Partnerships key in optimising distribution of low-cost insurance

The first regional workshop and field trip by the Microinsurance Network, focusing on optimisation of distribution in the low-cost insurance environment, came to a close yesterday in Johannesburg, South Africa.

The workshop brought together over fifty experts and professionals operating in the region’s microinsurance space to look at the challenges the sector is facing in terms of distribution, some of the existing success models and solutions, and how these may be replicated elsewhere.

“One of my key takeaways is that we can’t do this without partnerships”, says Leila Moonda of the South African Insurance Association (SAIA), who spoke about the challenges the South African insurance industry is facing when it comes to distribution of low-cost products.

Event participants were able to see what a partnership model can look like in practice through a field trip to one of Hollard Insurance’s branches in the Soweto area. The visit illustrated how insurance companies can capitalise on marketing through a brand trusted by the low-income segment, such as the PEP stores in South Africa. The visit also highlighted some of Hollard’s innovative approaches with regards to product design and consumer education.

“Be present in the society and employ people who come from the places where you aim to sell the product”, commented Barbara Chesire-Chabbaga from AB Consultants in Kenya after the field trip. “My observation with Hollard is that it’s very relational”, she added.

“One of the highlights of the workshop was a presentation by David de Coning from Crossgate on the utilisation of existing payment networks and new technologies to distribute seamlessly”, explains workshop moderator Herman Smit from Cenfri. Innovative ideas included the conversion of loyalty points and/or bank card fees into insurance. Another, is the idea of an app that can provide the customer with a tailored insurance at the moment of need.

“The high-level discussions and engagements at this first regional workshop demonstrate the value of bringing the industry together to capitalise on lessons learnt”, explains Mandla Shezi, Secretary of the Microinsurance Network and MD at Hollard. The event was the first of its kind, marking the start of the Network’s initiative to establish a strong presence in the regions, with more to come across the globe.

About the Microinsurance Network

The Microinsurance Network is the international multi-stakeholder platform for microinsurance experts and practitioners to work together on key areas of development in the sector. Its mission is to promote the development and delivery of effective insurance services for unserved people by encouraging shared learning and facilitating knowledge generation and dissemination.  www.microinsurancenetwork.org

Media contact:
Annalisa Bianchessi, abianchessi@microinsurancenetwork.org