Digitisation and insurtech in times of COVID-19

The evolving approach of African insurers, regulators and insurtechs
Sales
Current impact of COVID-19 on sales and premium collection

Changes in business operations due to COVID-19

- Increased
  - Premiums collected: 11%
  - New sales: -64%

- Decreased
  - Premiums collected: -67%
  - New sales: 13%

*N/A responses not included in visual
Source: OESAI, FSD Africa & Cenfri (2020)
Extent of digitisation of sales

**Extent of digitisation prior to COVID-19**

- Issuing policy documents or certificates: 35%
- Sale of new policies: 19%

**Digitisation as a result of COVID-19**

- Issuing policy documents or certificates: 19% (Completely digitised), 34% (Digitisation in progress), 4% (Struggling to digitise)
- Sale of new policies: 13% (Completely digitised), 47% (Digitisation in progress), 9% (Struggling to digitise)

*Multi-tagging*

**Source:** OESAI, FSD Africa & Cenfr (2020)
What is required to do remote sales?

Step 1: Digital contracting

Step 2: Remote CDD/KYC onboarding of customers

Step 3: Consumers able and willing to engage digitally
## Extent of digital contracting and remote onboarding

<table>
<thead>
<tr>
<th>Do you currently use e-signatures to conclude the sale of insurance?</th>
<th>Do you currently do remote CDD onboarding of customers?</th>
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</thead>
<tbody>
<tr>
<td><strong>Insurtech (n=4)</strong></td>
<td>75%</td>
</tr>
<tr>
<td><strong>Microinsurers (n=4)</strong></td>
<td>50%</td>
</tr>
<tr>
<td><strong>Insurers (n=31)</strong></td>
<td>39%</td>
</tr>
</tbody>
</table>

**Breakdown:**
- **Yes**
- **No**
- **N/A**

### Insurtech
- 75% (Yes)
- 25% (No)
- 3% (N/A)

### Microinsurers
- 50% (Yes)
- 50% (No)
- 5% (N/A)

### Insurers
- 39% (Yes)
- 58% (No)
- 3% (N/A)

### Lacking the internal systems
- 56% (Yes)
- 22% (No)
- 6% (N/A)

**20% of respondents have not yet seen regulatory support for e-signatures, but would like to**

### Lacking the internal systems
- 67% (Yes)
- 27% (No)
- 20% (N/A)

**26% of respondents have not yet seen regulatory support for remote onboarding, but would like to**

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Source: OESAI, FSD Africa & Cenfri (2020)
Claims
Current impact of COVID-19 claims

Changes in business operations due to COVID-19

- Increased: 23%
- Decreased: -31%

Claims paid

Source: OESAI, FSD Africa & Cenfri (2020)
Extent of digitisation of claims

**Extent of digitisation prior to COVID-19**

- **Paying claims**: 38%
- **Processing claims**: 35%

**Digitisation as a result of COVID-19**

- **Paying claims**: 16% completely digitised, 34% digitisation in progress, 6% struggling to digitise
- **Processing claims**: 21% completely digitised, 35% digitisation in progress, 6% struggling to digitise

*Source: OESAI, FSD Africa & Cenfri (2020)*

*N/A responses not included in visual*
Concluding remarks

- What do you think are the greatest opportunities and challenges the insurance sector in SSA will face regarding the digitisation of sales and claims?

- Alternatively, if you have any advice for one another (e.g. insurtech to insurer and vice versa), what would it be?
The Impact of COVID-19 on Insurers in Eastern and Southern Africa

Publications

This report takes stock of the impacts of the pandemic on insurers, based on interviews with 34 insurers, insurtechs, reinsurers and insurance and broker associations across 18 markets.

Upcoming webinars

Reinsurance and COVID-19

Thursday, September 3rd from 13h00 - 15h00 (EAT)