AKI
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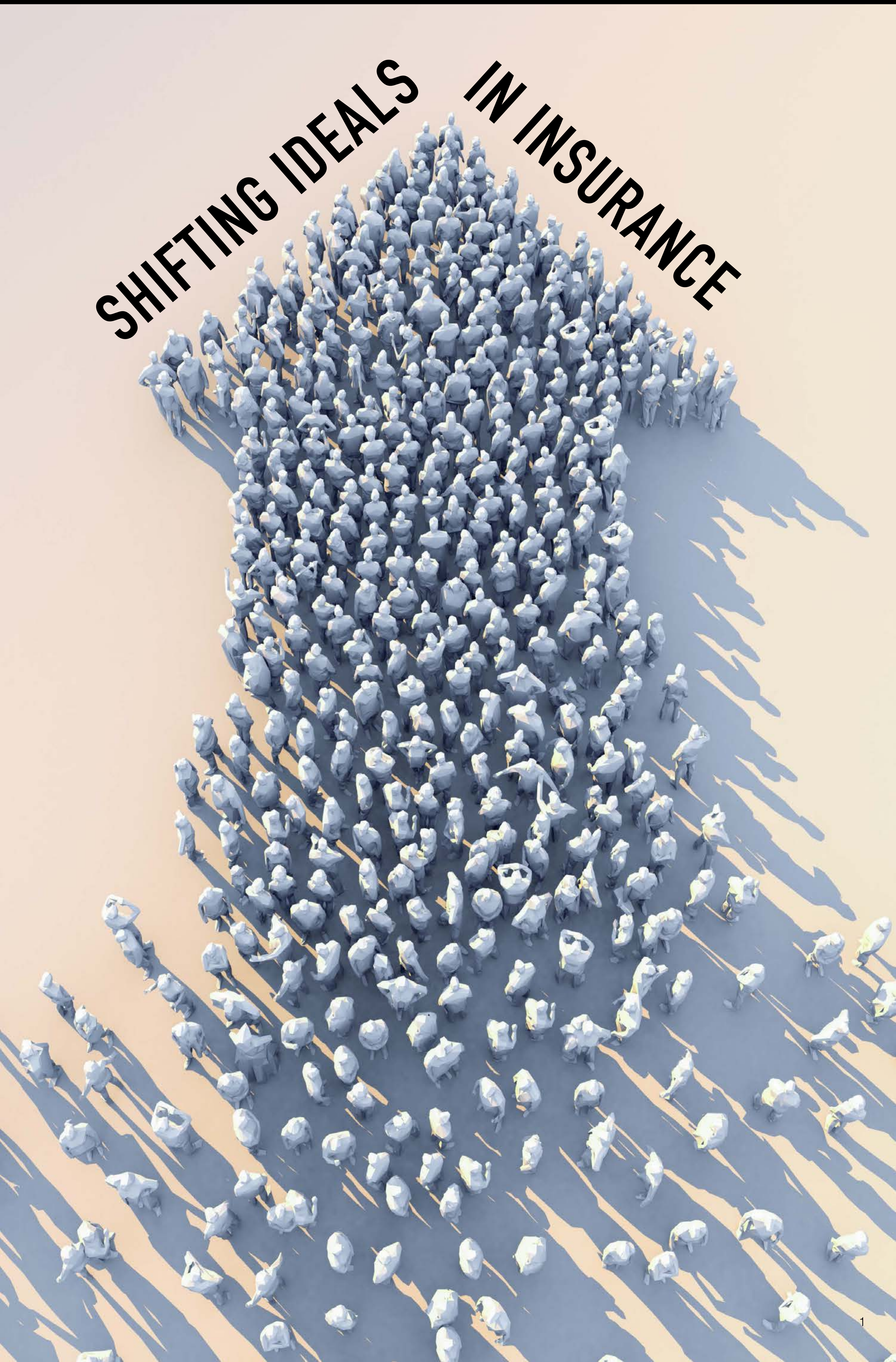

CONTENT

Editor's Note

The last two years have taught us that paradigms cannot hold sway anymore, they have to bow to the daily dynamics in all aspects of our livelihoods. Businesses now pass as the biggest victims of everyday dynamics and industries have to contend with the 'heat'. So what gives?

The ideals in the insurance industry have to undergo a rethink. It is no longer business as usual. As Mercy notes in Leadership in a Crisis, we have to be pre-emptive, take an early dive when the unforeseen hits—like it happened in the early stages of Covid-19 when not much about the virus was known; we knew we had to mask, sanitise or wash hands and social-distance.

All facts laid bare, this industry has been amongst the slowest in adopting information technology and digital transformation. That said, the insuretech space is bustling with innovative ideas in insurance products and the whole value chain. We can learn from companies such as Lemonade and Pavel Kaplunou takes us through what makes it so notable.

The workplace is now multi-generational. Each generation has its unique offerings—that have to be harnessed for the overall good of our organisations. In Managing a Multi-generational workforce, Bernard observes that it is crucial to find out what your people value, their motivation, style of working, priorities and preferred style of communication.

It is discernible that insurers have at times fallen short on openness, accessibility and personalised service, sometimes due to a lack of intimate understanding of their customers' needs and priorities. In Shifting Insurance Reputation, Mercy is instructive that consumers nowadays expect information from providers; deliver it. The route to the foregoing may be found in Realistic Customer Experience.

The festive season is here with us: It is time to 'make merry', take a break from our pastimes and, maybe 'burn' more than we normally do. But are we alive to the effect our actions may have on our environment? Africa has made a negligible contribution to the effects of climate change. The international community is placing pressure on us to respond in the same way as the rest of the globe. According to Dorothy, it is time to rewrite our future. Start by checking your carbon footprint; fly less, drive less, burn less.

Read on and have a great, safe holiday.

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NEWS

African Insurance Organisation

01

KENYA TO HOST THE 48TH AIO ANNUAL CONFERENCE AND GENERAL ASSEMBLY

Kenya is set to host the 48th Africa Insurance Organisation (AIO) Annual Conference and General Assembly in May 2022. This annual pan-African meeting is set to attract over 1,000 delegates from various insurance sector players including regulators, re-insures, brokers, insurers, agents, and others.

The AIO Secretariat is working together with the Local Organising Committee made up of local industry players led by the Insurance Regulatory Authority and the Association of Kenya Insurers to host a world class event. The theme of the event will focus on climate change and the role the insurance industry needs to play to mitigate the effects.

The AIO is mandated to advocate for the needs of the African insurance industry and this is achieves through advocacy, capacity building, reputation building and research. AIO was established in 1972 and it will be celebrating its 50th Anniversary alongside the Conference in 2022.

AKI'S DMVIC SYSTEM RATED TOP 25 IN AFRICA

02

AKI's Digital Motor Vehicle Insurance Certificate (DMVIC) system was recognized as one of the top 25 digital innovations in the CIO 100 Africa Awards in November 2021.

The DMVIC system shifted the issuing of motor insurance certificates to a digital platform. Underwriters can order, generate, and distribute certificates to their customers. Customers on the other hand, can receive certificates from any location and they can verify their insurance certificate status via their mobile phone.

This recognition of excellence is proof that the industry has taken a step in the right direction in leveraging on enterprise information technology to ease operations and serve customers more efficiently.

03

REGULATORY RADAR

The legal and regulatory world is ever changing to keep pace with developments in the insurance sector locally and globally. This year, two key Policies that touch on the insurance sector have been developed and will shape the face of the industry in the coming years.

The National Insurance Policy

The National Treasury together with the Insurance Regulatory Authority embarked on a process of developing a National Insurance Policy Framework. The development process was led by a consultant who brought on board all key stakeholders to give input into the contents of the policy.

The overarching objective of the Policy is to promote the growth and development of the insurance industry by addressing issues of inclusion, access, affordability, and consumer protection.

More specifically the Policy will address: The legal and regulatory environment, access and uptake of insurance, insurance market conduct, industry stability, technology and innovation and insurance for specialised and emerging risks.

The Policy is now ready and a Bill to incorporate the same in the law is in drafting stage at the Attorney General’s office.

The National Retirement Benefits Policy

The National Treasury together with the Retirement Benefits Authority initiated the development of the National Retirement Benefits Policy Framework for the provision and management of retirement benefits in Kenya.

The Policy is still at development stage and the insurance industry is represented by AKI in the Inter- Agency Taskforce

DATA PROTECTION ACT;

THE WAY FORWARD

By Lynn Obwanda

Since the enactment of the Data Protection Act 2019 (DPA), there is much that has been written on its impact on business processes. The question therefore is what steps should companies take to comply with the DPA?

A company has to first determine whether they are data controllers, data processors or both. The DPA defines the data controller as the person (or business) who determines the purposes for which, and the way in which, personal data is processed. A data processor, on the other hand, is anyone who processes personal data on behalf of the data controller. Once a company identifies whether they are either a data controller or a data processor or both, they can then determine whether they have lawful basis for processing data.

Another term companies need to clearly understand is "data subject" to mean an identified or identifiable natural person who is the subject of personal data. This means, the Act protects and regulates personal data relating to natural persons and not juristic persons.

The DPA provides for nine different lawful basis upon which personal data may be processed. A data controller or data processor can only lawfully process personal data if at least one of these lawful basis applies; the data subject consents to the processing for one or more specified purposes; or the processing is necessary- for the performance of a contract to which the data subject is a party or in order to take steps at the request of the data subject before entering into a contract; for compliance with any legal obligation to which the data controller is subject; in order to protect the vital interests of the data subject or another natural person; for the performance of a task carried out in the public interest or in the exercise of official authority vested in the controller; the performance of any task carried out by a public authority; for the exercise, by any person in the public interest, of any other functions of a public nature; for the legitimate interests pursued by the data controller or data processor by a third party to whom the data is disclosed, except if the processing is unwarranted in any particular case having regard to the harm and prejudice to the rights and freedoms or legitimate interests of the data subject; or for the purpose of historical, statistical, journalistic, literature and art or scientific research.

Once businesses identify lawful basis for processing data, the next step should be to carry out an internal due diligence audit. This will help determine how your business processes, shares, collects, retains, stores personal data and for what purpose they are processed. This audit will also, review forms used to collect personal data as well as agreements that involve sharing/transfer of personal data.

From the audit, the company would then prepare the following documents.

Privacy Notices and Data Privacy Policies:
These are documents used to inform data subjects/ consumers how their personal data is processed in a transparent manner. It is the duty of the data controller and data processor to notify the data subject of various aspects of the processing of their personal data.

Standard Consent Clauses for processing a data subject's personal data for inclusion in contracts etc. The DPA defines the term "consent" to mean any manifestation of express, unequivocal, free, specific and informed indication of the data subject's wishes by a statement or by a clear affirmative action, signifying agreement to the processing of personal data relating to the data subject. This definition implies that the DPA requires of the companies to have a high standard to rely on consent as a basis of processing data. Companies should have clear and concise (free of legalese) consent clauses if they intend to wholly rely on consent as a basis for the legal processing of personal data. It is worth noting that a data subject has a right to withdraw consent at any time. The withdrawal does not affect the lawfulness of processing based on prior consent before its withdrawal. However, once the consent is withdrawn, no further processing of personal data can be undertaken on that basis. It is therefore advisable that although consent may be obtained in most instances, companies should identify other lawful basis of processing personal data so that in the event the consent is withdrawn, it may rely on other lawful grounds to continue processing personal data.

The Act provides several instances where obtaining consent of a data subject is a mandatory requirement for the processing of personal data. The instances include; processing of personal data relating to a child; processing of personal data outside Kenya; processing of sensitive personal data outside Kenya and the commercial use of personal data

Data processing and data sharing agreements with third parties in the case of Insurance companies, they can have data processing and sharing agreements with insurance Agents, Brokers, hospitals, loss adjusters, IT centres. companies that deal with third parties should have data processing and sharing agreements. In the agreements, they may indicate that the third parties will have to comply with the DPA while processing personal data, this will ensure the third parties also have consent clauses, privacy notices. This data sharing policies may also be between data controllers and data processors.

The Act provides that the data controller shall opt for a data processor who provides sufficient guarantees in respect of organizational measures it has taken for purposes of data protection. Further, it provides that where the data controller is using the service of a data processor, the data controller and the data processor shall enter into a written contract which shall provide that the data processor shall act only on instructions received from the data controller and shall be bound by obligations of the data controller.

Storage and retention of personal data- data retention policy. The DPA provides that personal data shall not be kept in a form, which identifies the data subjects for, no longer than necessary for the purposes for which it was collected. Further, the Act provides that a data controller or data processor shall retain personal data only as long as may be reasonably necessary to satisfy the purpose for which it is processed unless the retention is required or authorised by law, reasonably necessary for a lawful purpose, authorised or consented by the data subject; or for historical, statistical or research purposes. The period for retaining personal data would depend on the regulatory regime, polices and protection of legitimate interest of different companies. In this regard, companies should prepare data retention and storage policies that would guide them on how and period to retain the data.

The foregoing are few steps that companies can begin to take to comply with the DPA. More guidance on compliance can be provided through the Office of the Data Protection Commission via info@odpc.go.ke

The writer is the Manager, Legal and Statutory Affairs at AKI.

REWRITING OUR FUTURE;
LEADING THE SUSTAINABILITY INITIATIVE

By Dorothy Maseke

Africa has made negligible contribution to the effects of climate change yet; the international community is placing pressure on us to respond in the same way as the rest of the globe. Perhaps that is why it may be difficult for African nations to step up on climate change issues. If we are in no way the driver of the problem, why push us to play catch-up. The sobering truth is; according to the World Meteorological Department, four out of 10 of the worst climate disasters in 2021, occurred in Africa. Globally, Kenya is ranked as the 31st most vulnerable country to climate change. It is estimated that climate change impacts leads to losses of about three percent of the Gross Domestic Product annually.

The Glasgow Financial Alliance for Net Zero (GFANZ) committed over $130 trillion of private capital to transforming economies for net zero. These commitments, from over 450 firms across 45 countries are to deliver the estimated $100 trillion of finance needed for net zero over the next three decades. It was also—agreed under the Glasgow Climate Pact—that developed nations would provide around $40 billion for climate change adaptation and mitigation in developing countries. Other commitments include $19 billion in private and public finance to be invested in protecting and restoring forests, among others.

World leaders also signed the Glasgow Leaders Declaration on Forest and Land Use, a bold declaration on forest protection. Kenya, led by H.E The President Uhuru Kenyatta, announced plans to work with other African countries that form the “Giants Club”, a wildlife conservation group to raise funding for climate change mitigation programmes. This includes investing in the restoration of forests and ensuring that Governments and host communities reap maximum benefits from climate change mitigation interventions. Kenya pledged to lead resource mobilisation efforts for climate mitigation in Africa, unveiling a carbon credit opportunity that links private capital, public policy, and technical expertise. He further announced Kenya’s ambitious strategy to set up a $ 5 billion tree fund as well as planting an additional two billon trees. The African Development bank pledged $ 25 billion

Africa is home to 14 per cent of the world’s forest cover serving as carbon sinks, playing a key role in achieving global net zero. Many commitments have been made by nations and businesses; much work is needed to ensure these commitments spur actions that deliver real outcomes. As players in the financial services sector, we need to play our part to limit global temperatures to below the set targets.

The Central Bank of Kenya recently published guidance on climate-related risk management requiring banks to submit Board-approved Environmental Social and Governance (ESG) and Climate Change implementation plans. CBK’s roadmap indicates that by 2023, it will require banks to incorporate the Task Force on Climate-Related Financial Disclosures recommendations in their reporting and disclosures. The Nairobi Stock Exchange has also released ESG Disclosures manual for listed companies which are meant to assist companies better embed ESG considerations into their strategies and operations and ultimately report ESG performance to stakeholders using a framework that meets international standards on ESG reporting. The Capital Markets Authority issued the Green Bond Guidelines which aims to give guidance to issuers in the capital markets as Kenya works towards developing a domestic green bond market.

Closer home, the Retirements Benefits Authority (RBA) has joined the Nature Related Financial Disclosures Task Force and indicates that its regulatory approach on ESG will be that of a disclosure regime for the time being. The Insurance Regulatory Authority has begun to pay attention to ESG and climate change and will in future require insurers to promote action on sustainability and provide disclosures on ESG.

In terms of partnerships, FSD Africa is in the process of supporting regulators in developing an ESG toolkit as well as providing support for development of policy and regulation on ESG and Climate change. The Actuarial Society of Kenya has most recently set up a taskforce on ESG which will drive and support the insurance sector in managing ESG risks and in supporting green finance. These regulations and increased activity generally represent regulatory and policy starting points which point to increased focus and attention within the financial services sector.

As we prepare for what experts call the next economic and industrial revolution, what can we as insurance companies do? We need to prepare for a low carbon economy—it is not an option—it is necessary. We need to integrate ESG factors into strategy and culture. We need to start reporting and providing the necessary disclosures. We need to join hands and work together for the sake of this generation. Financial sector players need to engage at an early stage and work in harmony with global peers to co-create solutions and policies that are in context and relevant for this landscape. Only then, can we become more resilient to the transition risks that will come about as the globe moves to net-zero.

The writer is the Group Manager, Risk and Compliance, ICEA Lion Group

Wangeci Mathenge, FIA

1

What is **embedded insurance** ?

2

DO YOU WAKE UP THINKING ABOUT INSURANCE?

3

Don't feel bad, most people don't!

In fact, I bet no one does!

4

Intro

Insurance purchase is driven by events in people's lives

Event examples: purchase of a new car or home, a new baby, travelling, etc

Embedded insurance is where **insurance purchase** is a **natural step** in these **buying processes**

5

Interesting, no?

It's all about **reaching people** at the **right points in time**

For example: buying phone insurance along with the phone. Or travel insurance along with your train ticket

6

What could embedded insurance mean for you?

7

YOU can be the future!

Whether as a **distributor** (meaning you have access to many customers) or an **insurer**

Enter **insurtechs!**

Insurtechs help you **digitise** thus, **distribute** these insurance products to your customers

8

How it works...

Insurtech **platforms** allow insurers to "**plug in**" their insurance products into distributor e-commerce.

Into the usual **customer journey**

Example
Train ticket: right before your customer pays they're presented with the option to get travel insurance with premium added to cost of ticket

9

Easy peasy

Lemon squeezy!

10

The result?

- Direct **link** to **customers**
- **Broader** reach
- **Sell more** to customers
- Best of all, **improved customer journeys**!

11

So what next?

Most insurtechs introduce you to **new partnerships.** Some even **develop** these **products** for you! Cool right?

And once set up, you get **detailed analytics** in **real time**!

Talk to your favourite insurtech and **be the future!**

Thanks for reading!

Member: IFoA, TASK and ASSA.

GENERATION Z AND INSURANCE;

HOW TO ATTRACT AND ENGAGE THEM

By AKI Research Team

The concept of naming generations has existed across the globe in various fashions. The 'naming' is influenced by local or regional events as well as by social norms and cultures.

Generation Z, are those born between 1997 and 2011 and are now aged between 10 and 24 years. They are mainly children of Generation X, born between 1965 and 1980. They have been dubbed post-millennials, zoomers, digital natives, Net Gen, homeland generation, IGeneration, neo-digital natives, pluralist generation, internet generation, centennials, True Gen and so on. They are the current most populous generation in the world—according to the United Nations Organisation whose estimates show they represent 23.64 per cent of the total world population. In Africa, they form 31.2 per cent of the populace while in Kenya they are a majority at 33.4 per cent.

The Gen Z demographic is maturing and has started entering the workforce and spending money on products and services. As the insurance industry, are we ready for them as employees and as customers? Do we understand their characteristics enough to align our organisations and business strategies to meet their needs?

GEN Z CHARACTERISTICS

They are digital natives: They are the first generation not to know life without the internet or social media. They use digital technology to monitor and manage their learning, think critically and creatively.

They are connected: Usage of social media is highest within this generation. Their preference is multimedia-heavy/video content sites such as YouTube, Instagram, Snapchat and TikTok.

They are pragmatic: They have grown up during a period of economic upheaval and this has made them conservative spenders. They assess a variety of options before settling on a product. They are more likely to be swayed by real-life user recommendations (family and friends) than by celebrity or brand endorsements.

Influencers: They have become a powerful influence on people of all ages and income levels. Thanks to connectivity and their content creation capabilities, Gen Z have the unique ability to humanise and create conversations around brands which eventually drives demand.

They are adept Researchers: Gen Z have access to a wealth of information that makes it easy for them to learn and broaden their knowledge by using internet research resources and social networks. If you are not online, you do not exist in their world. They tend to be less attached to specific brands and prefer to shop around for the best deal before making a buying decision.

They are global citizens: The generation is the most ethnically diverse in history as people from different backgrounds have become more interconnected and subjected to a variety of similar influencing factors. They are more interested than previous generations in human rights, diversity, sustainability, equal opportunities and expect diversity and inclusion to be reflected in the content they consume.

Attracting and engaging Generation Z

Gen Z is on its way to becoming the largest consumer group and the largest workforce. Insurers' future success therefore depends heavily on their ability to attract future generations, create a foundation and build loyalty to provide insurance coverage throughout their lifetime. To attract and engage Gen Z, insurers should:

Leverage on technology to provide personalised customer experience and solutions.

Analysed data from Know Your Customer (KYC) initiatives, sensors, telematics and other IoT devices are contributing to personalised services, tailored policies and rewards.

Visual Engagement: Short entertaining, informative and engaging videos have risen in popularity as can be seen with the growth of social media platforms like Instagram, Snapchat, TikTok and YouTube. Authentic and inspiring branded content attracts, influences and converts consumers. To meet engagement, awareness, and conversion goals, brands should have a video content first strategy in place.

Influencer Marketing: The goal of using influencers is to reach and connect with your target audience to raise brand awareness, improve conversions and increase engagement. Insurance brands should establish long-term, mutually beneficial relationships with relevant influencers to create unscripted authentic content on how the product or service impacts their daily lives.

Omnichannel Customer Engagement: Are all your communication channels (email, phone, live chat, website, social media) speaking the same language? Insurers need to integrate all their communication channels to provide a unified experience from the first to the last point of contact. There is need to enhance customer interactions through AI-powered channels like chatbots which ensure full-time availability, providing quick resolutions to customer queries.

Corporate Social Responsibility (CSR) For Generation Z, CSR is not that one- off event that you hold annually. They want to associate with organisations that support social causes and are socially responsible in their operations. An example in insurance is Lemonade which donates leftover premium to charities that customers select.

Agile Working: Gen Z are digital natives and are collaborators. For them, work is something you do, not somewhere you go, and this is mostly influenced by the growing gig economy. They therefore have the expectation that the workplace will have in place innovative technology to support flexible and collaborative work. This means platforms that can provide for instant messaging, video calls and file sharing all from one location.

All in all, there is need for continued learning and research about this generation as they continue to come of age and evolve.

Visit www.akinsure.com for more insights.

LIFE BEYOND RETIREMENT

By Jane Gitau

Retirement is a major life journey that unfolds over many years of formal employment. It is a social status reference that sets in any time after 50 years with any of the prefix (early, normal or late) as is applicable to the individual circumstance. The normal retirement age in Kenya is 60 years. The top most fear for both the retiree and the State is old-age poverty which not only manifests in a retiree's psyche but also becomes a heavy national social security burden.

Statistics by WHO indicate that life expectancy at 60 (normal retirement) is 20 years for females and 18 years for males. It is therefore a reality that post-retirement years could be more than the years spent in formal employment and this poses a potential risk of outliving one's retirement savings.

Saving for financial needs in old age through a retirement benefits scheme is the bare minimum. It is therefore critical that one boosts his/her retirement pot through supplementary savings and investment options available in the market such as subscribing to individual retirement schemes, making additional voluntary contributions (AVCs), SACCO shares, investment options offered by Asset Management Companies, chamas, endowment policies offered by insurance companies, fixed assets ownership such as land and rental houses etc. What is most important is to structure one's financial goals around the various responsibilities in one's stages in life such as career, business growth, children's education, home ownership and others so that by the time one is proceeding on retirement one has resolved or has put measures in place to resolve the life goals and is not fully dependent on the retirement funds to meet all the financial needs.

Getting the most out of your pension funds

It is important to appreciate the risks surrounding the accumulated retirement benefits/funds namely, inflation, market/investment risks, taxation, longevity and personal decision making. Depending on one's retirement strategy and age, options to protect the funds vary.

If one chooses early retirement, it is advisable to defer access to a portion of the funds preferably two thirds or more, to a later date such as 65 years to take advantage of the tax-free monthly pension. During the deferment period, the funds will grow and in most cases at a rate above the inflation rate. At the same time at that age, the personal investment risk appetite is moderate and higher on capital preservation. It is important to mention the non-monetary benefit of such a decision as creating hope as the ageing process is taking place. Hope is an emotional asset associated with subjective well-being and good health.

If the deferment option is not applicable, one can consider the benefits access options available: lump sum, annuity (pension) or income-draw-down and lately the post-retirement medical fund. The decision at this point needs to be very personalised and aligned to one's personal life goals. The longevity element and income guaranteed of the benefits is a paramount consideration. Therefore, one is advised to understand the products features and promise.

While making the decision on what option or options combination to select it is important to bear in mind that the cost of healthcare generally increases above inflation, and it is exacerbated by the multiple existence of age-related chronic conditions.

A survey by the Retirement Benefits Authority in 2016 revealed that 40 per cent of the retirees' pension income goes to catering for medical care needs. This led to the development and publication of the Post-retirement Medical Fund Guidelines in 2018 with the aim of catalysing innovation in specialised medical cover solutions for retirees. There is indeed hope of increased awareness of older people's health conditions and needs among the medical health solution providers which will spur demand and supply forces to trigger competitiveness and comprehensiveness of medical covers for retirees.

Remaining relevant after retirement

Remaining relevant in the society after retirement is a very personal construction as it all depends on one's retirement/ageing strategy. Relevance should be defined from an internal perspective as opposed to external perceptions. Thus, relevance is measured against the desired self-purpose such as starting a business, consulting, disengagement with work to full time family engagement (for instance taking care of grandchildren), community and civic engagement, social work, and volunteering. In brief, ensure you remain relevant as per your definition while embracing and practicing healthy living habits.

Retirement is just a transition in life that necessitates adjustment of habits and order of activities. It is indeed an opportunity to be your own manager/boss. COVID has de-constructed the perception that work and socializing can only happen physically, therefore the fear of social isolation in retirement has been de-bunked. With Bundles, not Bus fare you are connected.

If proceeding on retirement soon, remain socially connected as "Being socially isolated creates a health risk equivalent to smoking 15 cigarettes a day" Rebecca Jackson.

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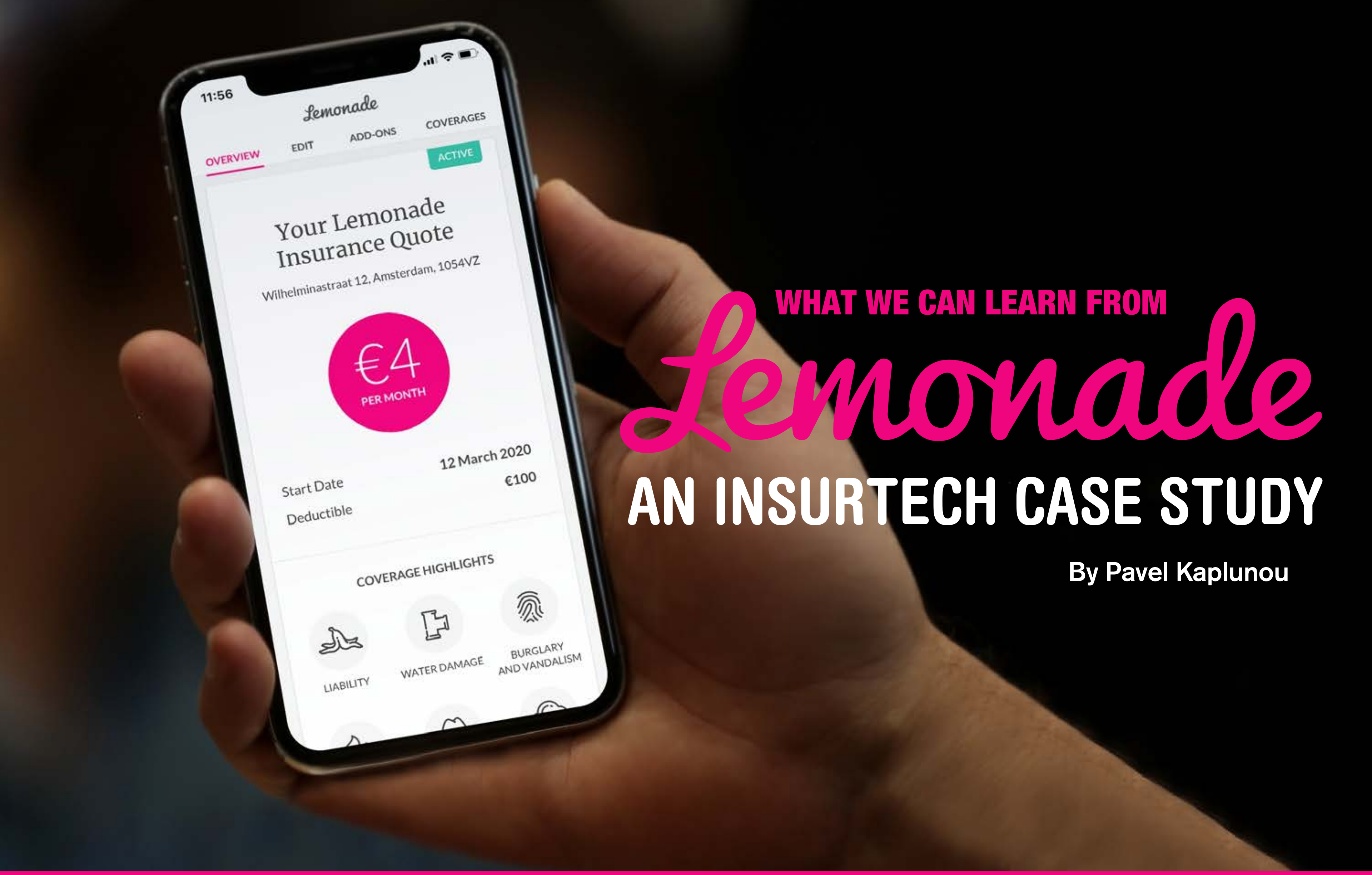


WHAT WE CAN LEARN FROM

Lemonade

AN INSURTECH CASE STUDY

By Pavel Kaplunou

Insurance operators have been the slowest in adopting information technology and digital transformation. All the while the fintech space is bustling with innovative ideas and insurance development companies. Lemonade is one such new kid on the blog that has taken a technology-first approach in its business model. Something that older players lack. What exactly makes Lemonade so notably? Let's have a look.

A recent McKinsey financial services overview shows that insurtechs are moulding a new look at how traditional insurance companies. Such technology-driven companies have the upper hand and steadily capturing market share. Operators of insurance services are being forced to adapt new approaches or face the imminent threat of becoming obsolete in the face of a digital revolution.

What is Lemonade and how does it work?

Lemonade's domain is renter and homeowner insurance, meaning it supplies everything from reconstruction costs, personal property damage, personal property theft, loss of use and legal liability.

So Lemonade is an insurance company. Or is it? As Shai Wininger, the company's co-founder, himself states, "Lemonade is a tech company doing insurance, not an insurer doing an app".

Subscribers use a mobile up to register and sign up to the service. Claims are filed with an in-app chatbot. There's no paperwork involved whatsoever. The software behind the application is powered by AI. It processes the claim in as little as 3 minutes or less, notifying the user of the result. Some claims have gone through in under 3 seconds.

The company, founded in 2015, made its market debut in 2016 on Product Hunt, an atypical choice for a company that operates insurance claims. It went live with a peer-to-peer insurance provider model, wherein claims would be paid from a pool of all the premiums paid. It's monthly subscription plan and P2P model allowed it to keep premiums low, all the while making its offer very attractive for insurance seekers.

The financial services review website, DoughRoller, cites a Millennial Approach is part of the explanation for Lemonade's success. Everything from its colour palette, choice of words and mobile-first, chatbot-based service speaks to a generation Z audience. At the same time, it does little to deter the traditional insurance consumer. Not only the app, but also the company's website seeks to level with its users and make insurance available for all by offering a concise FAQ and how-to section.

A technology-first approach

Being an insurance software development company, rather than a traditional insurer, the team at Lemonade have made sure that technology is at the heart of the business. Consumers do not have to talk to company reps, file paper claims, receive rate hike ups, or limit their purchases.

Chatbots and Artificial Intelligence (AI)

The sophisticated chat feature is responsible for automated claims processing. This means that whatever the case, the conversation flow will take you through the process in a breeze.

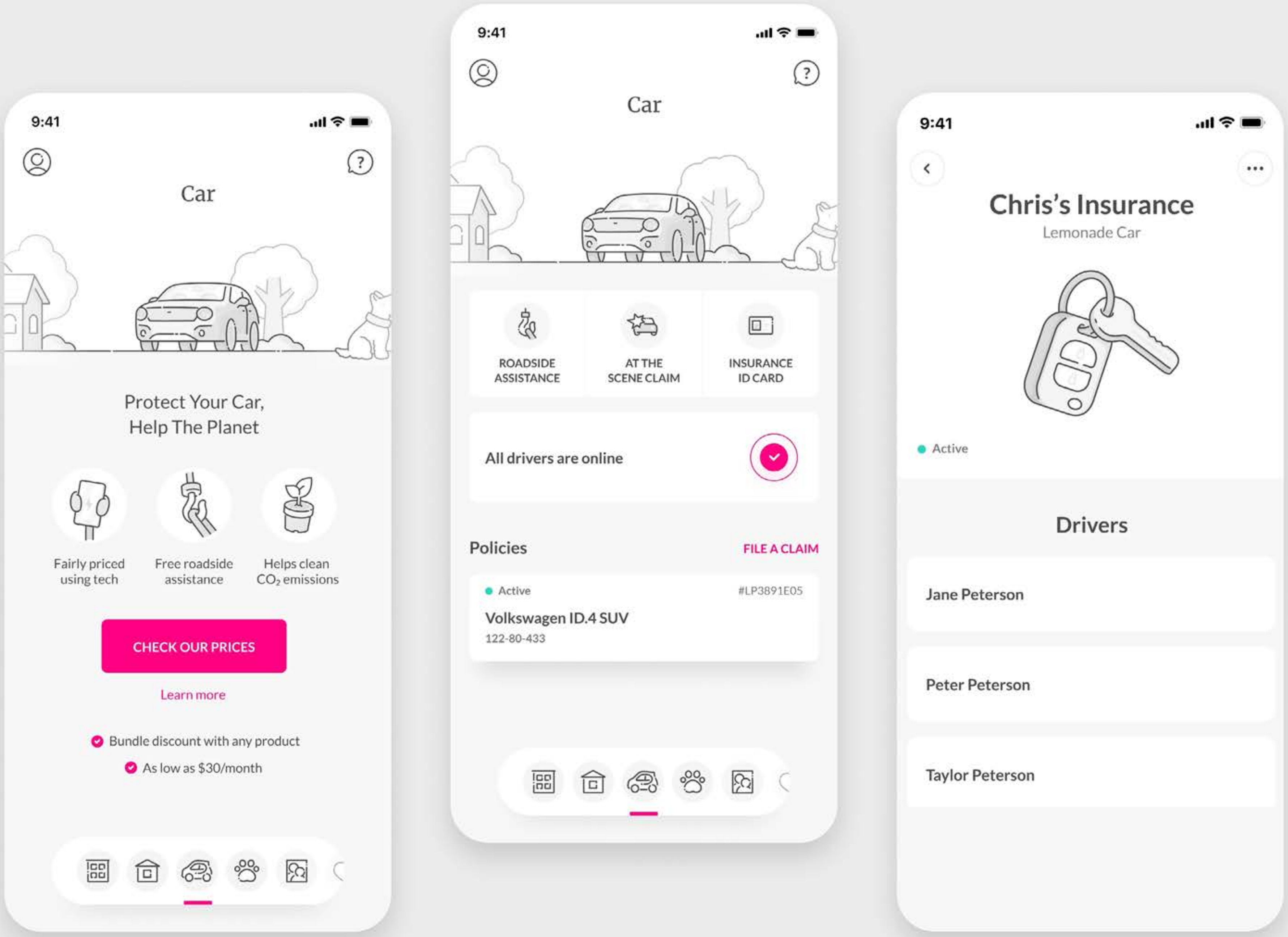
By never having to interact with a human the chatbot approach also brings misunderstandings to a minimum. The streamlined and automated process makes sure everything is no more complicated than it must be at every step of the way.

No to paper filing

In the interim of filing a claim, a Lemonade user will be given the opportunity to forego filing out a detailed paper claim. This is substituted in favour of a faster and more convenient video recording that is sealed with the user's e-signature upon recording. Not only does this save time for both parties, it also avoids the red tape of traditional insurers and eliminates paper waste altogether.

Adjustable deductible rate and premiums

Lemonade insurance users provide details according to several criteria that lets the AI determine the initial premium rates. Policyholders can also move their premiums up to reduce deductibles (the sum that will be subtracted from their filed claim amount) or the other way around. This flexibility gives not only allows users to select a plan that works for them, but also reassures them that they are, in fact, in control of their money.



What is more, lemonade charges a 25% flat free from premiums to cover costs. The rest goes towards paying claims and purchasing reinsurance. Sometimes this can imply that a remainder is left.

Application Programming Interface (API)

Like many SaaS (Software as a service) companies, but unlike many insurance companies, Lemonade offers an API. This is a set of programming code that enables data transmission between one software product and another.

In commerce, online shoppers can insure valuable purchases at check-out. Modern property and real estate agencies can integrate the service into their website to automatically cover tenants. IoT platforms, like smart home security systems, can track valuables and offer full protection of personal property.
These are just a few use-cases of where the API can be applied. If, and when, Lemonade decides to expand its business or its partner network, you can expect to see the company logo pop up on more sites.

Social good initiative

The company's blog is where it upholds its Transparency and Honesty policy. Using technology to power its entire service means the company gathers enough data to make actionable conclusions and develop the business further. One way it does the latter is by sharing that data directly with its audience via its Transparency Chronicles blog section.

Where the company's initiatives truly shine is perhaps its Giveback programme. Once it underwrites profit from premiums, the rest goes towards charity. A multitude of charities are available for support. Users get to choose a cohort, for which the company forms a Giveback pool.

Not only does it appeal by presenting a handy and convenient mobile application, but also by putting a human face on it.

There's always money in the lemonade stand

Lemonade is but one example of how insurance technology can develop. Even though it currently holds around 10% of the entire real estate insurance market, it can stand its ground. It has even become an A-Exceptional rated insurance company with what is considered to be an up and coming insurance market.

Many opportunities remain untouched, despite being ripe for the taking. If there is anything that Lemonade proves is that even complex services can be made easy and accessible using technology.
To be in step with the times, insurance operators and coverage providers will need to make better use of modern technology. With more and more technology-oriented companies that are slowly pouring into the insurance space, traditional companies will have to initiate change by either upgrading legacy systems or pivoting their business around proprietary platforms to accommodate for a new era of insurance technology services.

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LEADERSHIP IN A CRISIS

By Mercy Masila-Achola

"YOU'RE NOT MADE IN A CRISIS - YOU'RE REVEALED." JACK KINDER

Not many leaders are willing to pay the price of leadership. This is especially during times of crisis; they can run away from it, or try to overcome it. Every leader faces a crisis and the question is; how can one stay true to the leadership purpose at such a time?

When things are running smoothly, anyone can lead. However, it is during difficult times that teams, organisations and nations need leaders. So as a leader, how do you rise to the occasion?

• Define Reality

A leader's first responsibility is to define the reality for people. This needs to be the reality as is and not as it was or wish it was. When Covid-19 came upon us almost two years ago, first we needed to know what it was, how dangerous it was and the measures that needed to be taken. Even in the early stages when not much about the virus was known, we knew we had to mask, sanitise or wash hands and social distance. As a leader, when you define reality the people will be better informed and will know what choices to make.

• Keep the big picture in mind and value teamwork

Leaders are vision casters in ordinary times and more so during a crisis. Although it may not be very clear during difficult times, people need to be reminded why what they are doing is important. The tendency for most people during a crisis is to only think of themselves (self-preservation) but a leader can remind them why they need to come together and work hard to get through the difficult times. This is not a time to self-isolate but a time to harness teamwork and bring all hands-on deck. It is the role of a leader to promote teamwork.

• Have a plan

After determining what the reality is and keeping the big picture in mind, a leader must have a plan. Most companies have a Business Continuity Plan (BCP) in place in the event of a crisis. This helps people determine the course of action, the intended goals and steps to get there. The leader should allow for time for the team to absorb and buy in to the plan, but not too long because of the sense of urgency during a crisis. All priorities should be adjusted to match the goals and actions intended. Remember to have a daily review of the plan of action as during a crisis things are fluid and all changes occurring should be factored in and adjustments made along the way. The plan should also have people in mind and be humane in its delivery. An example of what-not-to-do is firing 900 people on a zoom call, as a boss of a US firm did recently.

• Give Hope

Every leader should strive to be the bearer of the 'Hope torch' during a crisis because hope is the foundation of change. If hope is kept alive people can move forward and hopefully emerge from the crisis stronger than how they started off. We have heard of stories of hope as people have reinvented themselves after losing their jobs or businesses. This would not have been possible if they had lost hope. Leaders should inspire hope to build organisational morale because it is this power of the mind that is the staying power, and the spirit that will build endurance and the will to win.

The tips given here are not exhaustive but are easy pointers that anyone can apply whenever they are facing a crisis; whether at a personal or professional level or as a business. Remember a crisis can discipline us to become stronger. Every leader's desire should be to solve problems, overcome challenges, put out fires, face challenges, correct mistakes and direct people.

As Nena O'Neill says, "Out of every crisis is a chance to be reborn."

The writer is the Principal Consultant and founder of Value Connect.

SHIFTING INSURANCE REPUTATION;

THE STRATEGIC COMMUNICATION EDGE

By Mercy Kabangi

According to Swiss Re—the world's largest re-insurer—the entire African insurance industry is currently valued at $68 billion in terms of gross written premiums, while Latin America and the Caribbean had a $157 billion insurance market and Asia (excluding China) had a $194 billion insurance market in 2019. Africa's aggregate insurance penetration rate was 2.78 per cent, compared to a global average rate of 7.23 per cent. Despite the continent's recent rebound, the insurance business still has a long way to go before it can be regarded a mature market.

According to the International Risk Management Institute, 92 per cent of premiums in Africa are concentrated in just ten countries, with 70 per cent of total premiums paid in South Africa, one of the world's largest and most established insurance market. The balance of the insurance market outside of South Africa is concentrated in Morocco, Kenya, Egypt and Nigeria. Kenya's insurance penetration has decreased to 2.30 per cent in 2020, the lowest in 15 years—according to the Association of Kenya Insurers (AKI) Industry Survey 2020. This has been attributed to a variety of factors, including a lack of product knowledge and awareness, low levels of literacy and education about micro-insurance in general, poor product design and limited distribution channels.

The industry has recommended a number of measures to solve this problem, including improvements in the regulatory environment and sector practice, as well as increased product knowledge to promote insurance penetration. AKI commissioned research in 2016 and 2017, which revealed a favourable increase in awareness, with 44 per cent of Kenyans knowledgeable about insurance and 67 per cent satisfied with the industry. Despite this, there is still slow growth registered on insurance penetration levels and therein lies the potential of strategic communication in the insurance sector.

The term "strategic communication" refers to the high-level concerns that drive a company's communication endeavours in order to achieve its goals. As a result, it is an inherently diverse offering that leverages disciplines such as public relations, marketing, advertising and management to achieve an organisation's objective.

Strategic Communication employs message formulation based on extensive planning and research into audience habits and perceptions. The messages are tailored to specific audiences and aid in aligning an organisation's communication objectives with its structural objectives. Strategic communication is a growing synergy in today's enterprises, moving beyond tactical play to a point where "value-and-purpose-led" communication, brand building and narrative connect the strategic management function and the bottom line.

The largest burden that strategic communications specialists in the insurance sector should be dealing with right now is guiding their companies through impactful communications that provide for increased awareness and credibility.

It is no longer a secret that the consumer landscape has changed; what worked in the past may not work as well, thanks to changing customer and market circumstances. Consumers nowadays expect information, openness, accessibility and personalised service from providers. Insurers have at times fallen short of these goals, sometimes due to a lack of intimate understanding of their customers' needs and priorities. Furthermore, with a continually changing audience and fragmented media, the sector must ensure that potential customers are paying attention.

The Kenyan market is getting younger by the day—at least 60 per cent of the population is under the age of 30—according to the Kenya National Bureau of Statistics (KNBS) – and this is reflected in a shift in where and how they consume content. It is worth noting that Kenya is ranked second in the world in terms of digital news consumption—according to a survey released in 2021 by We Are Social in collaboration with Hootsuite.

The other challenge that impedes insurance penetration is the industry's reputation, transparency and issues to do with trust. This stems from a perception that insurance firms would always try to avoid paying out a claim, if they can. Insurance firms, on the other hand, pay claims and have a lot of happy clients, so the blanket notion that they do not keep their end of the bargain is incorrect. These inspiring stories, unfortunately, are not enough to reach the front pages—compared to the unfortunate incidents—as a result, insurance firms have a reputation for being necessary but unpopular, for being relied on but not trusted.

To counter this, strategic communication experts may have to look at new frontiers—such as digital communication—that may provide a much-needed innovation that is key to insurance penetration success. It is a perfect chance for the insurance industry to boost awareness and employ compelling narratives about not just its products but also its underlying principles and brand promise, which can be effectively communicated through storytelling on assets like Twitter, Facebook and YouTube.

By addressing long-standing challenges in context and establishing the industry's relevance to Kenyans' lives, thought and practice leadership through content or instructive virtual events can help not only with awareness, but also with the perennial challenge around credibility.

MANAGING A MULTI-GENERATION WORKFORCE

By Bernard Atonga

In many of our workplaces today it is common to find different generations working together. These generations include baby boomers (1946 to 1964), Generation X (1965 to 1980), Millennials (1981 to 1996) and Generation Z (1997 - 2012)

As organisations and leaders, we have the opportunity and the challenge of managing these different generations at the same time. It is an opportunity because we get to leverage on the experience, expertise, perspectives, skills, solutions and innovation cutting across the different generations. On the other hand, it is a challenge because we must deal with issues of disengaged team members, conflicts and low productivity occasioned by discrimination and stereotyping, misunderstanding and diverse work and life expectations held by the different age groups.

Managing multi generation workforce requires us to:

Understand our employees

Every generation has something valuable and unique to offer. For example, baby boomers are workaholics, loyal and great team players but do not adopt to change easily whereas Generation X are flexible and independent but are less likely to challenge the status quo. Our role as leaders and organisations is to proactively spend time learning and understanding the different generations within our workplace. Do not make any assumptions, ask. Find out what your people value, their motivation, style of working, priorities and preferred style of communication. This will not only provide clarity on the value of each generation but will also help in identification of training and development opportunities that aligns with their strengths and addresses their weaknesses.

Once you have understood them, tailor your programs, processes, structures, communication and benefits to accommodate their different characteristics. This will result in a motivated, engaged and productive workforce.

Foster Collaboration

By default, most people find it easier or may prefer to work with people within their own generation or age group. Millennials and Generation Z are more tech-savvy, so they are comfortable working with technology. When they find themselves in a project together, they thrive. However, when put on a project or assignment with the baby boomers often than not stereotype checks in, where for example, baby boomers are viewed as slow whilst the others as entitled.

This, therefore, calls for deliberate creation of work teams that incorporate members from the different generations to encourage synergies and leverage on the vast experiences and expertise. The focus should be to develop a partnership mind-set where everyone feels heard, involved and has a sense of belonging no matter their generation.

Create opportunities and encourage participation during and after work for the team members to see each other as people and not in their ages or generation biases. Some of these activities include team building, drink ups and game nights.

Mentorship

Encourage cross-generational and reverse mentoring. Ensure each member of the organisation has been assigned a mentor from a different generation and this can be based on their role, department and/or profession. Baby Boomers and Generation X can mentor the Millennials and Generation Z on industry knowledge gained through their years of experience whereas the older generation can be mentored on the new disruptive technologies in the market.

Flexibility

Over time, many organisations have found themselves in the trap of implementing a one-size-fits all management style in the name of equity and equality. This style of management is no longer a viable nor a lasting solution in managing a multi-generational workforce. You may practice it for a while and it may seem to be working for some time, but the outcome is friction, conflict, demotivation, disengagement, high attrition and loss of productivity.

As much as possible, it is important to understand and accommodate each generation's place in their work and life. For example, Millennials prefer work environments that are flexible, access to leadership and information whereas Generation Z prefers collaboration, ethical leadership and less hierarchical structures

Respect

Each member of your organisation should feel respected no matter their age and role. Managing older team members than you can pose a challenge, but this can be addressed by being confident but at the same time respectful. Do not pass judgement on their potential or capacity by just merely looking at them but provide them equal opportunities as the rest based on their experience and competence. Avoid a know-it-all attitude but be willing and open to learn. Let them know that you truly care by spending time with them.

Managing different generations in the workplace is not easy but the result of effectively doing so bears exponential reward.

The writer is the Head of Human Resource Business Advisory at KPMG East Africa

REALISTIC CUSTOMER Experience

By Aram Kaboro

Let us be candid: There are times that you 'feel good' shopping at the kiosk next door than pushing that trolley along supermarket aisles. The reason: at the kiosk, you have that one-on-one interaction with the attendant, they probably know you by name. At the supermarket, you must contend with that polite 'hello and thank you' from the person at the till. At the kiosk it is about customer experience (CX) while at the supermarket, customer service (CS).

According to Wikipedia, CX is "A totality of cognitive, affective, sensory, and behavioural consumer responses during all stages of the consumption process including pre-purchase, consumption, and post-purchase stages." Forbes describes it as the, "cumulative impact of multiple touch points over the course of a customer's interaction with an organization."

As a business one of the most effective ways to differentiate yourself from the competition is to provide exemplary CS. However, you may dedicate a sizeable portion of your resources to eliminating common CS hiccups only to realise an insignificant uptick in customer satisfaction levels. This makes the case for improved CX initiatives. While CS may only be the part of the interaction where the customer receives advice/support about a product/service, CX encompasses the entire customer journey from start to finish—not just the part where they receive assistance from a team member.

In the recent past, CX was an afterthought for the majority of business leaders. A great customer experience happened almost by chance when employees chose to go above and beyond for a client. Now, CX is the foundation of all business growth and ongoing success. Today, every important business discussion generally includes some reference to the value of CX, and what teams can do to preserve high levels of satisfaction. Customers are now more unforgiving, given the raft of options that are available for any given product or service.

Customer experience is the missing piece of the puzzle for many businesses that cannot otherwise explain decreased profitability, unhappy customers and even high employee turnover rates. Improving your overall CX—as opposed to focusing on individual customer interactions—is the solution to unsatisfactory business growth. So, how do you get it right in the insurance industry?

Telling the customer what you think they want to hear may have some payoff in the moment. However, all it does is promise greater frustration later—and an extended resolution process that will likely escalate: If you want to keep your CX positive, avoid making promises you know you cannot keep; be upfront and be realistic.

The most successful businesses know that involved employees are the best bet to achieving excellent CX. Seeking employee feedback and insight is valuable not only to decrease turnover rates, but also to better understand how customers and team members are feeling about your company. In addition, to making your employees feel valued, setting up meetings or sending out anonymous surveys to your team helps you see common customer issues, ineffective business processes and even workflow mismanagement you may have previously overlooked. If your employees do not have a good experience when it comes to finding information and completing crucial tasks, they cannot deliver an excellent outcome to customers; provide the requisite channels for interaction within your organisation. Happy employees that are optimised — not overburdened — are much more likely to go the extra mile for customers.

To ensure you stay ahead of the game, familiarise yourself with upcoming customer experience trends. Today's customers want to know what goes on behind the scenes at their favourite companies. Use social media stories and consider working with influencers to give your customers a front-row seat to your operations. Where possible, humanise it. For example, feature a new team member each day and allow them to "take over" your social media stories, include photographs of the employees who packaged or made your products and/or services.

Your customers/clients do not just want to like your company—they want to be able to trust you. Show them you take a proactive approach to their security and privacy. Recent technological innovations and the Covid-19 pandemic may have accelerated the digital transformation, but the truth is, it was already well on its way to transform the way we do business; dynamism is the new normal—it is here to stay: And the cog in the wheel is CX.

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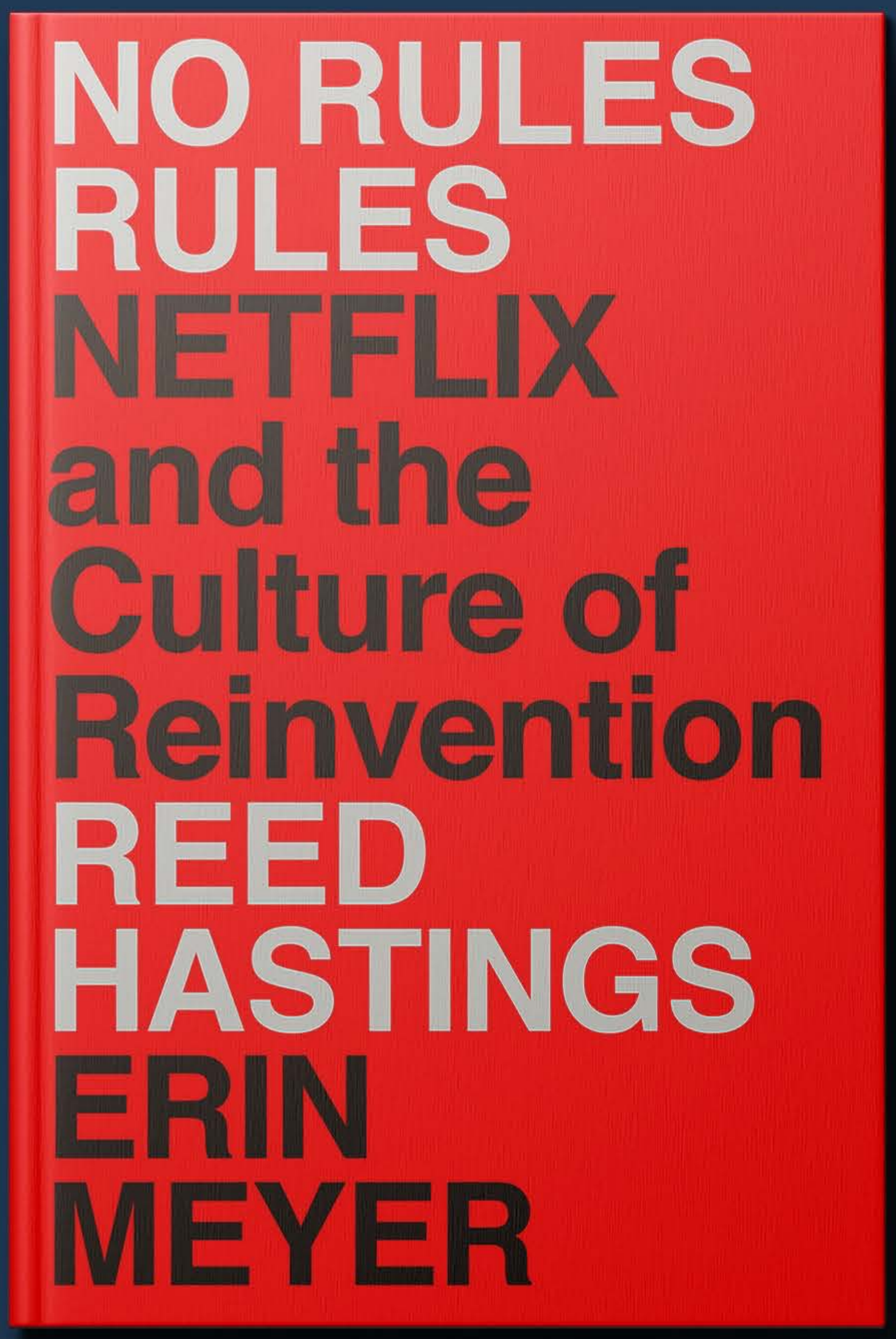

BOOK REVIEW

REVIEWER: PRISCAH MOTOGWA

Operating on the edge of chaos! That is what the book is essentially about.

One would wonder why any business would choose to operate with no rules? It is simple: Rules stifle creativity. And in these disruptive times, the success of any organisation is dependent on how agile it is.

First things first: Before you throw out your rulebook, you have to get the fundamentals right. A no rules environment is only possible with top talent. Netflix attributes its great workplace to stunning colleagues—basically highly talented people, of diverse backgrounds and perspectives, who are exceptionally creative, accomplish significant amounts of important work and collaborate effectively.

Next; make sure this top talent is paid at the top of the market—no point of getting the best people then losing them to your competitor.

Once you have the right people, you then need to focus on building the right culture. The old adage, "culture eats strategy for breakfast", remains true. Netflix has focused on building a culture of freedom and responsibility which has set the right environment to operate without a rulebook. This culture is then supported by radical candidness across the entire organization, and leading with context rather than control. A hierarchical approach does not work here—decisions are made where they matter, not by a Vice President who sits in Shanghai.

Reed Hastings—Netflix Co-CEO—likens a culture of freedom and responsibility to building a jazz band. He says, "Jazz emphasises individual spontaneity. The musicians know the overall structure of the song but have the freedom to improvise, riffing off one another, creating incredible music".

These are unique times: They call for a different approach to succeed.

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Did you enjoy the articles in this edition? What would you like to see more of/ less of?

We appreciate your feedback.

If you would like to contribute to the next edition write to hazel.kingori@akinsure.com

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