



# 2<sup>nd</sup> RIBA Annual Insurance Conference 2023

Theme: The Power of Partnerships

15<sup>th</sup> September 2023

Classic Resort Lodge, Musanze, Rwanda



COLLEGE OF INSURANCE  
*Driven by distinction*



# Key note Speaker

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Director/CEO, College of Insurance , Kenya  
and

Immediate Former President - African Insurance Organization (AIO)



# Quote

*“If you want to go fast, go alone, if you want to go far, go together”.*

~African Proverb





# Agenda

1. Introduction
2. Factors to Consider before choosing a Partner
3. Benefits of Strategic Partnerships
4. Strategic Partnership Framework
5. The Insurance Ecosystem
6. The Place of the Broker
7. About the College of Insurance



# Introduction

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Partnership is crucial to the growth of any business venture.

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Merchants and traders from time immemorial have made use of the principle of a strategic partnership to conduct their businesses; the trend is still very much applicable today.

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A partnership manifests itself in different forms, ranging from business owners cooperating to invest in a project to share technical knowledge and ideas between firms.

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Whatever any business does, it is important to look for the right partnership agreement that benefits both parties.





# Factors to consider before choosing a partner

- 1. Trust and Respect
  - When starting a business, the secret to the success of every partnership agreement is rooted in trust and respect between the two partners.
  - You must be able to trust the decision making, temperament, vision, and competence of your partner and vice versa.
  - Make sure to respect one another's abilities and personalities.
  - *"If people like you, they will listen to you. But if they trust you, they will do business with you."* - Zig Ziglar



## 2. Brand Alignment

- Before starting a partnership, know exactly what each business does and how your brands align.
- Form an alliance which has a way of setting goals and simultaneously propagating the objectives of each business.



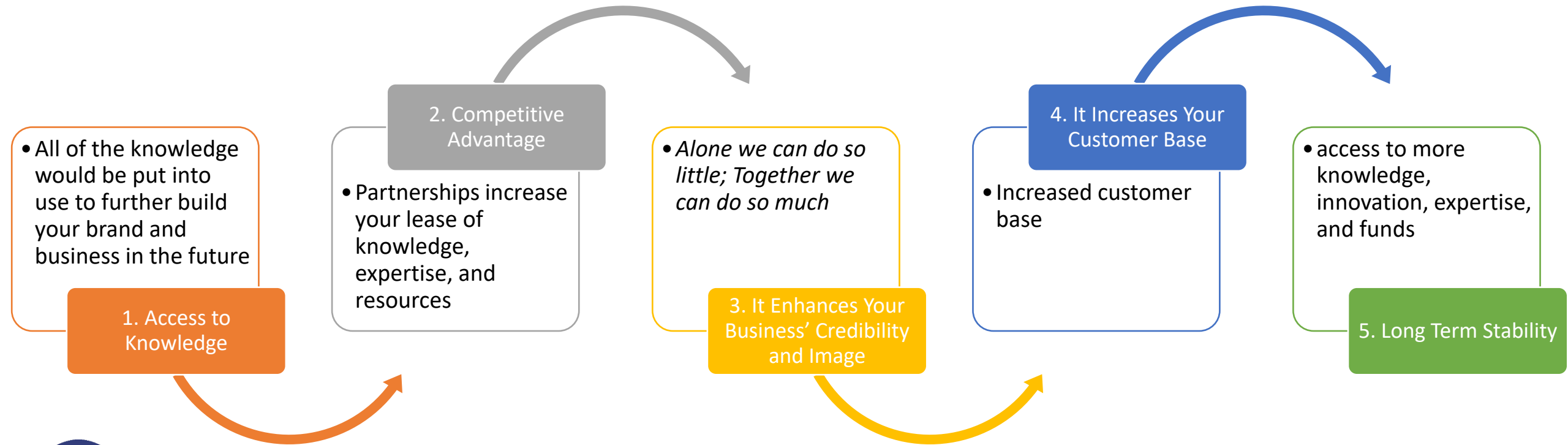


### 3. Similar Values and Shared Goals

- It is important to form a partnership agreement with a firm whose corporate goals and values augment your own.
- There are firms whose main focus is to make a profit and maximize shareholders wealth, while others are more concerned about corporate social responsibility and puts profit making as a secondary objective.
- Partnering with a business that doesn't share primary objectives may lead to a clash of values and risk driving a wedge between the firms. This will likely lead to the death of the agreement.



# Benefits of Strategic Partnership



- 1. Access to Knowledge
  - Firms need a wealth of knowledge and that knowledge comes in bounty with strategic partnership agreements.
  - This gives you the opportunity to grow and learn from another's perspective.
  - All of the knowledge would be put into use to further build your brand and business in the future
  - *"An Investment in knowledge pays the best interest"* ~ Benjamin Franklin
- 2. Competitive Advantage
  - Partnerships increase your lease of knowledge, expertise, and resources available to make better products and reach a greater audience.
  - All of these put together along with 360-degree feedback can skyrocket your business to great heights.
- 3. It Enhances Your Business' Credibility and Image
  - The right business partnership will enhance the ethos of your firm.
  - When firm that share the same goals and vision join forces, the influence and strength of each organization can grow dramatically.
  - Stronger business provide better products and deliver more qualitative services to customers, which boosts overall brand equity.
  - *Alone we can do so little; Together we can do so much.* ~ Helen Keller



- 4. It Increases Your Customer Base
  - Through a functional strategic partnership agreement, your business would grow its customer base.
  - There are a lot of ways through which this can be attained.
  - It could be through a direct agreement you have with a firm who offers products that are complementary to your own.
  - A car manufacturer who forms a partnership agreement with a tire manufacturer may have an agreement in place that makes everyone who orders for a new car to get their tires from the firm they are in agreement with and vice versa.
  - This alone would help you in growing your customer base as customers are drawn to great products and services.



- 5. Long Term Stability

- The goal of all businesses is to remain relevant for a long time and reach its set corporate goals.
- Having business partners mean you are no longer operating in isolation. You'll have access to more knowledge, innovation, expertise, and funds.
- The bottom line? A great business partnership makes you better, lifts up your weaknesses, and enhances your strengths. In the end, this is all you need to be relevant for a very long time and help your business achieve its objectives and key results.



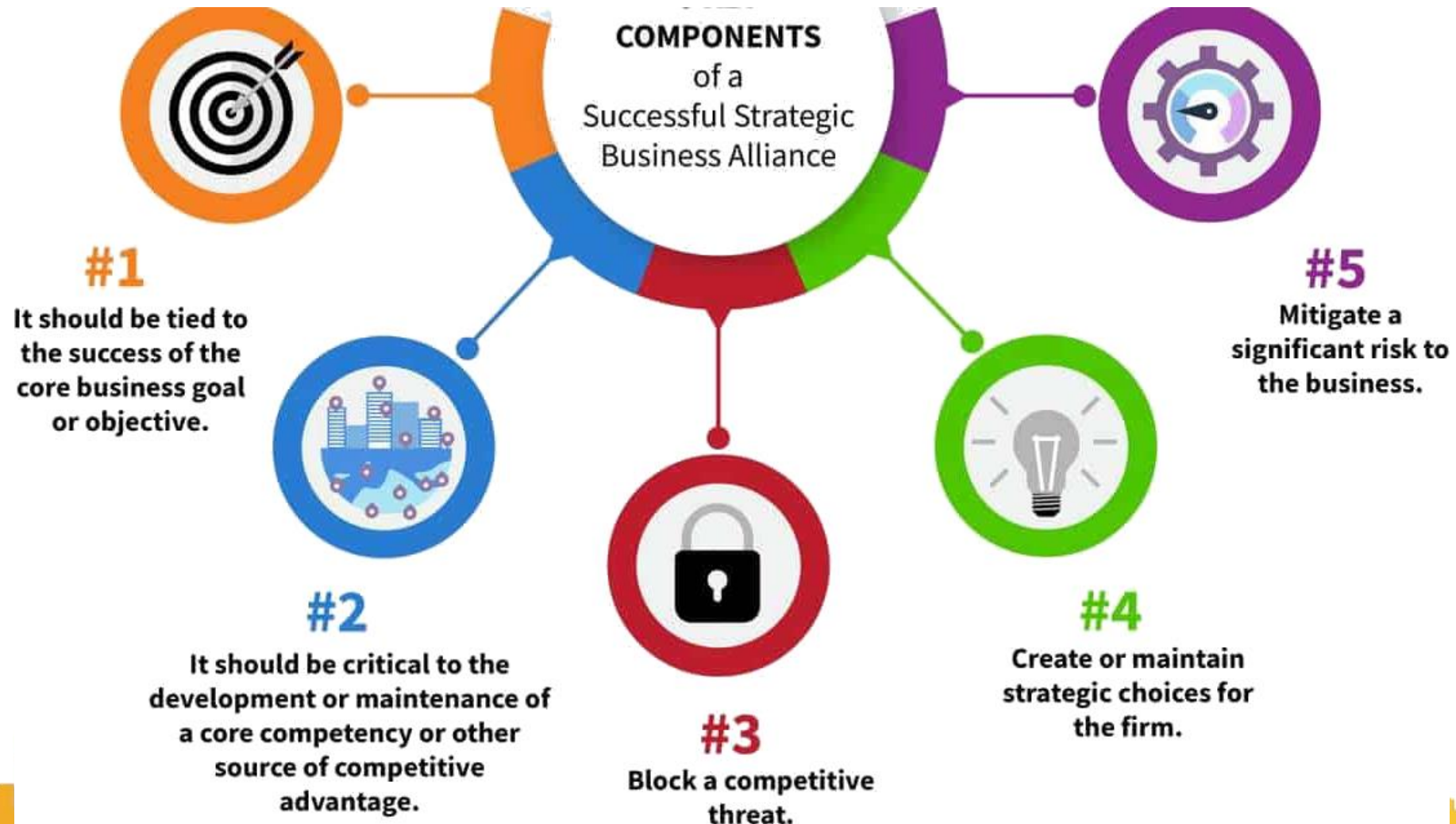


# STRATEGIC PARTNERSHIP FRAMEWORK

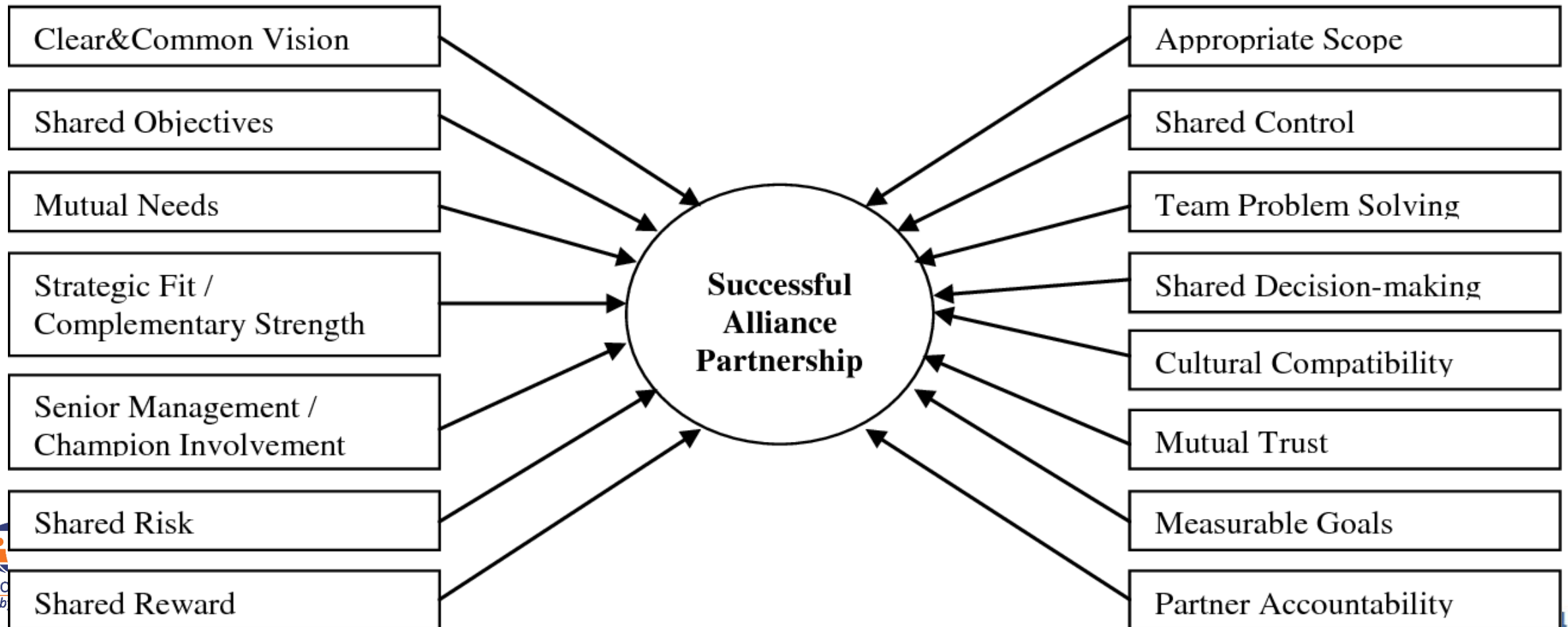




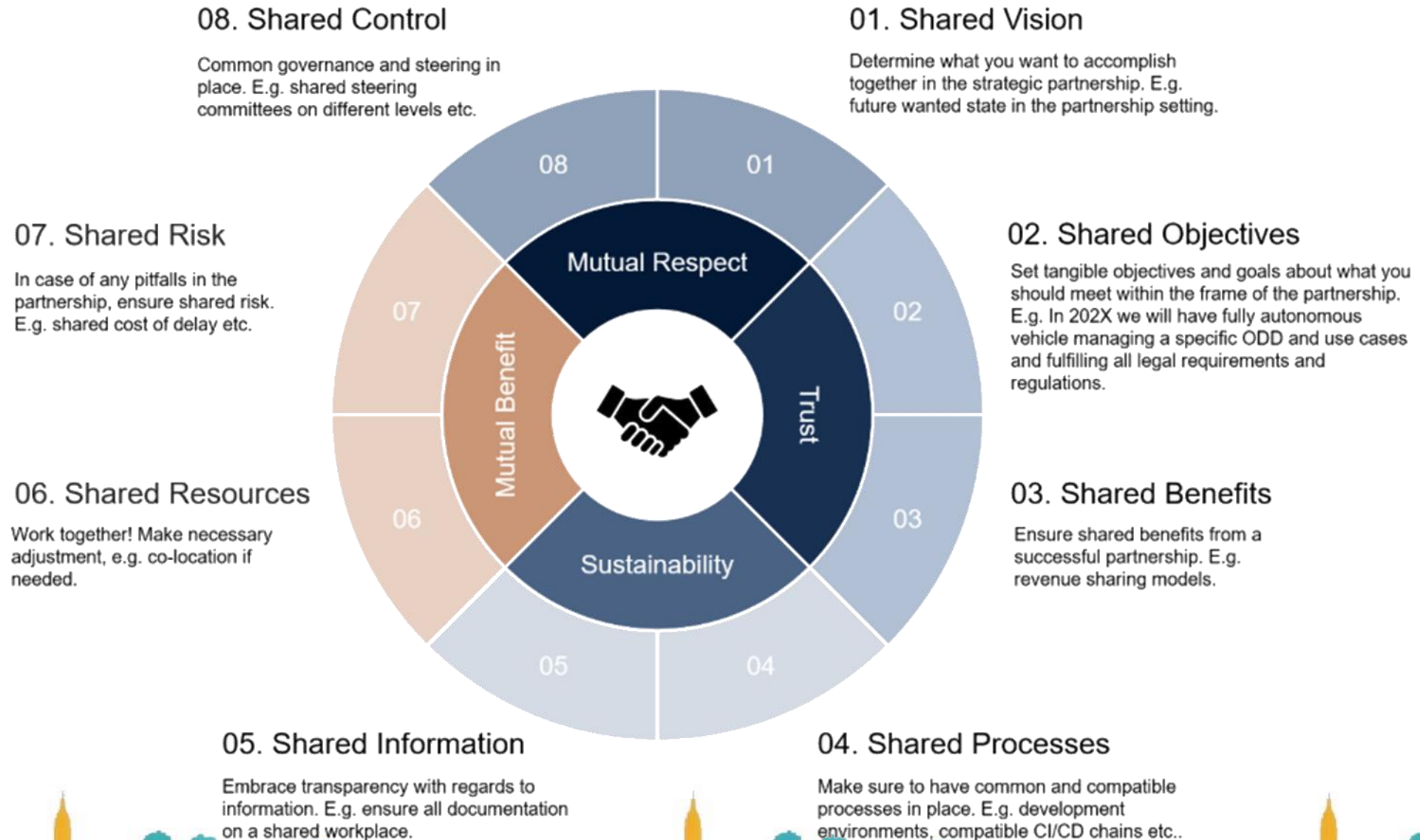
# Components of a Successful Strategic Business Alliance



# Characteristics of a Successful Strategic Business Alliance Partnership



# What to look for in strategic partnership



# Benefits of Strategic Brand Partnerships





# How can businesses maximize the benefits of a strategic partnership

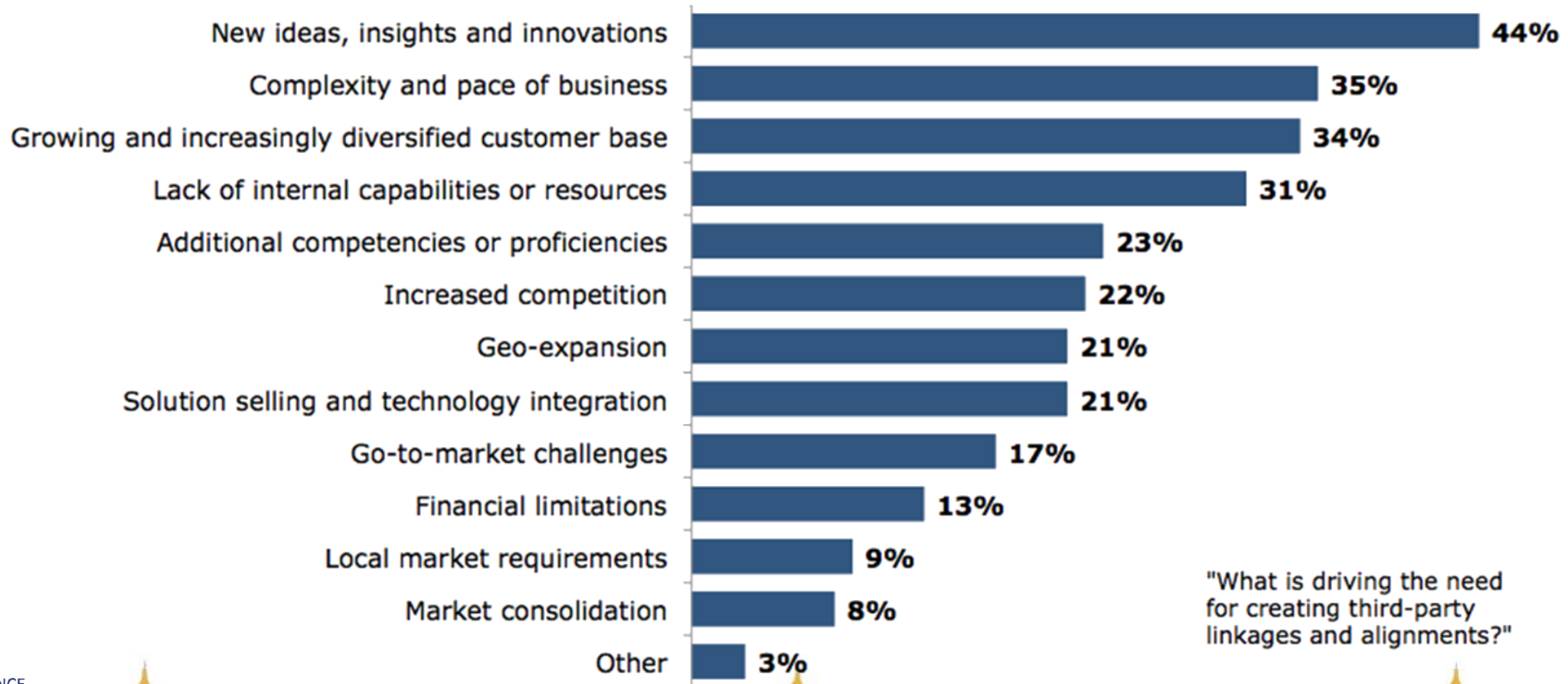




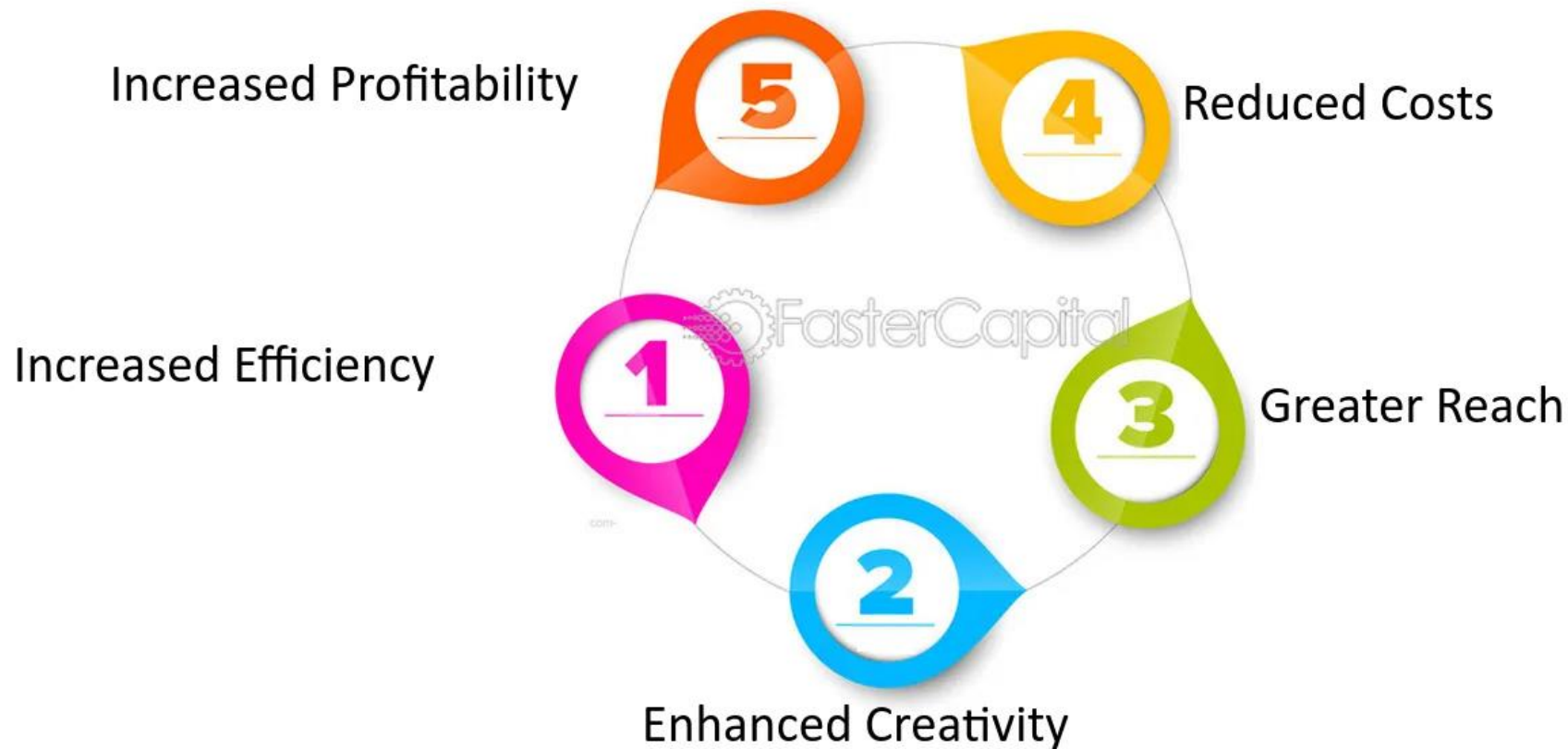


# Strategic Partnership Drivers

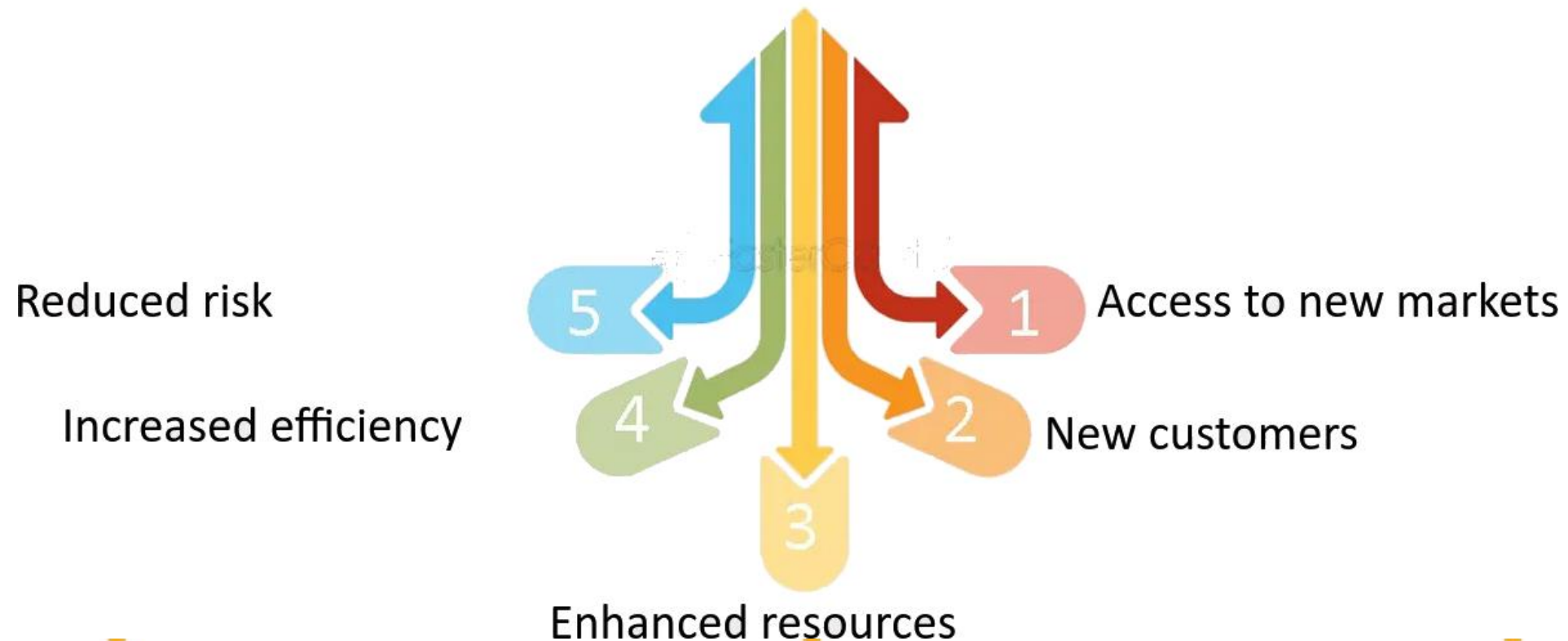
based on a survey of based on a survey of more than 330 senior management executives in countries around the world  
September 2021



# What are the benefits of having a strategic partner



# The Benefits of Strategic Partnerships



# The Insurance Ecosystem



# Insurance Ecosystem

Internal environment			
Owners	Managers	Employees	Exclusive agents
Contribute capital, undertake risks associated with the launch of insurance activities and the insurer's operations	contribute knowledge, qualifications and managerial skills, make decisions	perform the assigned tasks, participate in defined processes, contribute knowledge and qualifications	sell insurance, participate in defined processes, contribute knowledge and qualifications
Insurance company			
Private and institutional clients	buyers of insurance products	businesses collaborating with insurers in different market sectors	outsourcing companies
Insurance intermediaries	independent insurance agents, brokers	supervisory authorities, providers of support and educational services	insurance organizations
Competitors	insurance companies in a life and non-life market sector	consulting companies, providers of training and advisory services	providers of business support services
Banks	bancassurance – bank cooperation with the insurance company	universities, research institutes	research and development organizations
Reinsurers	entities receiving portion of the insurance risk	navigators of social and environmental changes that improve living standards	members of the community
External environment			

# The Insurance Ecosystem

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From personalization and improving customer experiences to the need for more speed and agility, today's insurance industry is faced with constantly changing challenges and opportunities.

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Insurance industry leaders are racing to become customer centric, and that's hard given that insurers' systems are all product centric.

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Property and Casualty is in the middle of this transformation, and in many ways is much further along than life and healthcare.

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Carriers have to know their customers and act like it with personalized products and customer experiences if they want to remain competitive and relevant.

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As a result, there are great opportunities for customer-centered, functionally rich cloud-native platforms.





# The Insurance Ecosystem ....cont

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This is an era of unprecedented change for the insurance sector. New technologies, new customer expectations, new regulations and new competitive pressures are rapidly disrupting the traditional insurance business model. In this environment, insurance organizations have no choice but to adapt.

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At the same time, insurers are increasingly starting to recognize that their current organizational structure and culture may not be conducive to achieving the type of real, sustainable and value-creating change and innovation needed to compete in this new world. New models, new ideas and new partners must be found.

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Executives are starting to recognize the power of alliances.



# The Insurance Ecosystem ....cont

Yet our experience and our data suggest that insurance organizations are struggling to create the types of dynamic business models they need in order to survive and thrive in this new environment. The complexities are significant: issues related to control, culture and intellectual property must be balanced against considerations such as cost, resources and risk; customer preferences must be balanced against regulatory restrictions; and future growth opportunity must be balanced against short-term profit requirements.

Nearly 70 percent of insurers now believe that partnerships, not in-house efforts will characterize the future of innovation for their organization.

In today's rapidly-changing and complex competitive environment, the need for new ideas, new skills and new opportunities is obvious.

At the same time, the majority of insurance executives also recognize that – while some change can be catalyzed from within – the greatest opportunities will likely come from outside of the organization.



# The Insurance Ecosystem ....cont

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insurers are now increasingly focused on creating alliances and partnerships to drive new growth, create new channels and drive new innovation.

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The Insurance Innovation Imperative found that 43 percent of insurance organizations have already developed partnerships with academics and other third parties.

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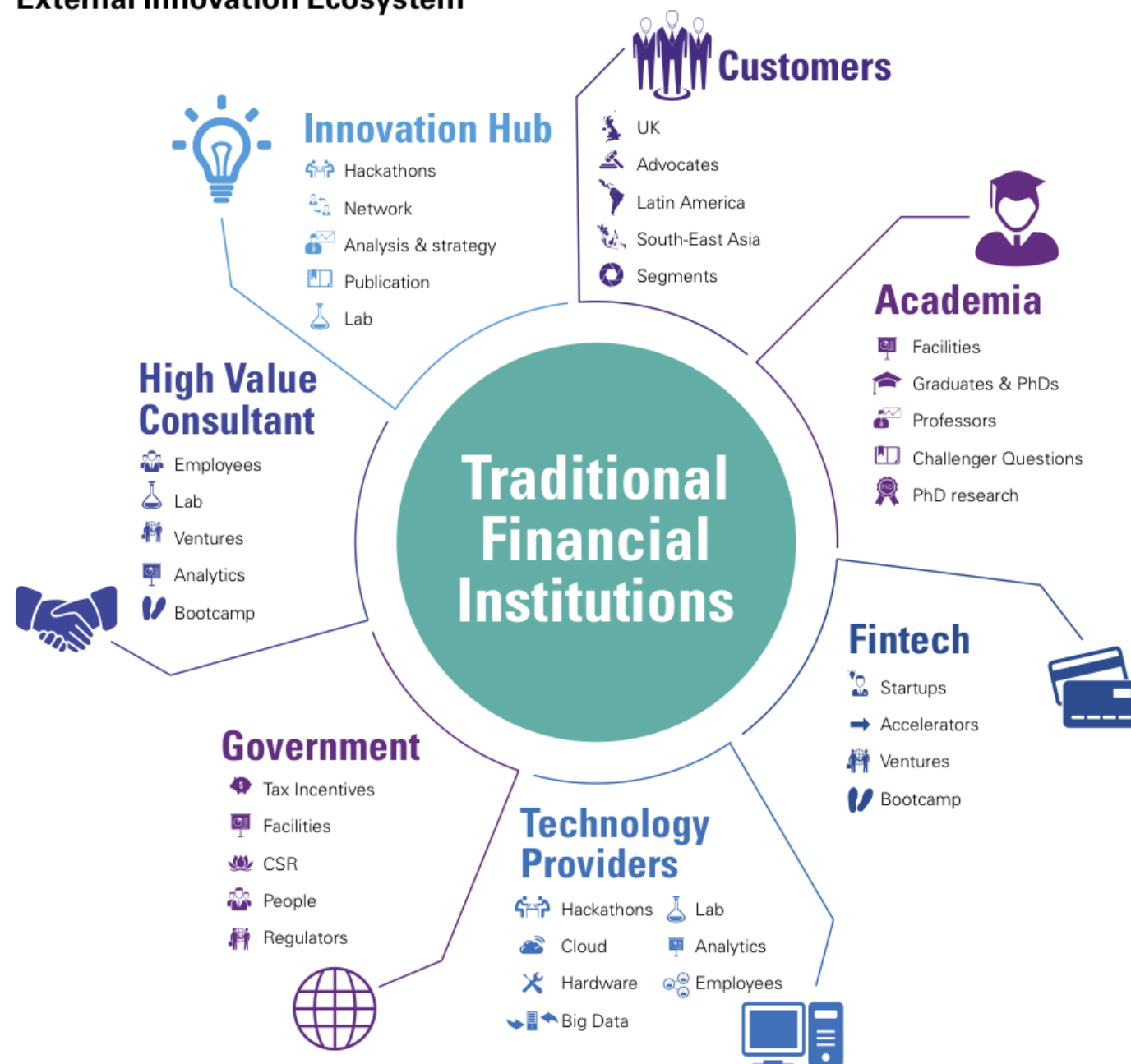
More than a third have developed innovation hubs or labs to ‘incubate’ new ideas for their organization or group.

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*“There is no doubt in my mind that the future will be won on the basis of the alliances, partnerships and joint ventures formed by insurance companies today. Anyone that thinks they can survive on their own in this environment is fooling themselves.”* – Gary Reader, Head of Global Insurance, KPMG International



# External Innovation Ecosystem



Source: Power of Alliances, KPMG International 2015



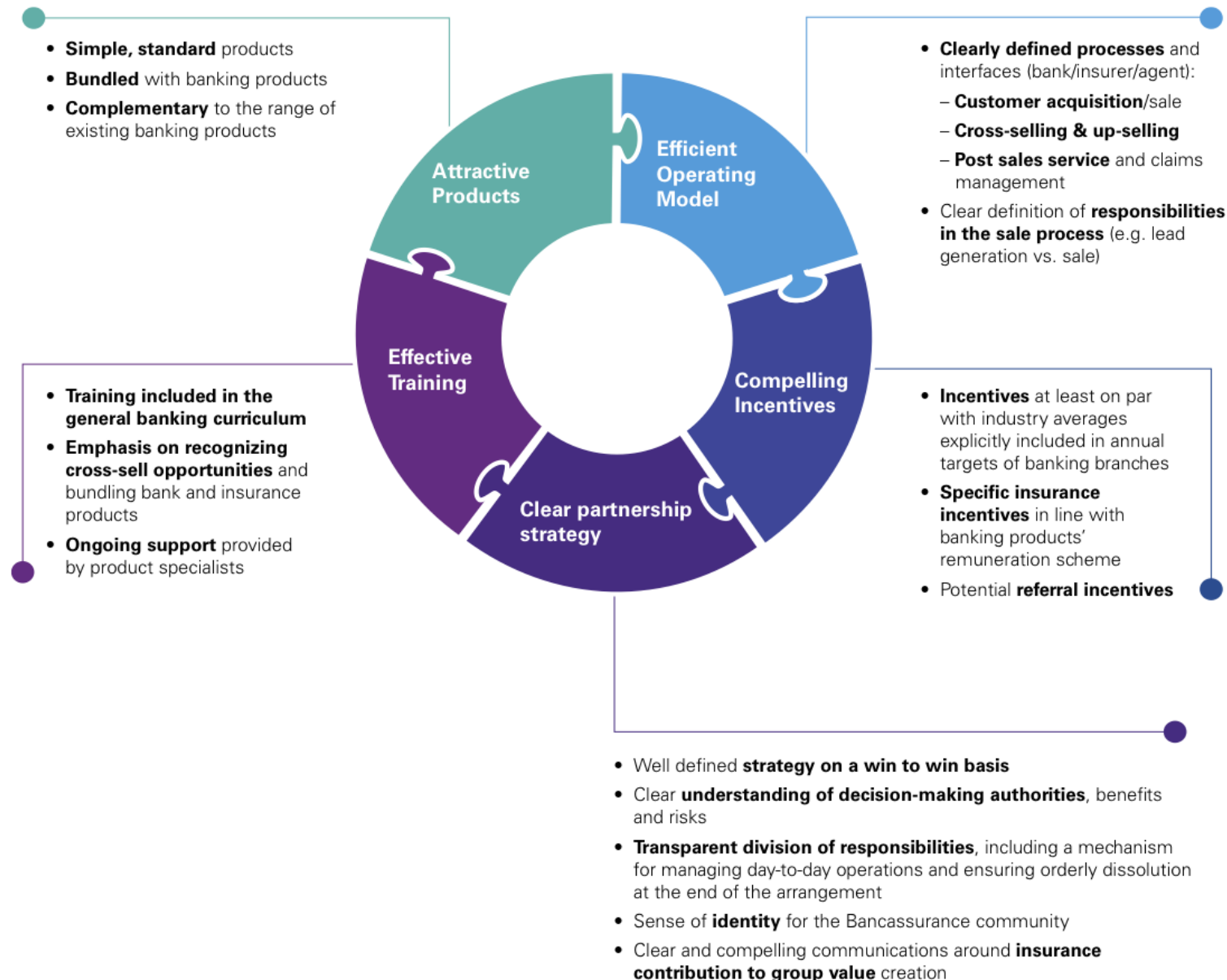
# Creating the right operating model

Key questions will need to be answered across a number of areas:

- **Partnership strategy:** How does the partnership align to the group's corporate strategy and what level of integration will be required to achieve success?
- **Product offering:** Will the insurer offer their traditional product portfolio, create a new portfolio of products tailored to the broker, or a combination of both?
- **Branding:** What role will the insurers' brand play in the sales channel or will a new 'co-brand' be created?
- **Sales channel:** Will the sales channel be managed by brokers staff only or will insurance agents – embedded or via referrals – play a role?
- **Sales approach:** Will sales representatives be opportunistic, responsive or proactive when selling the products?
- **Operating platform:** Will the partnership require a standalone IT platform or will it be integrated into the banks' and insurers' IT systems?



## Factors for successful bancassurance relationships





# 5 key takeaways

- 1. Keep your eyes wide open:** Take the time to fully understand the objectives, motivations and exit strategy of your partners before getting into the details.
- 2. Assess the value:** Ensure that the partnership aligns to – and helps advance – your corporate and growth objectives.
- 3. Understand your willingness to commit:** While long-term tie-ups can lock down competitive advantages, they can also lead to long-term challenges.
- 4. Think through the operational considerations:** Carefully consider how the relationship will operate at a functional level and what governance and operating models will be required to support that.
- 5. Consider the critical success factors:** Understand what it takes to sustain a mutually beneficial relationship over the long-term



# Quote

*"Great things in business are never done by one person. They're done by a team of people."*

~ Steve Jobs



# The Future of Insurance: Successful Partnerships with Service Providers

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Insurance companies can partner with qualified service providers to expand service offerings and attract new customers.

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Partnerships with providers in areas such as healthcare, home security, and car repair allow for more comprehensive coverage and added value for policyholders.

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Collaboration with service providers can improve operational efficiency and reduce costs.

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Key factors for successful partnerships include leveraging technology and data analytics, seeking out complementary partners, and effectively managing partnerships.

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Insurtech partnerships can leverage technology innovations designed to make the insurance model more efficient.

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Digital and virtual healthcare partnerships offer more affordable and effective healthcare solutions to policyholders.



# The Future of Insurance: Successful Partnerships with Service Providers ....cont

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Home cleaning, pest control, and handyman services partnerships offer value-added services to policyholders.

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Financial services partnerships offer a broader range of financial products and services to policyholders, such as investment management and retirement planning.

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Home automation and security partnerships offer value-added services to policyholders through smart home technology and home security monitoring.

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Renewable energy partnerships offer sustainable and eco-friendly service offerings and partnering with renewable energy providers to offer innovative solutions to policyholders.

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Climate risk management partnerships offer innovative solutions to mitigate the risks associated with climate change.

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Healthcare, wellness, and prevention partnerships offer innovative solutions to policyholders such as virtual medical consultations.

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# Setting Up Successful Insurance Partnerships

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With maturity and fierce competition across the insurance landscape, partnerships with massive distributors — in bancassurance and beyond (e.g., utilities, retail, telecommunications) — have emerged as an increasingly popular alternative to achieve growth targets.

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Competition to sign an agreement with a relevant partner is intense and costly, and once an insurer achieves that milestone, failing to capture the expected value emerges as a worst nightmare.

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This Viewpoint provides a practical guide to achieving an agile partnership launch that will drive credibility from day one and establish the foundations for a successful alliance.

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# Fundamental steps to ensure successful implementation

## 1. Define and align the short-term partnership vision.

- After signing the partnership agreement, it is essential to ensure full alignment between the partners on the short-term milestones and the vision of the alliance during its first year. This agreement and alignment should be built around five key pillars:
- Roadmap of distribution channels — which channels to develop during the first months and definition of specific readiness dates.
- Value proposition to be developed — which products to launch, level of customization, and launch dates.
- Operational features for launch — definition of main features of end-to-end operational model (e.g., customer onboarding, claims and complaints processes, customer communications, product approval by both insurer and partner, service control, service-level agreements [SLAs], and measured KPIs).
- Working teams and resources devoted to alliance setup — the teams needed to execute the implementation and the amount of resources that each party will dedicate.
- Governance and coordination model for joint work — defining the forums through which the short-term vision implementation will be coordinated and their main characteristics (responsibilities, participants, periodicity).





# Fundamental steps to ensure successful implementation

## 2. Develop the Alliance Implementation Plan (AIP).

- It is essential that each milestone/initiative contains the following items:
  - Owner and applicable working team (out of the ones defined during previous stages).
  - Start and end date.
  - Dependencies with other milestones/initiatives.



# Insurance Partnerships in Africa

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Sanlam and Allianz - 2022

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Jubilee Insurance and Allianz forge strategic partnership – 2020

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Octagon Africa partners with Jubilee insurance – 2021

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M-TIBA Partners With Britam To Drive Growth Of Health Insurance In Kenya – 2021

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The Association of Kenya Insurers launched a Claims Registration Application (CRA) that eases the process of reporting motor insurance claims for customers.



# What is likely to be achieved as a result of Successful Partnerships?



# Outcomes of Partnerships in Insurance Industry

## 1. Innovative marketing

- Insurance intermediaries bring innovative marketing practices to the insurance marketplace.
- This deepens and broadens insurance markets by increasing consumers' awareness of the protections offered by insurance, their awareness of the multitude of insurance options, and their understanding as to how to purchase the insurance they need.

## 2. Dissemination of information to consumers

- Intermediaries provide customers with the necessary information required to make educated purchases/informed decisions.
- Intermediaries can explain what a consumer needs, and what the options are in terms of insurers, policies and prices. Faced with a knowledgeable client base that has multiple choices, insurers will offer policies that fit their customers' needs at competitive prices.

## 3. Dissemination of information to the marketplace

- Intermediaries gather and evaluate information regarding placements, premiums and claims experience.
- When such knowledge is combined with an intermediary's understanding of the needs of its clients, the intermediary is well-positioned to encourage and assist in the development of new and innovative insurance products and to create markets where none have existed.

## 4. Sound competition

- Increased consumer knowledge ultimately helps increase the demand for insurance and improve insurance take-up rates.
- Increased utilization of insurance allows producers of goods and services to make the most of their risk management budgets and take advantage of a more competitive financial climate, boosting economic growth.



# Outcomes of Partnerships in Insurance Industry

## 5. Spread insurers' risks

- Quality of business is important to all insurers for a number of reasons including profitability, regulatory compliance, and, ultimately, financial survival.
- Insurance companies need to make sure the risks they cover are insurable – and spread these risks appropriately – so they are not susceptible to catastrophic losses.

## 6. Reducing costs

- By helping to reduce costs for insurers, broker services also reduce the insurance costs of all undertakings in a country or economy.
- Because insurance is an essential expense for all businesses, a reduction in prices can have a large impact on the general economy, improving the overall competitive position of the particular market.

## 7. Risk management

- Risk managers increasingly use enterprise risk management tools to allow them to understand their risk profile, identify cost drivers and analyze enterprise-wide risk. Some intermediaries are active in providing such tools.
- One of the functions of some insurance intermediaries is to help clients manage their risks, improving their risk profiles and reducing the likelihood that an insured event will occur.

## 8. Self-insurance

- Self-insurance can take many forms. Policyholders can assume higher deductibles or accept lower amounts of insurance coverage.
- Self-insurance programs, however, must be carefully balanced with a well-managed loss control program to minimize the exposure a business faces and to protect third parties that are injured.
- That is where skilled intermediaries come in – to act as consultants in designing programs.

## 9. Captives

- Creating a captive insurance company is a popular risk-financing alternative, especially when insurance costs are high.
- Captives are also popular options for commercial enterprises that want to finance and control their risks.





# Program Governance Structure







# Facts and Statistics



# Global Insurance Penetration Rate

Country	Penetration rate						Evolution 2020-2021		
	2021			2020					
	Life	Non life	Total	Life	Non life	Total	Life	Non life	Total
Europe	2.70%	2.30%	5.00%	2.60%	2.30%	4.90%	3.80%	0.00%	2.00%
North America	2.70%	8.70%	11.40%	3.10%	8.80%	11.80%	-12.90%	-1.10%	-3.40%
Latin America and the Caribbean	1.30%	1.70%	3.00%	1.40%	1.70%	3.10%	-7.10%	0.00%	-3.20%
Asia Pacific	3.20%	2.10%	5.30%	3.60%	2.10%	5.70%	-11.10%	0.00%	-7.00%
Middle East	0.30%	1.40%	1.70%	0.30%	1.50%	1.80%	0.00%	-6.70%	-5.60%
Africa	1.90%	0.80%	2.70%	1.80%	0.80%	2.60%	5.60%	0.00%	3.80%
World	3.00%	3.90%	7.00%	3.30%	4.10%	7.40%	-9.10%	-4.90%	-5.40%

Atlas Magazine 2023



# Insurance Density by Region

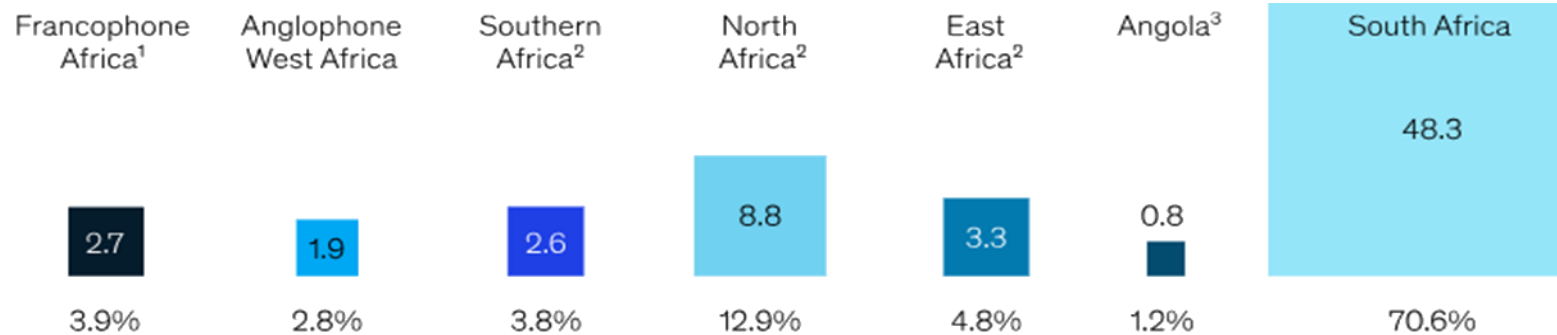
Figures in USD

Region	2021 density			2020 density		
	Life	Non life	Total	Life	Non life	Total
Europe	1 269	1 108	2 377	1 529	1 096	2 625
Asia Pacific	242	161	403	265	166	431
North America	1 999	6 416	8 415	1 823	5 960	7 783
Latin America and the Caribbean	112	146	258	100	131	231
Middle East	13	67	80	19	101	120
Africa	33	16	50	38	17	55
World average	354	499	853	382	492	874

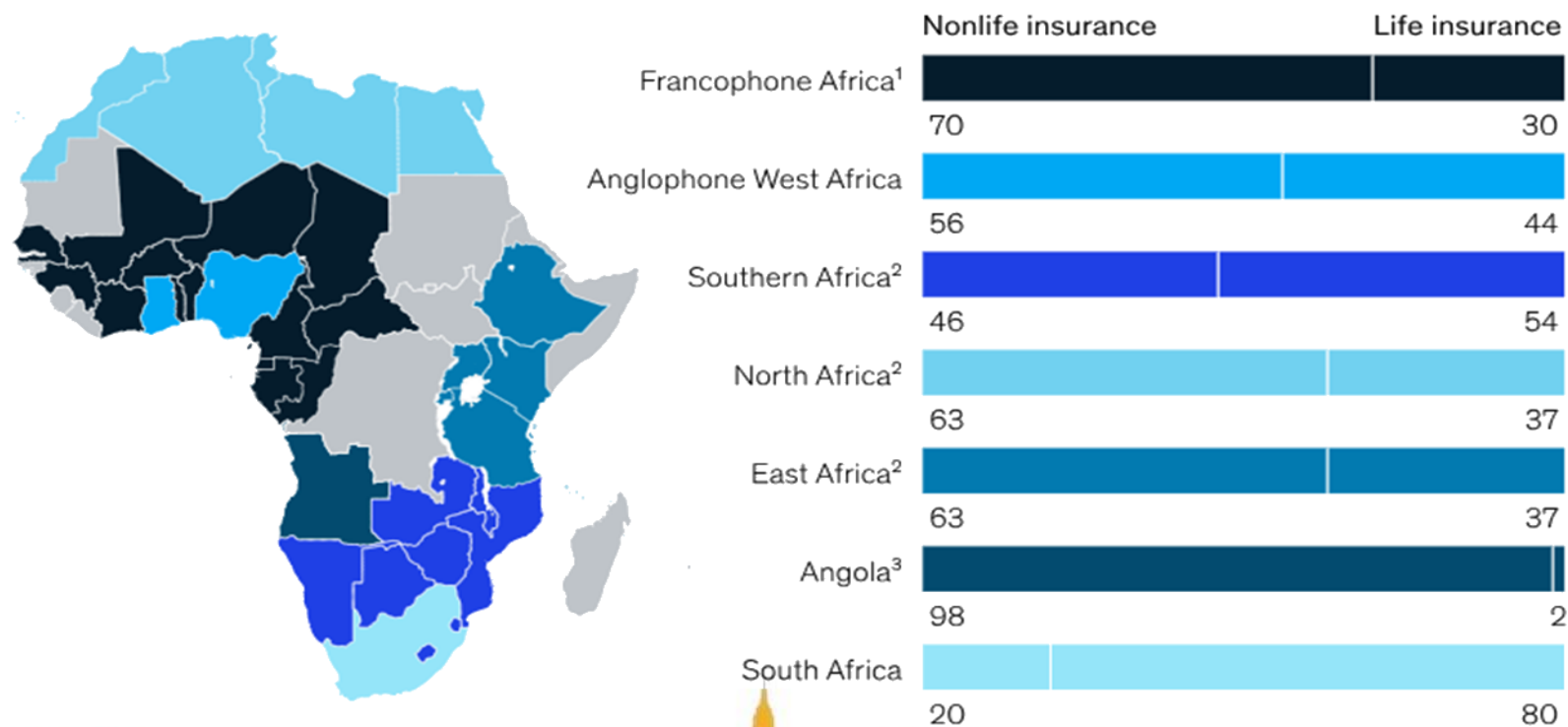
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# Africa Insurance Statistics

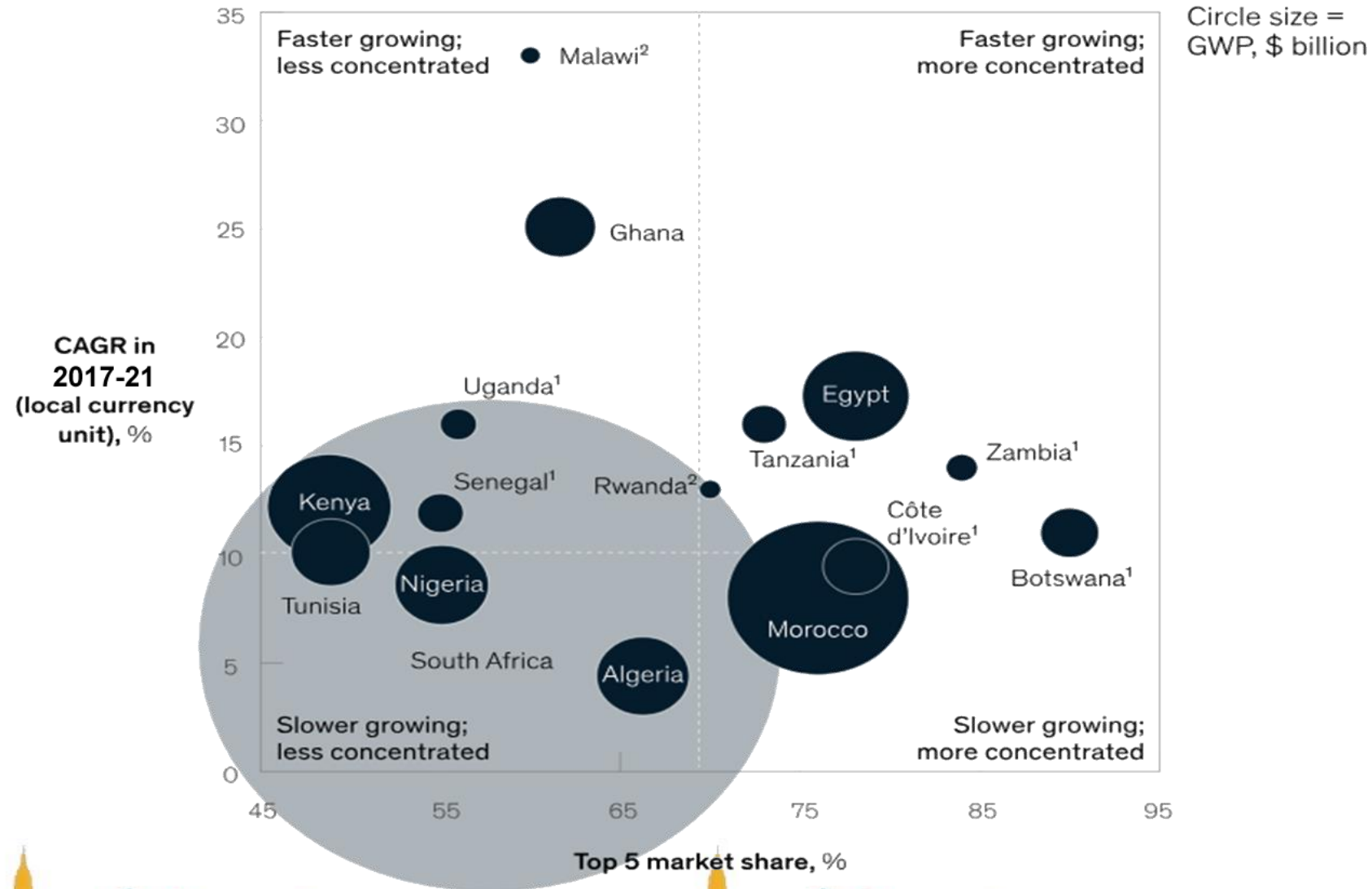


GWP type in Africa by region in 2020, %

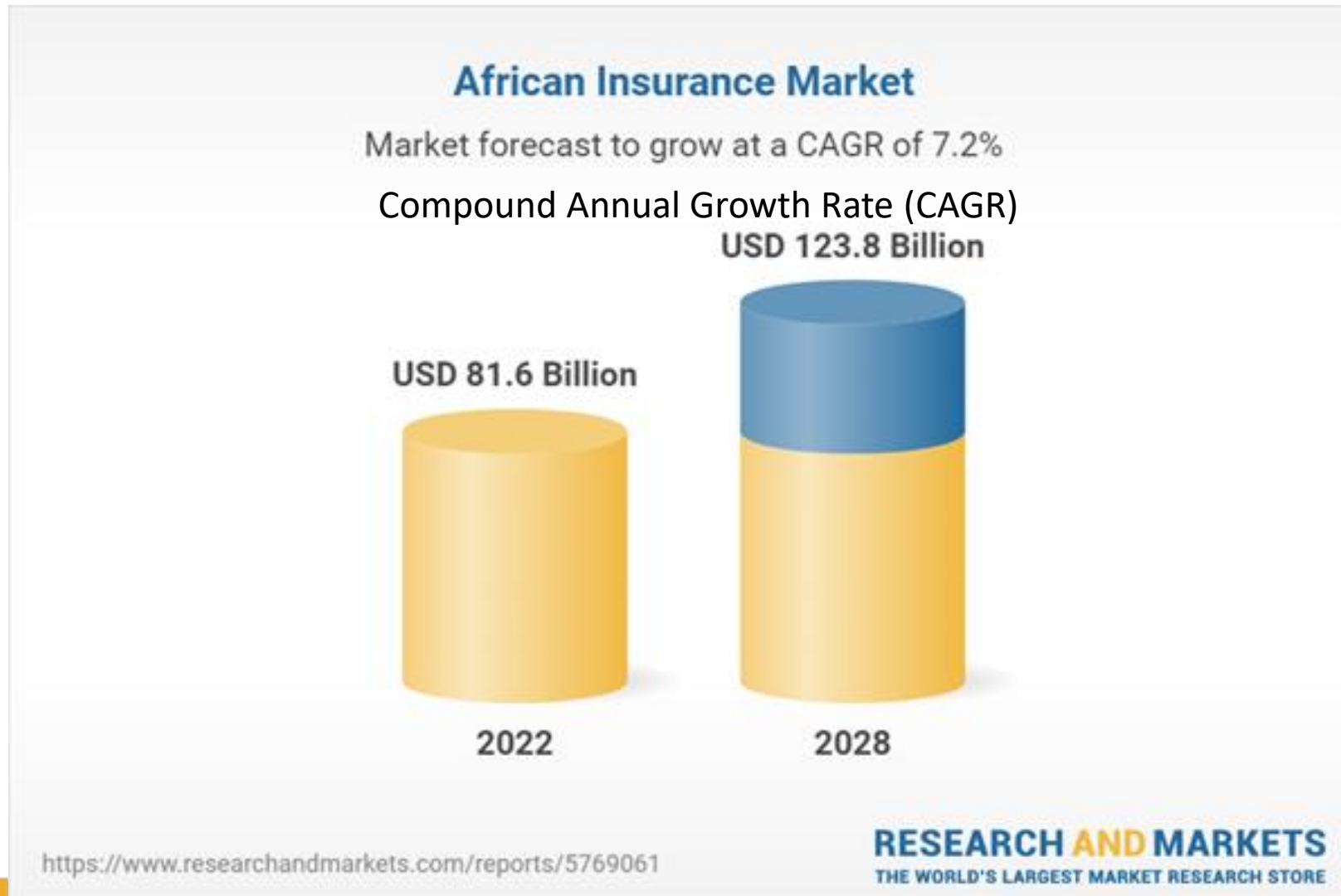


# Most African countries have experienced double-digit growth in gross written premiums over the past five years.

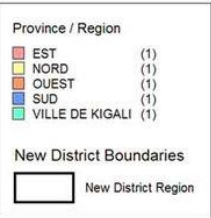
## Growth and market concentration of gross written premium (GWP) in Africa by region, 2017-21



# Africa Insurance Market 5 years from now







Rwanda -  
New Province / Regions and New Admin District Boundaries

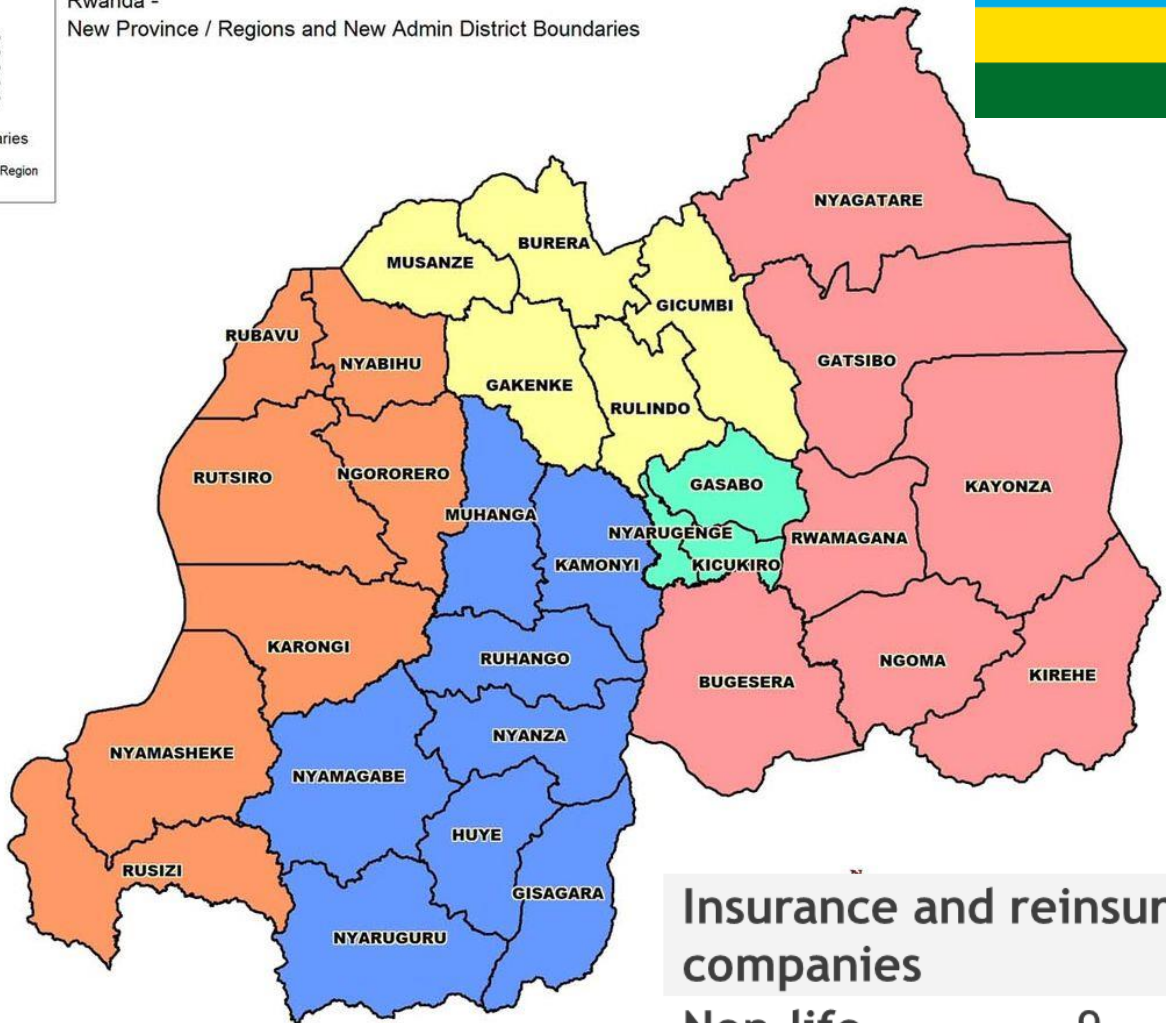


Chart 21: Growth of Premiums

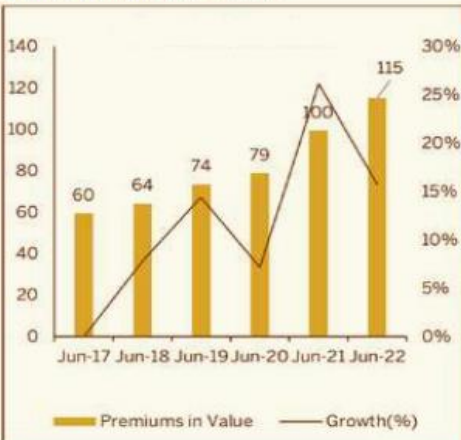
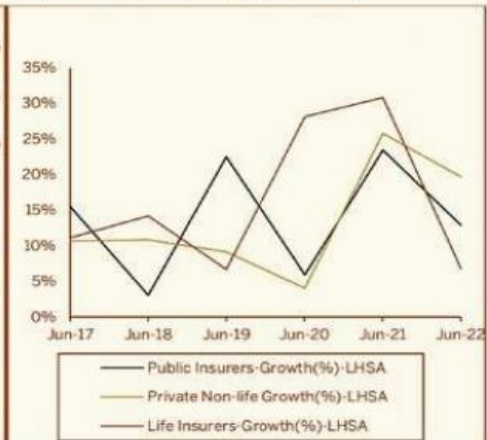
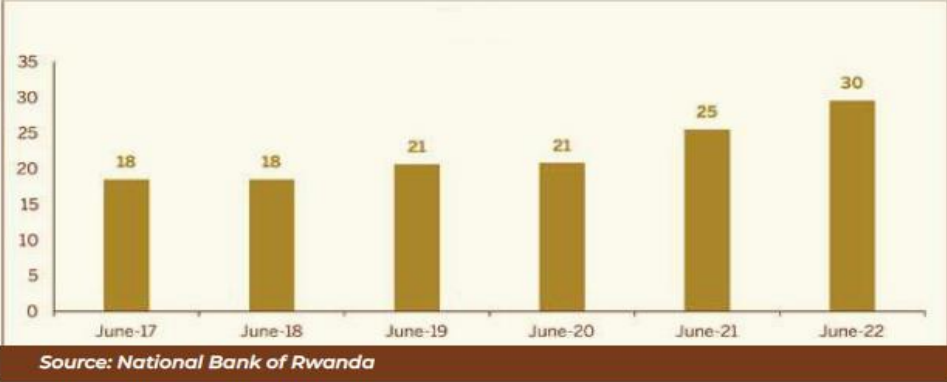


Chart 22: Premiums growth per Category



Source: National Bank of Rwanda

Chart 23: Claims



Source: National Bank of Rwanda

### Insurance and reinsurance companies

Non-life	9
Life	3
Total	12

### Intermediaries

Insurance brokers	14
Reinsurance brokers	1
General agents	914
Total	929

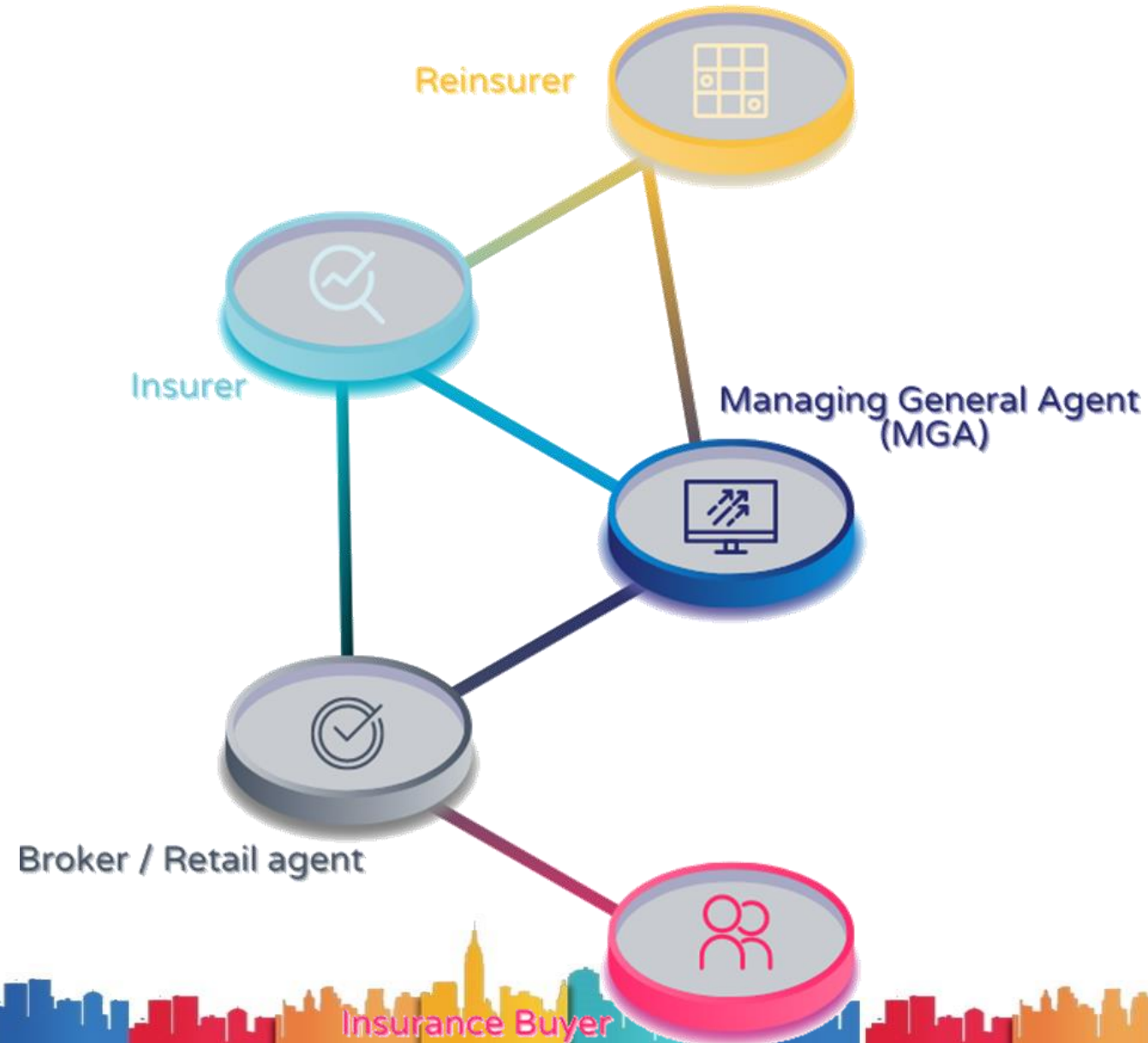
Penetration rate 0.9%



# The Place of the Insurance Broker

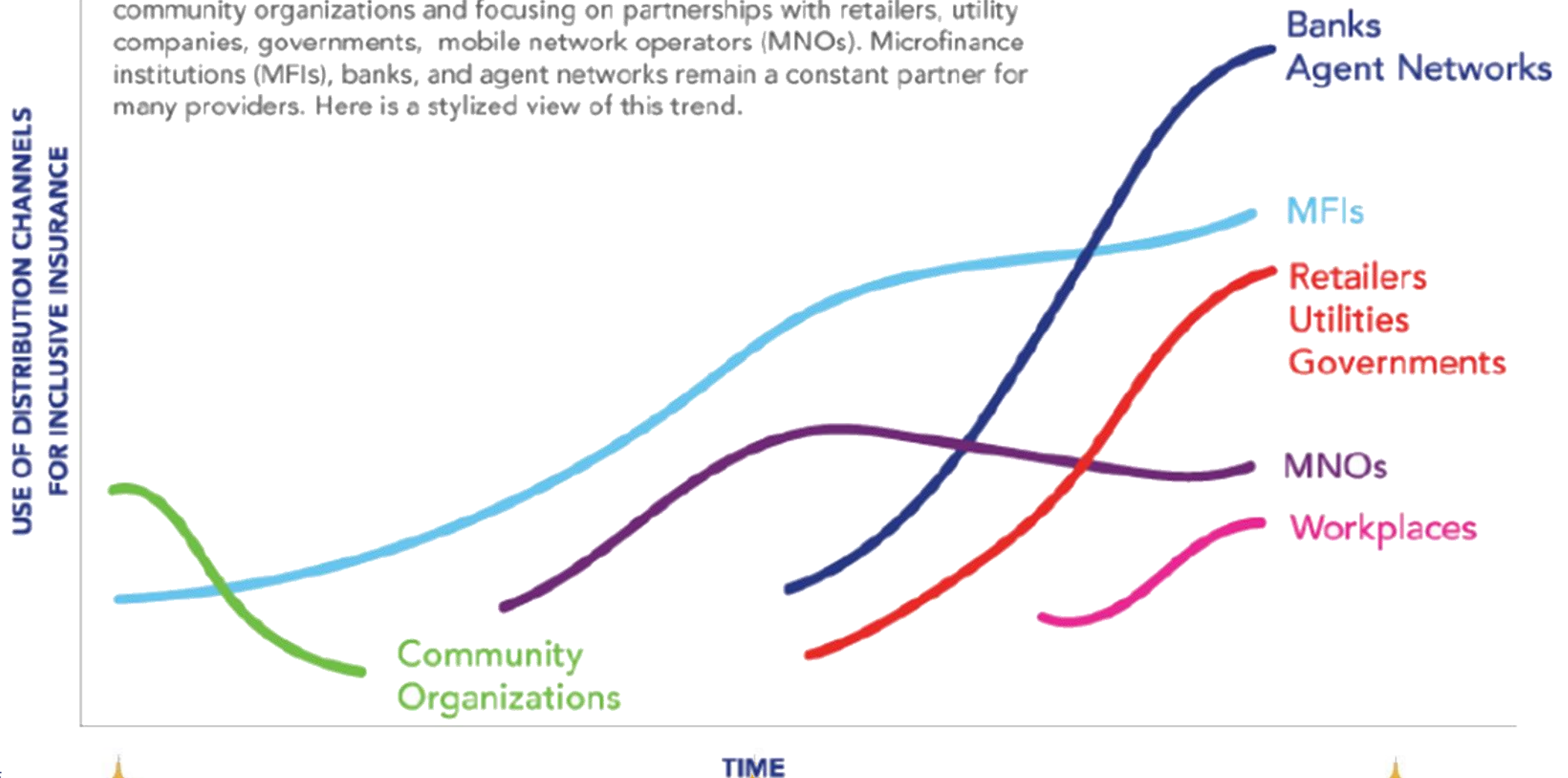


# Traditional Insurance Distribution Chain



## THE CHANGING ECOSYSTEM OF DISTRIBUTION CHANNELS

Partnerships with community organizations helped many insurers launch into this new market's segment. Providers are moving away from partnering with community organizations and focusing on partnerships with retailers, utility companies, governments, mobile network operators (MNOs). Microfinance institutions (MFIs), banks, and agent networks remain a constant partner for many providers. Here is a stylized view of this trend.





# TRENDS IN THE INSURANCE INDUSTRY



**Trend 1:**  
**New Models,  
Personalized  
Products**



**Trend 2:**  
**AI & Automation  
for Faster  
Claims**



**Trend 3:**  
**Advanced  
Analytics &  
Proactiveness**



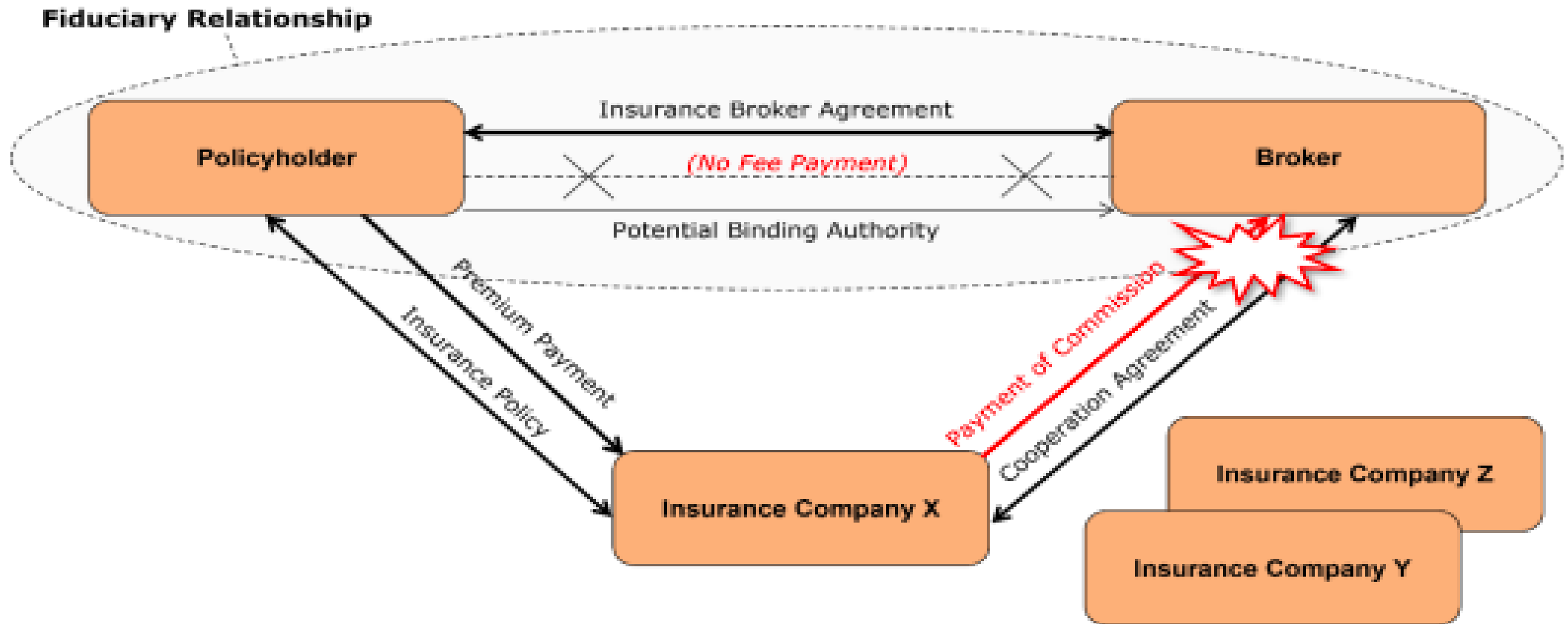
**Trend 4:**  
**InsurTech  
Partnerships**



**Trend 5:**  
**Mainstreaming  
Blockchain**

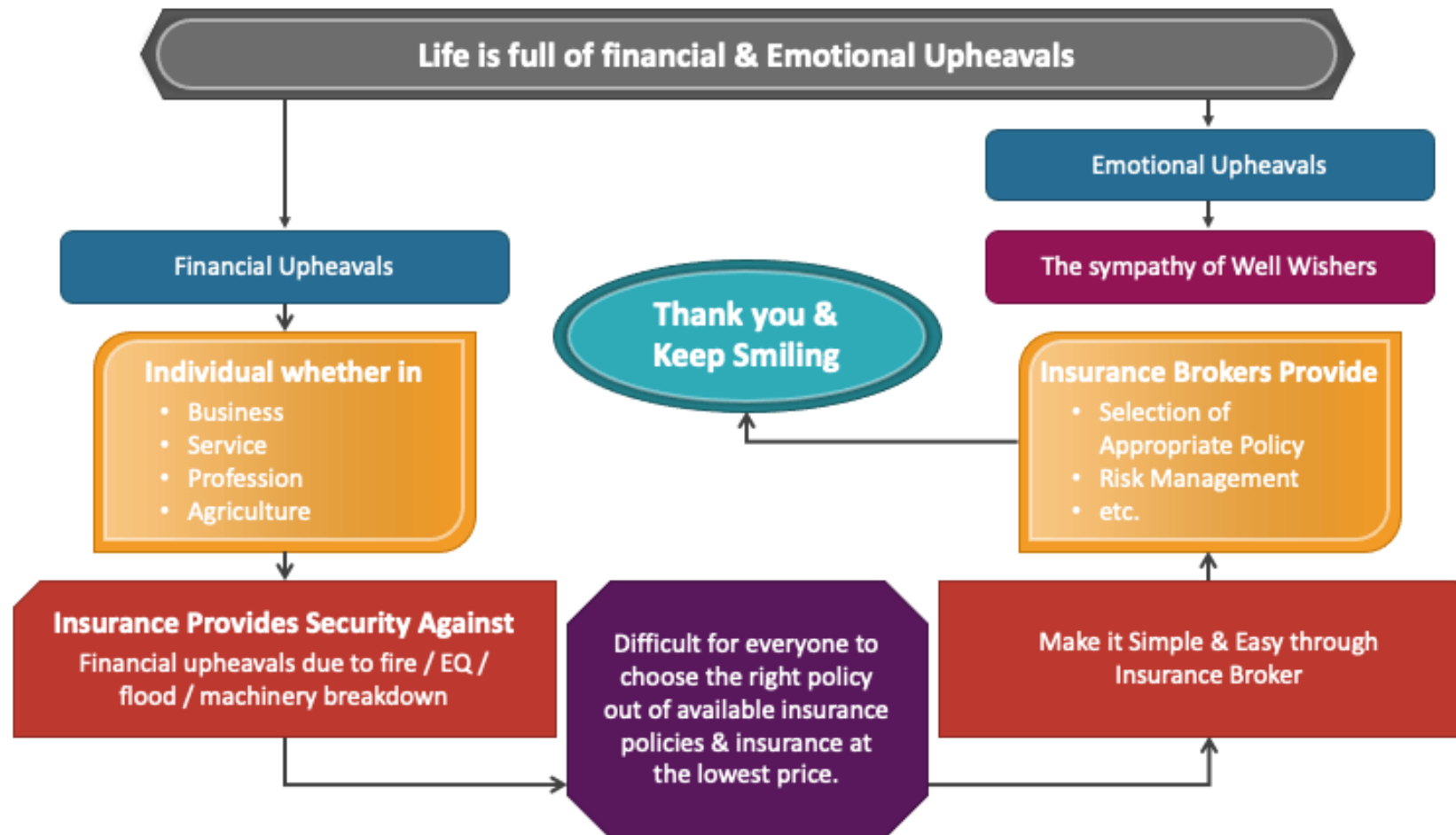


# The Fiduciary Relationship





# INSURANCE BROKERS



# INSURANCE BROKERS

## Activities Performed by an Insurance Broker

01

Help customers during the serving and claims stage.

Assist customers and insurers through various value-added services.

05

02

Help customers in deciding among quotes and policies.

Provide underwriting information and other services such as modelling to insurers.

06

03

Provide risk management and insurance consulting.

Highlight market knowledge and insights to customers, including insurance covers and terms.

07

04

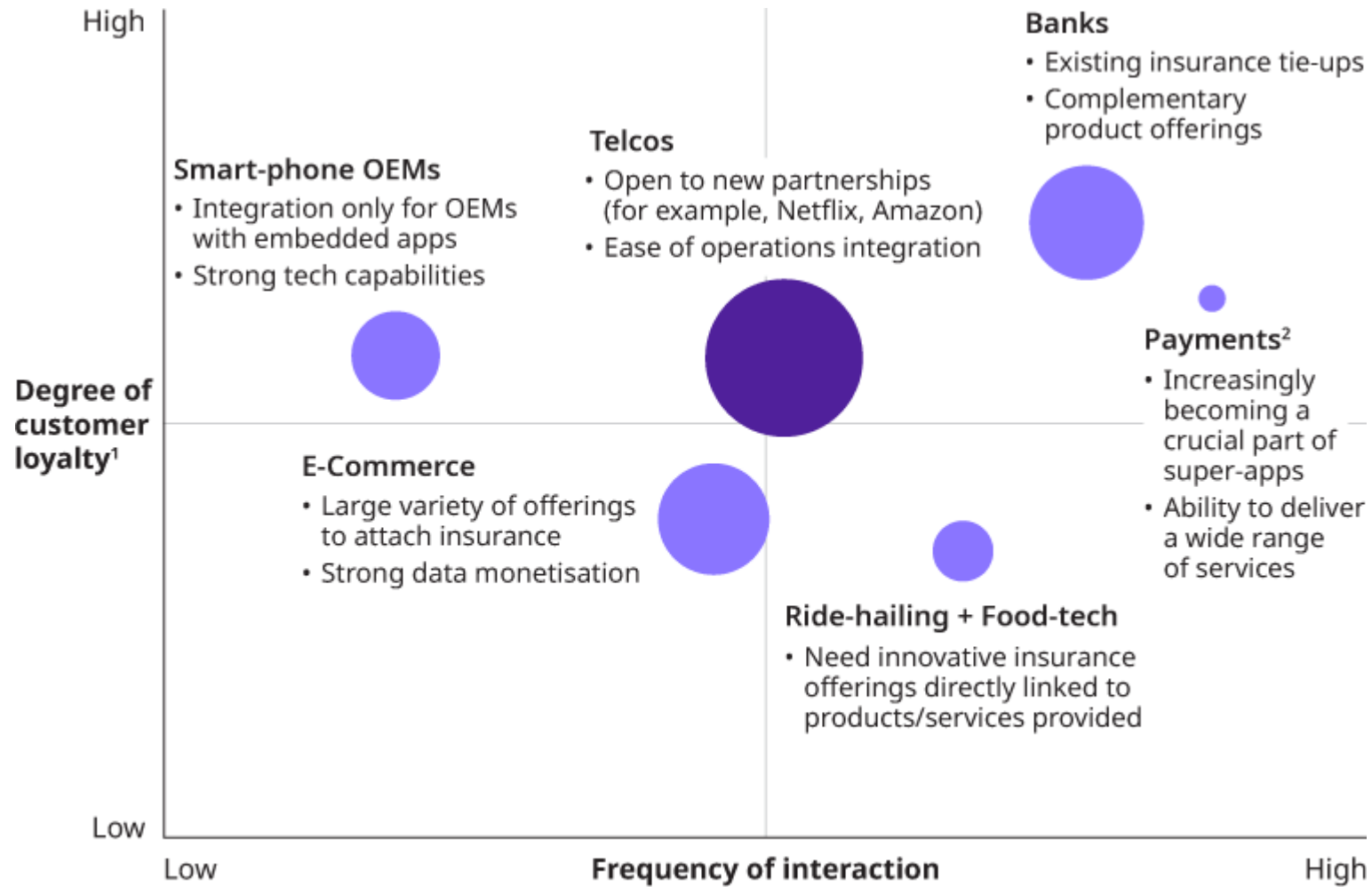
Understand client's business and risk management philosophy.

This is a sample text that you can edit. You can change font (size, color, name).

08



# Customer Loyalty



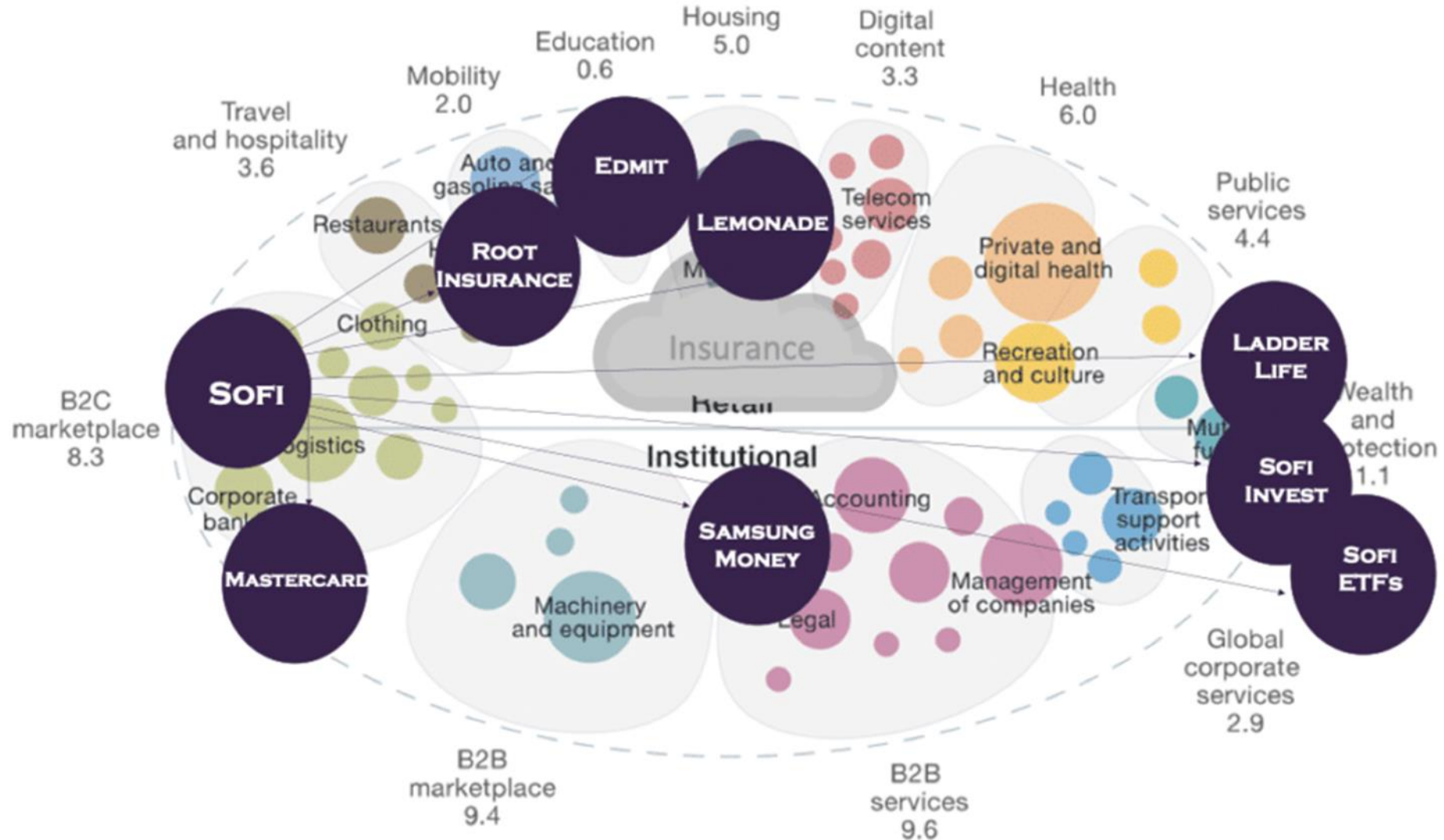
● Diameter of bubble represents size of customer base



# Growing Market Position through Strategic Partnerships in Healthcare

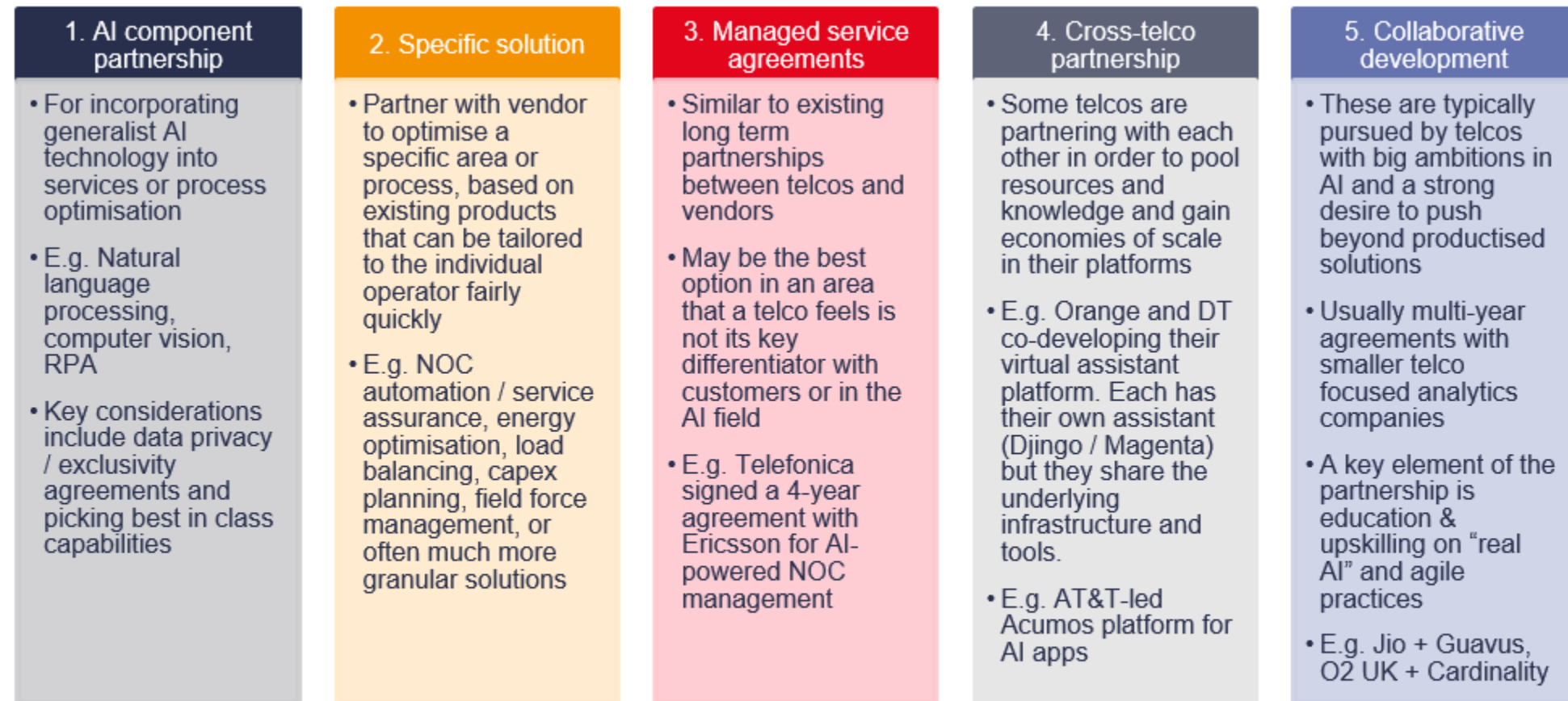


# Digitalization of the Insurance Products





# Insurance and Technology



Telco as a user

Telco as a tech creator





## 1 Data Generation and Transmission

Sensors — installed easily in a vehicle's on-board diagnostics slot — and smartphone collector applications record customer driving data automatically. Devices wirelessly transmit the data.



Driving Data

## 2 Data Collection and Aggregation

Insurers and service bureaus collect the data and make it available for use by participating carriers.



Collected Data

# Telematics Information Workflow

Insurers review and analyze the collected and aggregated data, giving them the ability to create customized policies based on driving behavior.

## 3 Data Analysis



Pricing

## 4 Driver Evaluation

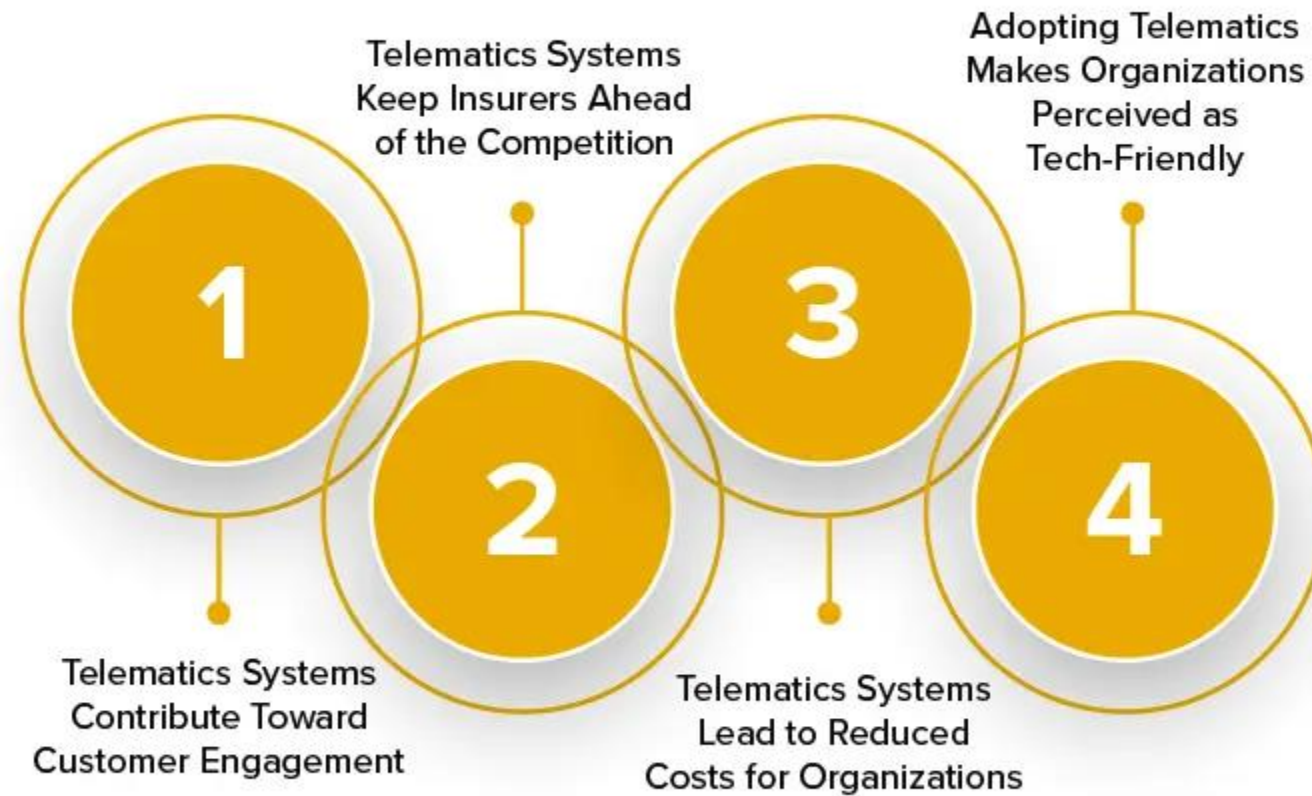
Drivers participating in telematics programs access the data online, giving them opportunities to positively change their driver behavior. The potential result: reduced premiums.



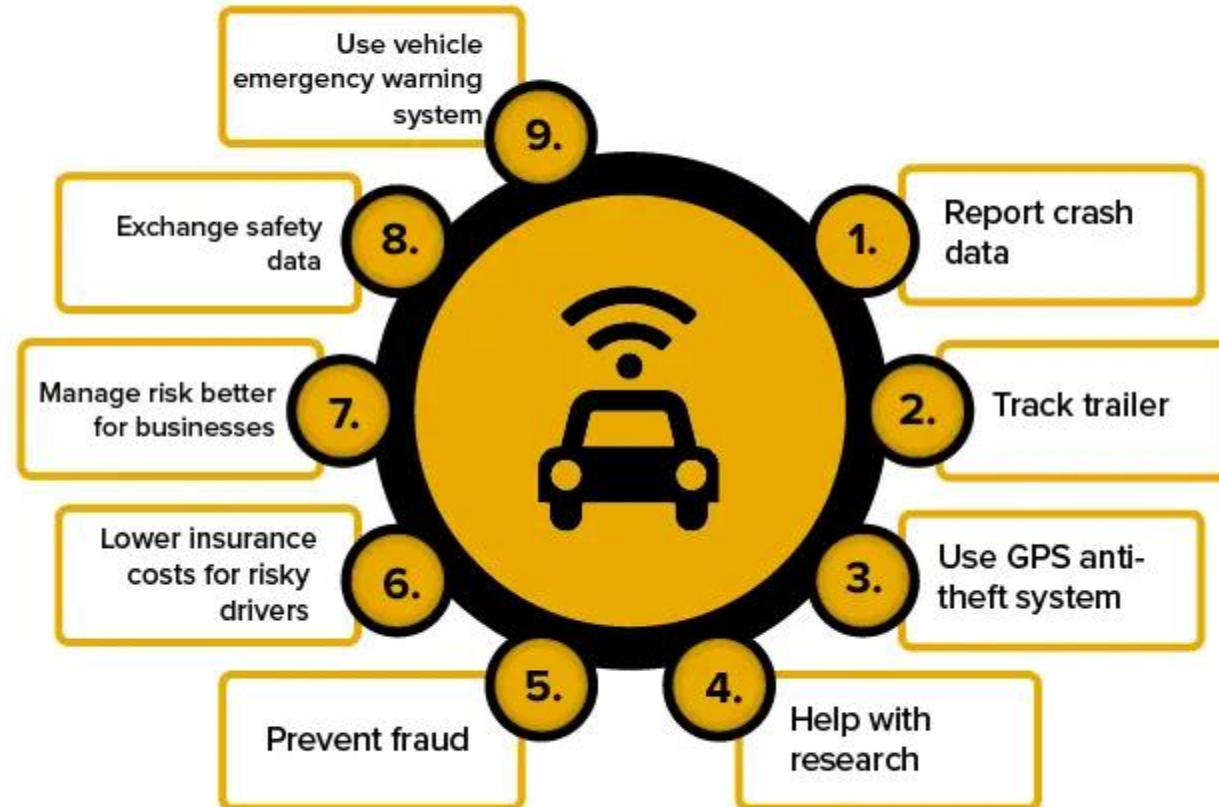
Driver Input



# Benefits of Telematics



## Telematics helps you



# How Telematics Insurance Works?

1. GPS Satellite



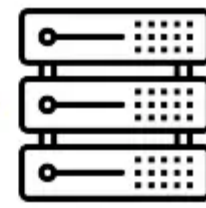
2. In-Vehicle Device



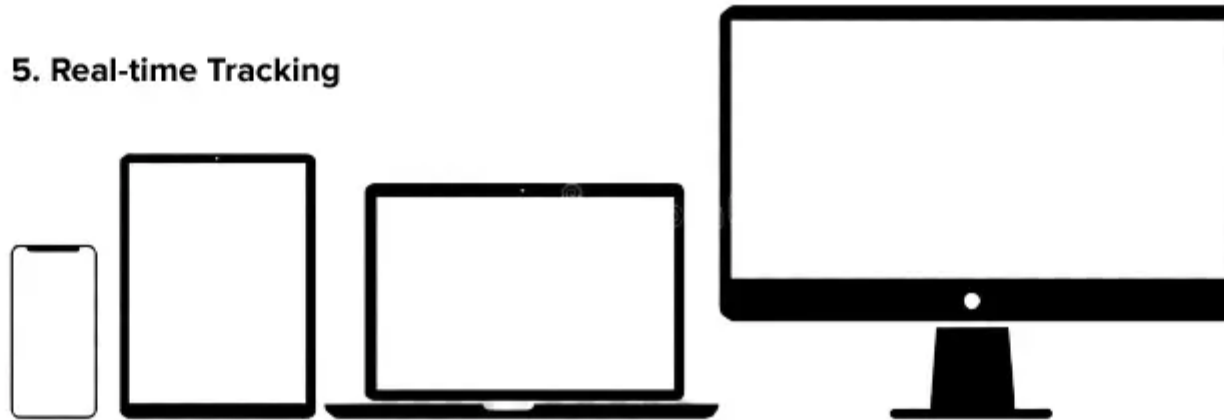
3. Cellular Network



4. Servers



5. Real-time Tracking





# An auto insurance ecosystem

## An Example of Technology use





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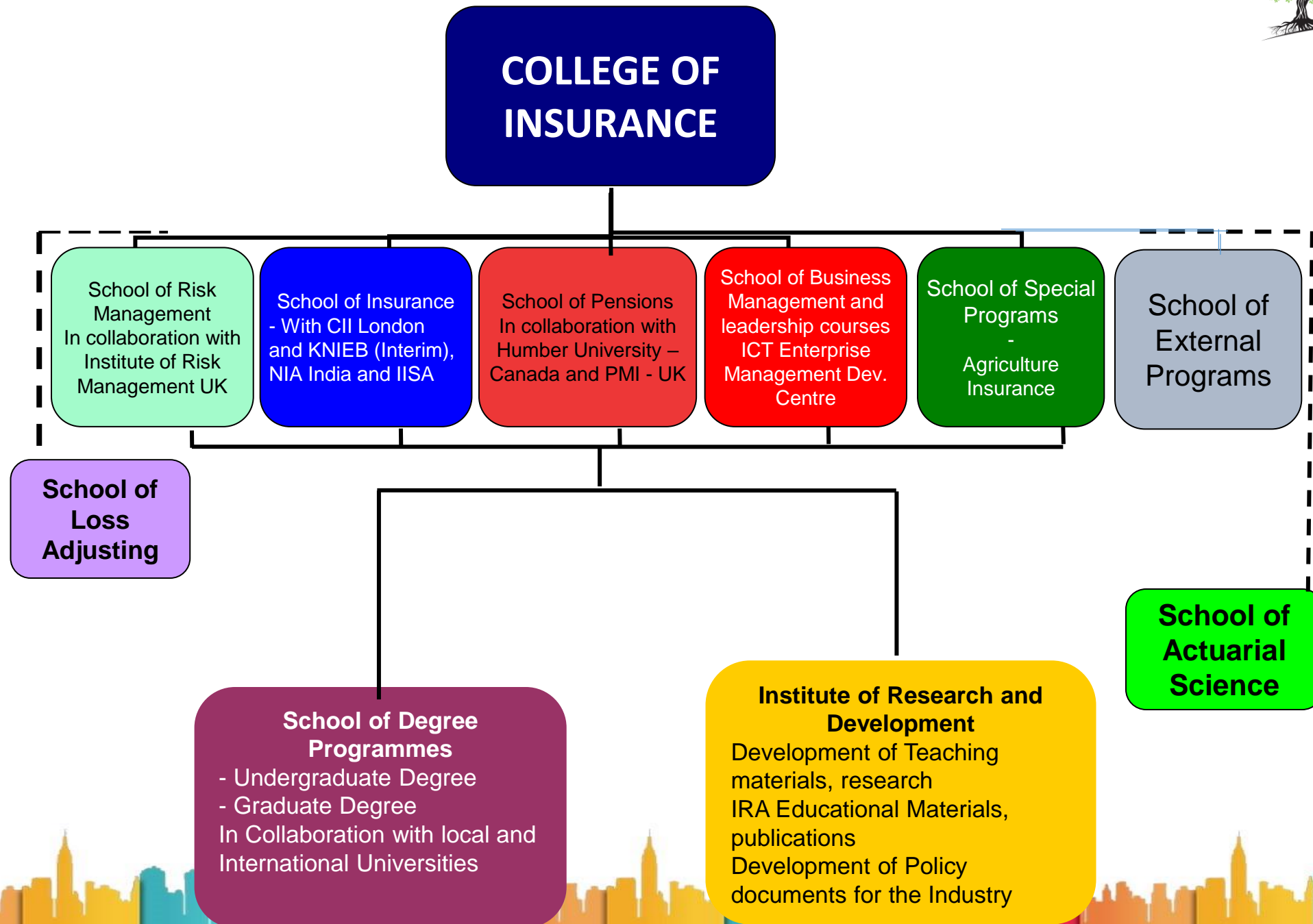
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# Partnerships



# Linkages



# Quote

*"Teamwork is the ability to work together toward a common vision. The ability to direct individual accomplishments toward organizational objectives. It is the fuel that allows common people to attain uncommon results."*

– Andrew Carnegie

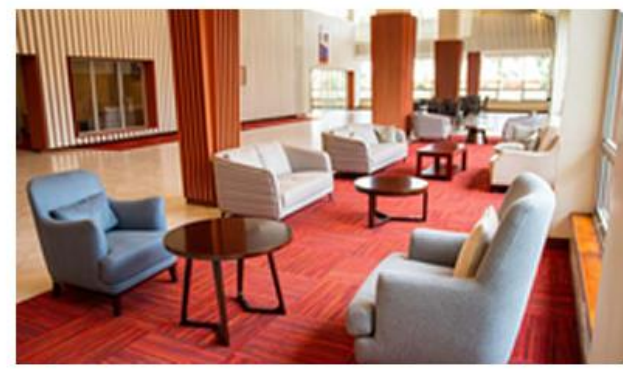




# Partnership Model Centre The Edge Convention Centre, Nairobi Kenya











The End



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