Role of Insurtech in overcoming challenges in microinsurance

A2ii Consultative Forum, Accra
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Insurtech for Development
Review of 182 initiatives in the emerging world
Introduction to trends in Insurtech

**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.

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

**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.

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

**Technology-enabled partnerships**
Insurance providers, MNO or other aggregators and TSPs enter into strategic technology-enabled partnerships to take advantage of marketing, client acquisition and premium payments through an established brand.

**Demand-based**
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.
Overview of trends in Insurtech

- New data and analytics: 36
- Digital platforms: 82
- Technology-enabled partnerships: 37
- Index-based: 13
- Peer-to-peer: 7
- Demand-based: 7

Source: Insurtech for Development, forthcoming
Challenges in microinsurance

1. Lack of information on consumers
2. Inadequate access to consumers
3. Different and new consumer needs
4. Consumers inexperienced with formal financial services
5. Constrained business models

Source: InsurTech for Development, 2017
How are Insurtech trends addressing challenges in microinsurance?

- Lack of information on consumers
- Inadequate access to consumers
- Different & new consumer needs
- Consumers inexperienced with formal financial services
- Constrained business models

- New data and analytics
- P2P
- Digital platforms
- Demand-based
- Index-based
- Tech partnerships

Source: Insurtech for Development, forthcoming
About Cenfri
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