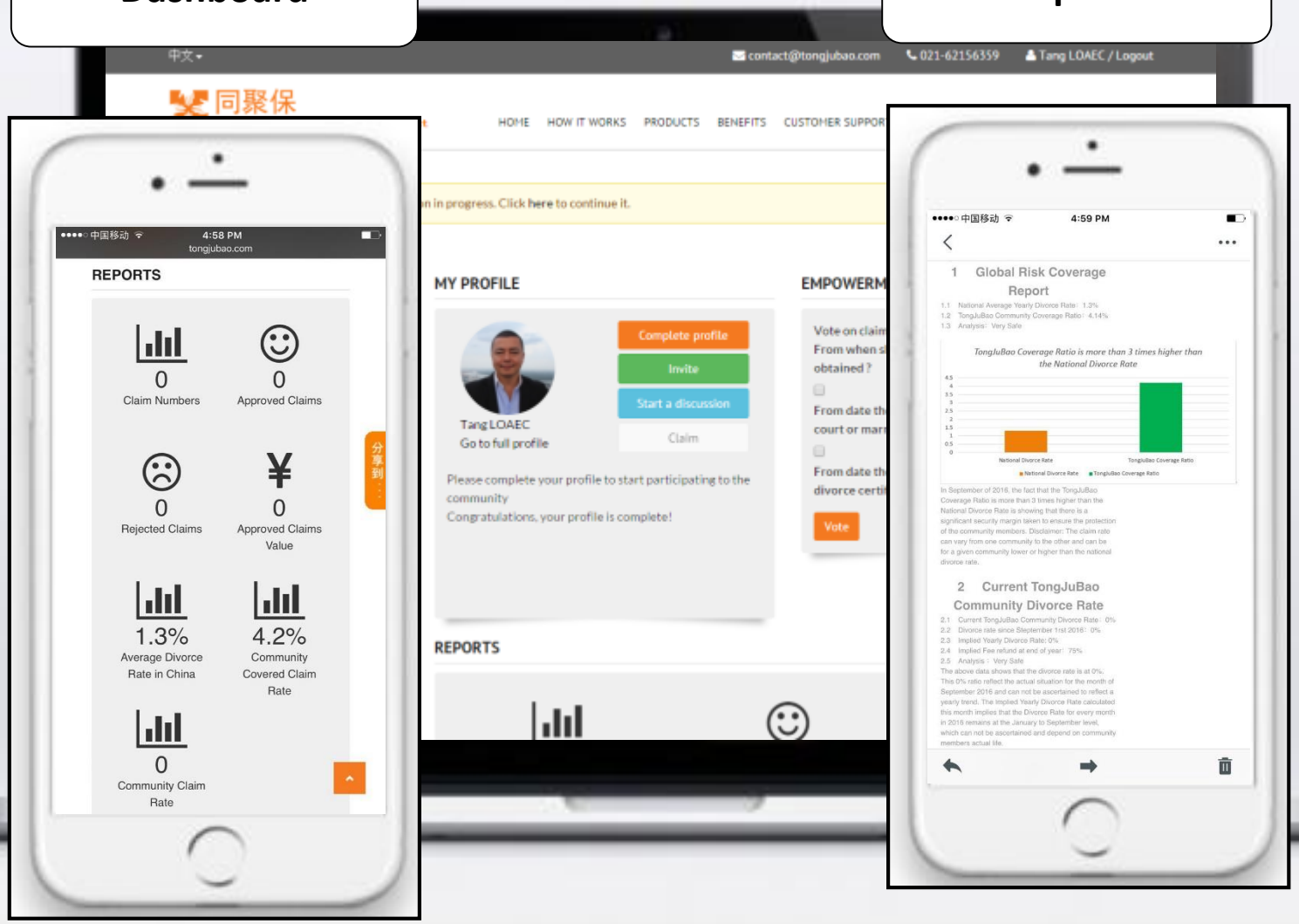


Transparency

V 1

Dashboard

Reports



Usage of messaging social features

Social Communities feed Social Sales

Post to chat → Hongbao to chat → Chat to chat

V 2

New angle – more mutual focus

New design

Focus design on help network

Disconnect payment from period-premium

Wallet value Give, Protect, Save

(+) Social Transparency = user proof of concept

V 3

Mobile Chat-bot interactions

Intended to be native for US – Europe launch

Bot In-App ➔ Facebook / WeChat integrated

Reduce operating costs

UX adapted to the full mobile generation

+ renovate forum using ‘Discourse’ open-source java script

Discourse

CHINA → WORLD: Window of opportunity to grow GLOBAL

FRANCE/US : 85% of surveyed persons

react very positively to the value proposition

Partnerships based growth:

- **China → Huaxia Finance**
- **US → Kuber Financial**
- **Europe → discussions ongoing (Insurers, Mutualists, retail finance, collaborative…)**

TEAM – 28 talents

Tang Loaec
Founder

- 25 y bank & insur.
- 3rd fin-biz launch

Benny Li
CEO China

- 25y bank-fintech
- CEO Huaxia Finance

Walker Jia
CIO

- 20y System & IT
- Walt Disney, IBM

Han Qi
User-Market

- 11y platform development
- 3rd internet finance platform

Daria Oley
Branding & PR

- Soc. Med. & Dig.
- 2nd start-up

CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK
GROUPE BPCE
Bankers and insurers with a different perspective
华夏信财 HUAXIA FINANCE
oney Banque Accord
Auchan 欧尚
The Walt Disney Company
IBM
equancy
君融贷 junrongdai.com

TEAM USA
Timothy Li

- Fintech Entrepren.
- CEO of Kuber Fi.

TEAM FRANCE
Beatrice

- 20+ y Insurance
- Mkt, Sales, Partn.

Are we a Uber of Insurance ?

P2P · Protect

=

(+) Truely a P2P model

(+) Adressing users needs

(+) Mostly mobile focused

- But in complex service
- With complex rules

Re-enchant insurance with us ?

P2P · Protect

Come talk to us

tang@p2pprotect.com

"Quality, personal and affordable **healthcare**"

hello doctor

Life expectancy

Today, the average life expactancy of a human being is **71**.

In Africa it's **56yrs** – **fifteen years** below the global average.

Give or take Africa's population of 1,1billion – that's

15 BILLION WASTED YEARS.

Not if we can help it...

Growth of mobile money

6 Major mobile money platforms in Kenya includingM-Pesa, MobiKash, Airtel Money, Orange Money, Tangaza, and Equitel.

31.6m Total number of mobile money subscribers in Kenya.

KENYA'S VOLUME OF MOBILE CASH (ALL PLATFORMS) SH BN

2007	2008	2009	2010	2011	2012	2013	2014	2015
16.32	166.57	473.41	732.22	1,169	1,545	1,901	2,371	2,816

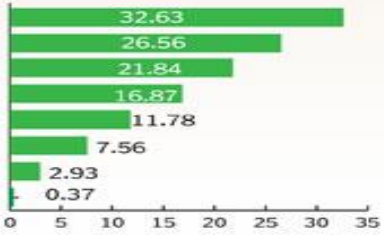
REGISTERED M-PESA SUBSCRIBERS

Active monthly M-Pesa users are 15.7 million. M-Pesa controls two-thirds of Kenya's total mobile money users.

2015	20.63m
2014	19.34m
2013	17.11m
2012	14.91m
2011	14.01m
2010	9.48m
2009	6.18m
2008	2.08m

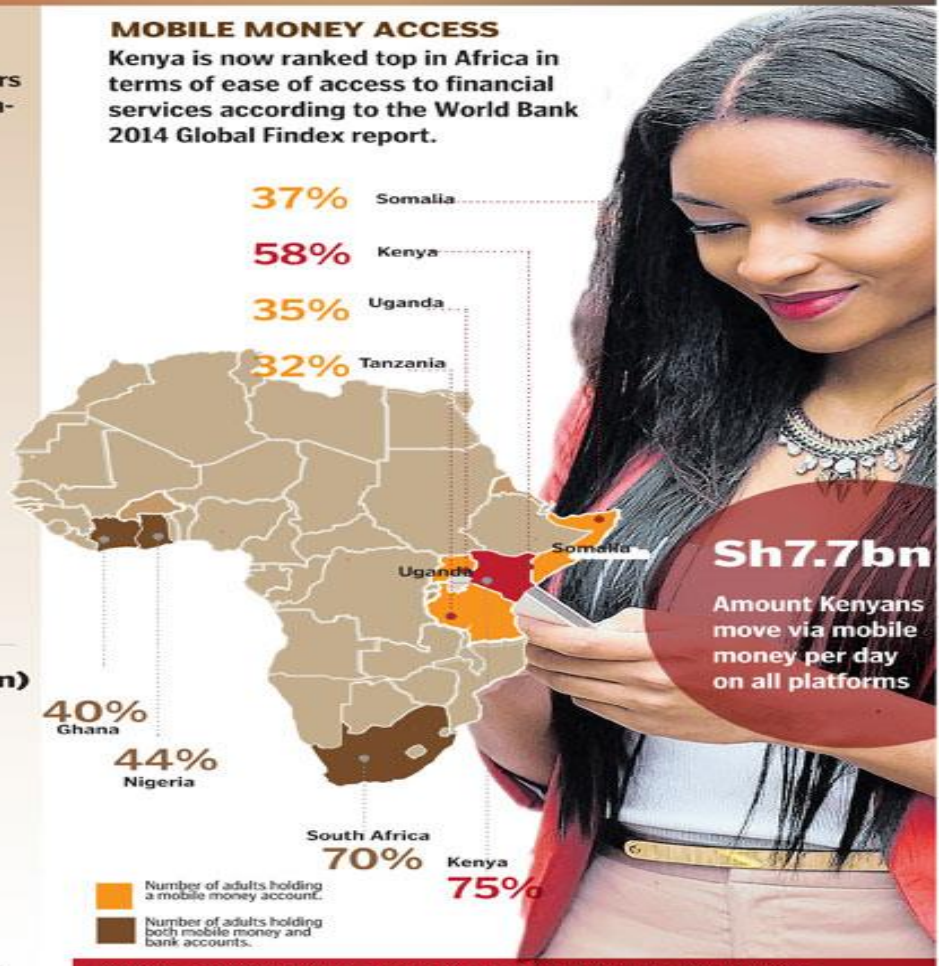
M-Pesa Revenue(Sh bn)

M-Pesa now makes up a fifth of Safaricom's sales.



MOBILE MONEY ACCESS

Kenya is now ranked top in Africa in terms of ease of access to financial services according to the World Bank 2014 Global Findex report.



Sh7.7bn Amount Kenyans move via mobile money per day on all platforms

SOURCE: SAFARICOM ANNUAL REPORT| WORLD BANK 2014 GLOBAL FINDEX REPORT. | CBK | INFOGRAPHIC BY GENNEVIEVE NAHINGA I COMPILED BY DAVID HERBLING

hello doctor

M-Shwari

Launched on 27th November 2012, M-Shwari is a mobile-centric banking solution offering both savings and loan products, with the objective of availing simple and affordable financial services closer to the customers, thereby supporting the financial inclusion agenda in Kenya. It is an innovative and visionary product of Commercial Bank of Africa (CBA) in partnership with Safaricom.

DRIVING A SAVINGS & INVESTMENTS CULTURE

- Females are utilizing the savings product more
- Males over 40 years old are saving at a higher rate
- 25-34 year olds hold the greatest value of loans outstanding across all genders, with males contributing 71% to this value

THE STORY SO FAR

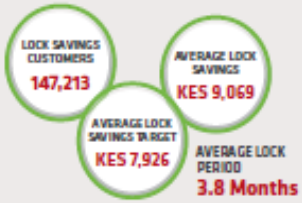
Various accolades from the financial services and Telco sectors globally.

Over 14 million

Customers in 37 months.

M-SHWARI LOCK SAVINGS ACCOUNT

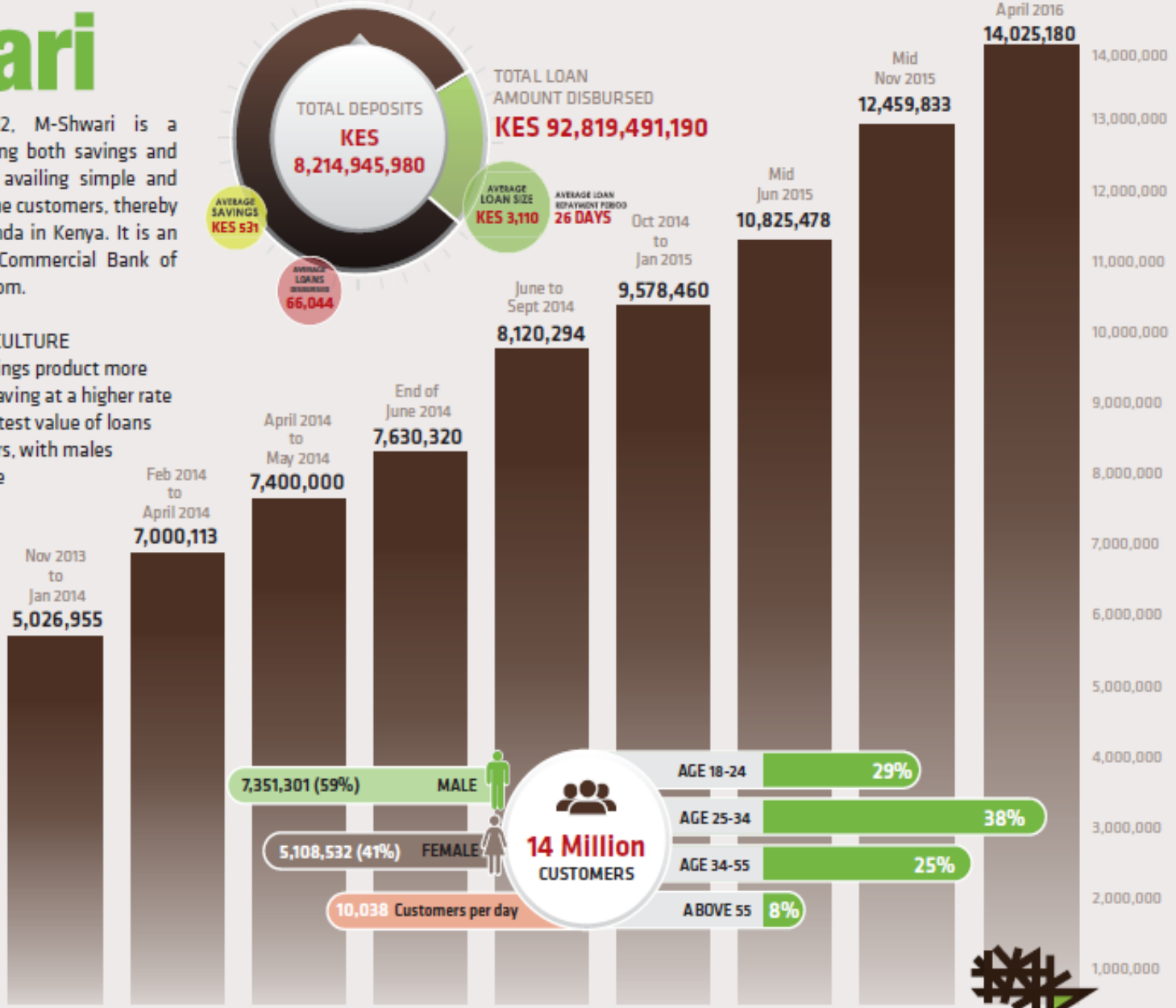
This is a flexible fixed deposit account offered through M-Shwari that allows the customer to customize depending on the purpose of the savings. Its aim was to encourage savings.



TOTAL LOAN AMOUNT DISBURSED
KES 92,819,491,190

AVERAGE LOAN SIZE
KES 3,110

AVERAGE LOAN REPAYMENT PERIOD
26 DAYS



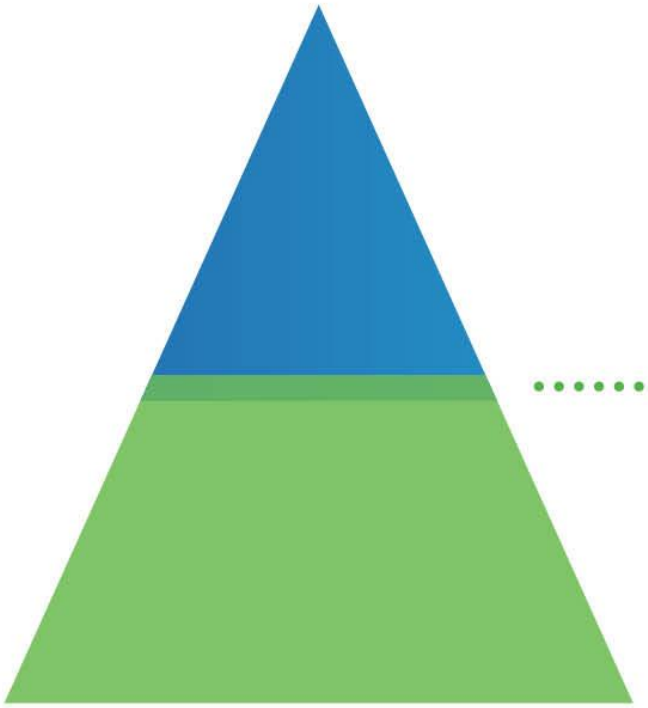
* Non- Performing Loans is at 1.92% which is below the industry average of 5.3%

M-Shwari

cba
time for more.

Kenya Health Pain-points

- Ability to pay
- Time spent accessing healthcare



- Access to doctors
- Access to quality medical advice

24h
hello
doctor

"Hello Doctor has the power to reduce the incidence of avoidable health problems, improve efficiency, and potentially save more lives"

H.E. Margaret Kenyatta,
August 2015

hello doctor

Sema Doc

- First *commercial telemedicine provider* in Africa
- First to offer *immediate and paperless claims* settlement
- Ave. customer rating for *doctor calls: 99%*

24/7 Doctor Access

Health Account

Health Loans

Hospital Cash Benefits

Health Tips

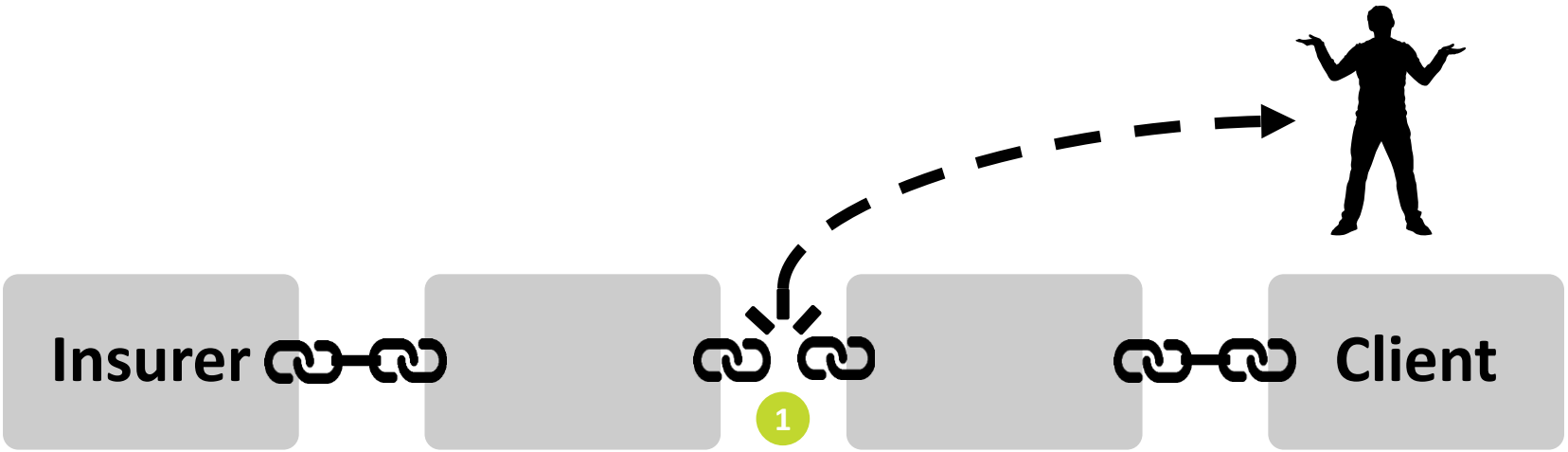
Customer Experience Story

Kenya

"Quality, personal and affordable **healthcare**"

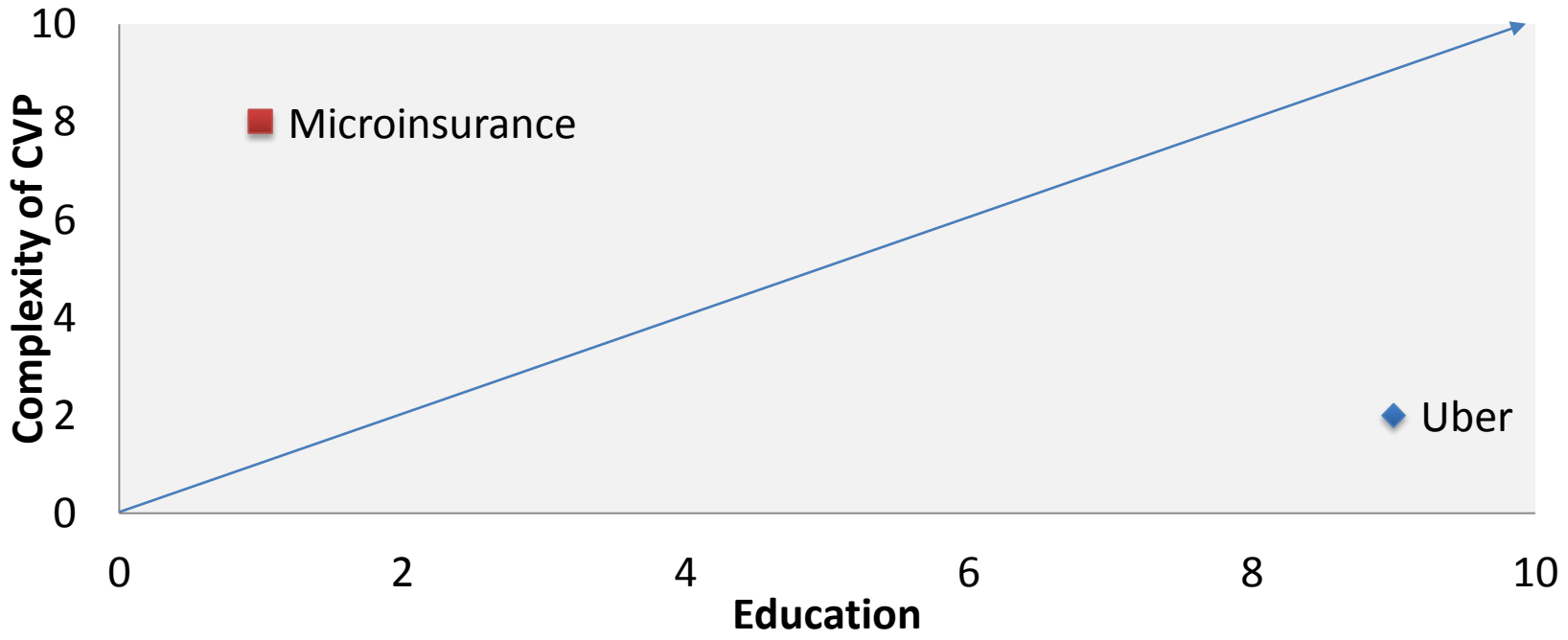
hello doctor

What could this look like? Disrupting the insurance value chain

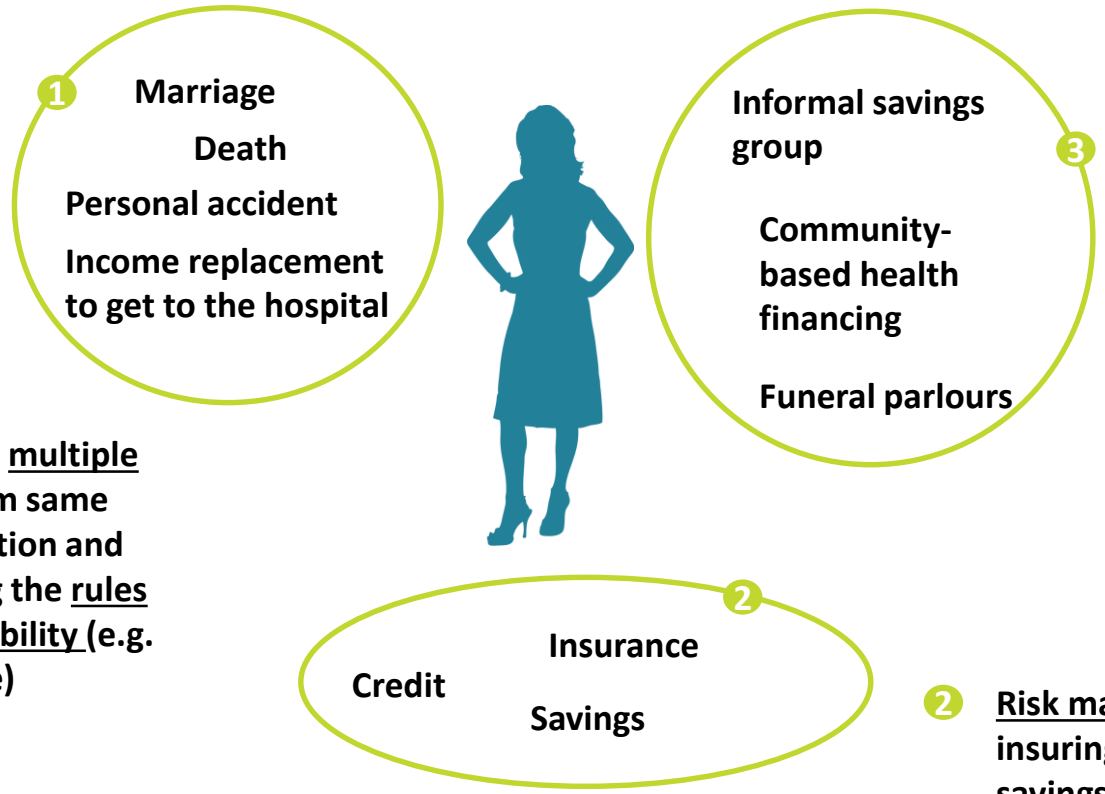


1 **Will technology break the traditional links between insurers, intermediaries and clients?**

Value Proposition: Uber vs. microinsurance



Will this create new value for the consumer? Moving from risk cover to risk management



1 Covering multiple risks from same contribution and changing the rules of insurability (e.g. marriage)

2 Risk management as opposed to insuring risk (bundling credit and savings with insurance)

3 "Formalising the client" through biometric identity and increased digital data Risk sharing as opposed to transfer

IAIS FIWG Drafting on the ***Use of Digital in Inclusive Insurance***

- *As part of the Roadmap 2016-17 the IAIS Executive Committee has approved a project on the Use of Digital Technology in Inclusive Insurance (RM 38).* This project is a spin-off of the Issues Paper on Conduct of Business in Inclusive Insurance.

- **Objective :** *draft an Application Paper (AP) to :*
  - address the crucial role of the use of new technologies in inclusive insurance markets
  - *provide guidance on the proportionate application of relevant ICPs*

- ***Content:*** *This AP will :*
  - *provide additional material related to Insurance Core Principles (ICPs)*
  - *provide further advice, illustrations, recommendations or examples of good practice to supervisors on how supervisory material may be implemented.*

- *The first draft is expected for consultation during the* ***first semester 2017*** *and adopted by the* ***end of the year 2017****.*

THANK YOU!

Cenfri (The Centre for Financial Regulation & Inclusion) is a global think tank that bridges the gap between insights and impact in the financial sector.

We are driven by a vision of a world where all people live their financial lives optimally to enhance welfare and grow the economy.

Our 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.

Please contact us at…

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REDUCING POVERTY
THROUGH FINANCIAL SECTOR DEVELOPMENT

Munich Re Foundation
From Knowledge to Action