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INSURANCE IN EVERYDAY LIFE

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July 2022

INSURANCE IN EVERYDAY LIFE

CONTENTS

EDITOR'S NOTE

The Kenyan insurance industry has scored a first : During the recently held African Insurance Organisation(AIO) conference held at the Edge Convention Centre in Nairobi, Dr. Ben Kajwang' was named the new president of the organisation. Dr. Kajwang' is mandated to steer and actualise the aspirations of AIO for 12 months—this is a great honour: We recently talked to him, and you will find his take herein.

Business growth is largely hinged on how effectively stakeholders are led and/or managed. There has been a raging debate on which—between leadership and management—takes precedent of the other. Emily Kamunde sheds light on the subject in; Leadership versus Management and offers some tips and benefits of embracing a leadership approach as opposed to traditional management of teams.

Life expectancy is now on the increase; people are living longer and this industry has to address the fact. Until recently, the industry avoided the senior citizen market segment, deemed unprofitable because of high risks and small size. It is on this premise that Rose Wakiria in; Insurance Solutions for Senior Citizens, looks at the various products that the industry is now offering the elderly.

It is not uncommon to witness wrangles that ensue when a family business leader exits. The insurance industry offers different insurance products that can provide a financial safety net for family businesses in the unfortunate event of the death or serious illness of the person key to the running of the business. Jackson Kiboi addresses the issue in; Life insurance for succession planning.

The general election is around the corner. The insurance industry has to device ways to address the needs of its clients during this duration. Lilian Nguyo in; Serving Insurance Customers during Elections observes that we have learnt that one of the best ways to service clients during such times is through digital platforms. Providing accessible and efficient digital platforms through which customers can reach insurers is a great way to feed into this experience.

Kenya has had her share of political unrests and terrorist attacks. With the looming general election, it is time to embrace Political Violence and Terrorism (PVT) insurance. The product, as George Odinga explains, covers an individual or company against physical loss and damage—as well as business interruption costs—because of a terrorist act or acts of political violence.

We have touched on just a few of the well-researched articles in this edition but dig-in and get much more.

INSURANCE INDUSTRY NEWS

DR. KAJWANG' NAMED AIO PRESIDENT

Dr. Ben Kajwang, Director at the College of Insurance was named the President of the African Insurance Organisation (AIO) at the just concluded 48th AIO Conference and Annual General Assembly held in June 2022 at the Edge Convention Centre in Nairobi.

Dr. Kajwang is the immediate past Vice President, and he takes over from Mr. Tope Smart from Nigeria who served from 2021 to 2022.

Read more on his plans during his tenure in his interview in this edition of the AKI Journal.

ASSOCIATION FOR WOMEN IN INSURANCE IN KENYA LAUNCHED

The founder members of the Kenya Women in Insurance Association: L-R Irene Makau (CIC Group), Beatrice Onduso (College of Insurance), Diana Sawe (IRA), Njeri Jomo (Britam), Catherine Wahome (Assure Link Brokers), Hazel King'ori (AKI), Jane Onimbo (IIK), Stella Njunge (AIG), Madelline Nangayo (Ghana Re) and Rose Wanda (OESAI)

The Kenya Women in Insurance Association was launched on 30th June 2022. The Association aims to create a platform to promote the representation of women in the insurance industry through education, mentorship, and collaboration.

The Association was launched at the side-lines of the 48th AIO Conference and was graced by IRA Commissioner, Mr. Godfrey Kiptum, AKI Executive Director, Mr Tom Gichuhi. Director College of Insurance, Dr. Ben Kajwang and AIBK Chairman, Mr. Anthony Mwangi. "Having the male leaders in the industry grace this occasion was deliberate. One of our key values as the Kenya Women in Insurance is collaboration. We must walk this journey with our male counterparts to form an inclusive and representative industry" said the Associations President Catherine Wahome, during the launch event.

The Kenyan women in insurance Association was founded by ten women working in various organisations within the insurance industry and it joins other chapters across other African countries in particular-Nigeria, Ghana, Uganda, South Africa, and Mauritius.

The Association is currently recruiting women in the insurance industry e-mail info@kwiin.co.ke for details.

ZEP-RE AND DEG INVEST IN MEDBOOK

ZEP RE (PTA Reinsurance Company) has invested in Medbook Kenya Limited resulting in a 30% equity stake, making the reinsurer the largest single shareholder. DEG, German Development Finance Institution, has also invested in Medbook as part of its Up-scaling program.

Medbook is a leading healthcare and and Insurtech solutions provider, providing Claims Management Systems to insurance companies and Hospital Management Systems to hospitals. The company was formed in 2014 as a joint venture with @iLabAfrica-Strathmore University and is currently used by more than 250 hospitals and 3 million people across three African countries.

This funding will strengthen Medbook's balance sheet and facilitate strengthening of their digital infrastructure to better service insurers and hospitals.

Medbook's bouquet of patient centric products include Mediclaim, Med360+ and Medapp. Patients can locate doctors and medical facilities closest to them, book appointments, access their health records and track their medical journey using the Medapp which is integrated to both Mediclaim and Med360+.

AKI AND MOROCCAN REINSURER (SCR) SIGN TRAINING PARTNERSHIP DEAL

CEO of SCR, Mr. Yousseff Fassi and AKI Executive Director, Mr Tom Gichuhi exchange the partnership agreement signed between the two bodies to facilitate capacity building in Kenya and Morocco.

AKI and the Moroccan Reinsurer SCR [Société Centrale de Réassurance] signed a partnership agreement in June 2022 that will see the two bodies build the capacity of the insurance sectors in Kenya and Morocco.

Through the SCR Academy Re, the reinsurer will work closely with the Association to jointly develop relevant training programs and create a pool of trainers from both technical and non-technical insurance areas. In particular, the trainings will focus on building the capacity of insurers to educate consumers on their products and services.

COLLEGE OF INSURANCE TO FACILITATE TRAINING IN AFRICA

The College of Insurance (COI) has partnered with Africa Re Foundation to develop a curriculum and train all Regulators and Insurance supervisors in Africa. The training of insurance regulators in Africa is in line with International Association of Insurance Supervisors ((IAIS) core curriculum. The training will target middle level managers.

The COI has also partnered with the African Insurance Organisation (AIO) to develop a curriculum and study modules for a programme in Finance and Leadership that will be rolled out across the Continent. The program will empower the CEOs to acquire new skills for handling emerging business challenges.

KENYA ALLIANCE TEAM WIN THE IIK REGIONAL QUIZ COMPETITION

L-R IIK Director, Ms Agnes Macharia hands over the plaque to the winning Kenya Alliance Team

Kenya Alliance team took the 1st and 2nd spots at the just concluded regional quiz organised by the Insurance Institute of Kenya. The Quiz ended on 8th July 2022 after 5-weeks of preliminaries and two rounds with over 100 teams battling it out. ICEA LION team took the 3rd spot.

The winning teams received cash prizes amounting to Ksh100,000 for the winner, Ksh50,000 for runners up and Ksh30,000 for second runners up.

While congratulating the winners, the IIK Director Ms. Agnes Macharia emphasized the need for collaboration and continuous learning within the industry and invited more young people to be actively involved in the activities of IIK as they were the future leaders.

DATA PROTECTION IN THE FACE OF TECHNOLOGY

By Lynn Obwanda

Many companies all over the world use technology to collect, process and store their customers' personal data. Using technology in business has several advantages for both the company and the customer; it promotes ease of doing business, quality research and accountability which leads to profitability. The collection of data using technology helps companies to know and understand their customers and cater for them effectively.

The Data Protection Act, 2019 (DPA) and its accompanying regulations has provided for adequate safeguards for data controllers and data processors to consider while processing personal data through technology.

In Kenya, many Insurance companies are both data controllers and processors therefore they collect a lot of personal data from the clients to assess the risks and issue adequate cover. This collection, processing and storing is largely done using technology.

According the DPA there are several ways companies can collect data, some of which are through surveillance cameras, web browsing and biometric technology. The following are ways that companies can protect their clients' personal data while using technology:

a) Limited use of data: When collecting personal data, companies shall comply with the Act by ensuring that the data collected is limited to only what the data subject has permitted. This means a controller or processor cannot collect data and then use it for unrelated purposes such as marketing other products separate from what the customer had earlier bought.

b) Accuracy of data: The data controller/processor should also ensure that the data collected is accurate. This will ensure that the intended outcome can be relied upon.

c) Security: The data controller/ processor should also ensure that the data collected is secure. They should put in place adequate security to ensure that the data cannot be obtained by hackers through cyber security attacks.

d) "Automated individual decision making": In the DPA, it means a decision made by automated means without human involvement. Companies that use this automated means must ensure that they inform the data subject that the decision arrived at will be through automated system. They must also take steps to ensure no errors in the personal data, most importantly ensure that the data subject is able to get human intervention when they require further communication.

e) Transfer of data: In this age—where use of technology is core in any business—companies may transfer client's personal data outside the country (for instance outside Kenya) either for processing or storage. Personal data may be stored in the cloud, and this could be domiciled in any part of the world. A company may also transfer personal data to be processed in another country due to the advanced technology of the recipient country. The DPA provides for appropriate safeguards to be applied while transferring the data. The data controller must ensure that there is a legal instrument that binds the recipient of the data and that they have adequate safeguards. Part of the safeguards according to the DPA is to ensure that the recipient country has ratified the African Union Convention on Cyber Security and Personal Data Protection or has a reciprocal data protection agreement with Kenya. The transferring company can also have binding corporate rules with the recipient.

f) Data protection Impact Assessment: With the use of technology, it is imperative for a company to perform a Data Protection Impact Assessment (DPIA) especially while processing operations considered high risk to the rights and freedoms of the data subject. The DPIA ensures that the risks are mitigated, and the personal data is effectively protected. A DPIA can help identify the least privacy intrusive way of achieving the legitimate aim of a processing activity. Some of the high risks areas that are impacted by the use of technology while processing personal data include the use of automated decision making with legal effect that includes the use of profiling or algorithmic means, use of personal data on a large-scale for a purpose other than that for which the data was initially collected; processing biometric or genetic data; processing sensitive personal data or data relating to children; a systematic monitoring of a publicly accessible area on a large scale and innovative use or application of new technology where the processing prevents a data subject from exercising a right.

Companies must also comply with the lawful principles in the DPA processing data through technology. Due to the stringent requirements of the DPA while processing personal data, companies must put in comprehensive data policies to mitigate risks of exposure especially while using technology in processing of the data.

The writer is the Legal and Statutory Affairs Manager at the Association of Kenya Insurers

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FROM 8-4-4 TO CBC; HAVE EDUCATION POLICIES ADOPTED?

By Njeri Jomo

The Kenyan education system had a significant policy change in 2017 to the Competency Based Curriculum (CBC) from the 8-4-4 system which had been in place for 32 years.

The CBC system is divided into three categories: Early year education (pre-primary and lower primary education), middle school (upper primary and lower secondary), and senior school after which the student can choose to continue with a university education or advance in entrepreneurial activities according to the skills acquired.

The conception of CBC goes beyond the traditional IQ assumptions of single intelligence in human beings and considered the theory of multiple intelligences. The CBC has embedded the principles of differentiated curriculum and learning and diversity and inclusion in the organisation of curriculum content and instructional approaches. This takes care of the different abilities and interests of each learner on the CBC educational platform. The curriculum will therefore provide parallel and complementary tiers: Academic, vocational and talent.

The largest portion of the business transacted by licensed life insurance companies are education policies. The policies aim to address the consumer need of saving for education and insurance protection. Most of the products currently available are based on the 8-4-4 system. As the education landscape changes with the roll out of the new system, saving for education remains critical and a key reason the insurance industry should adopt to the changes that support the emerging needs.

Some of the changes that insurers may need to consider include:

- While the 8-4-4 has a defined learning path that applies to all taught over a period of 16 years of study broken down into three sections, CBC gives the flexibility to define one's path based on competence, interest and orientation. A student can choose to continue with university education or advance in entrepreneurial activities. This has an implication on the term of the policy and requires insurers to consider flexibility and ability to adjust accordingly.

- It's also notable that CBC runs for 17 years broken down into five different sections. A child in CBC is expected to begin school at age four as compared to the 8-4-4—age at six years. This will result in a need for payments earlier, a departure from the structure of majority of the products today that makes education pay-outs after five years. This is likely to impact product structure and product type with a focus on availing funds earlier to fund fees within three to four years.

- CBC focuses on building a wholesome individual where a child can choose different learning pathways based on their ability and interest. The total cost of education is therefore expected to be defined as more than just the cost of tuition.

Given that the CBC system implementation has only begun, consumer needs will only be clearer as we achieve full implementation. It therefore points to a need for an agile innovation framework to support the changes at every stage.

Some of the enablers insurers may need to put in place include.

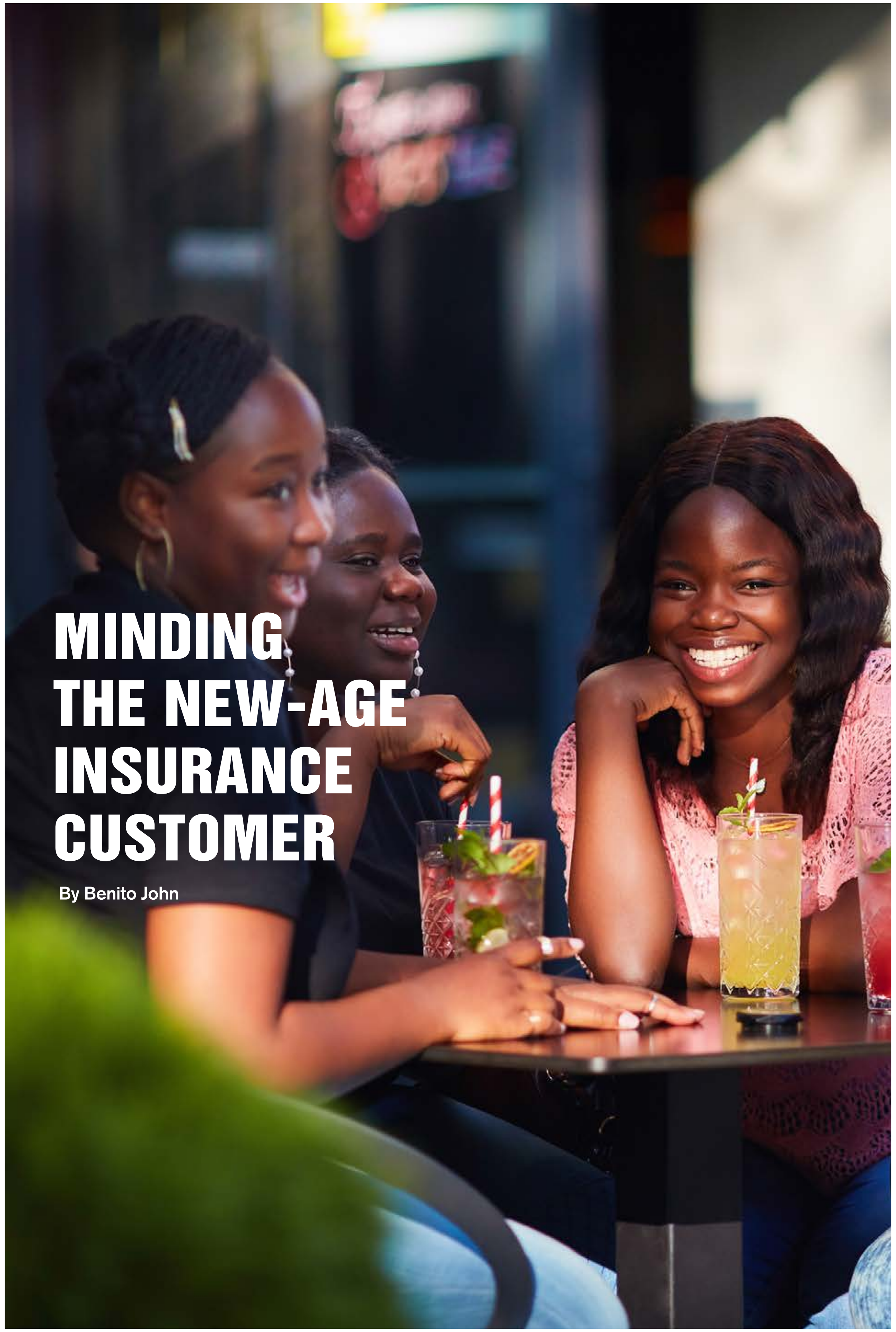
• A clear product innovation agenda
As implementation of CBC continues, insurers must be prepared to be agile and make necessary changes where required. A good innovation strategy lays out the most efficient path to growth. It helps a product team to prioritise unmet needs that—when addressed—will have the greatest impact on the largest customer population. It also helps product teams accelerate their value creation efforts.

• Customer at the centre
Insurers are often accused of designing boardroom products with minimal customer input. While it is possible to develop or enhance existing products to address the emerging need, it is critical to ensure that the voice of the customer is considered in defining the proposed solution. The customer should be at the centre of all decisions related to delivering products, services and experiences to create customer satisfaction, loyalty and advocacy. Research and data on customer needs should be central to the final solution and iterations made as customer insights grow.

• Technology
Digital has its advantages that include creating efficiency, improved customer experience and engagement, improved operational efficiency and agility, reduction in costs and increased revenue margins. The expectation of multiple pay-outs to coincide with fee payment and the early access to these bonuses create a bigger need for improved efficiencies and ease of service fulfilment.

The insurance sector has a clear opportunity to help customers navigate this new environment and offer a form of financial security. The insurers' role entails developing solutions that meet evolving needs, supporting customers by providing a cushion to protect against future financial risk, as well as harnessing the trend toward digital channels. Insurers will also need to benchmark their offerings with alternative solutions by non-traditional insurance players in order to remain relevant.

The writer is the General Manager, Retail Business Development for Britam Holdings Plc



MINDING THE NEW-AGE INSURANCE CUSTOMER

By Benito John

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By 2025, about 300 million Generation Z (Gen Z) in their mid-twenties will seek insurance for the first time in Africa. This digital native Gen. Z thinks and acts differently compared to other generations. Great! New customers, but the question is, are insurers ready to adapt and transform at the pace of this generation?

Gen Z demands instant gratification and continual customer experience. A couple of years ago, Facebook was the preferred social media platform, but it is Instagram now. Gen Z has switched platforms at the occurrence of thought. Recent studies by Pew Research Centre shows that 45 per cent of teens are continuously on social media (mostly on mobile), 44 per cent access it frequently, and the remaining 11per cent access social media less often. The 'pandemic' has established that brick-and-mortar business is not a must-have. While we understand the value of human connections in a traditional office, one cannot ignore that Gen Z prefers a different approach, and this has influenced other generations in the work place.

Gen Z switches platforms based on richness and features of an emerging platform at a speed of thought. The generation is fully integrated with social media platforms and has limited focus on brick and mortar; seamless experience and digital native as part of any journey are quintessential for success with them. Not winning Gen Z's mind-set can lead to colossal loss in a business.

The key point to note is that someone must already be looking at Gen Z as an opportunity; few InsurTech(s) must already be preparing for this. So, it is time for insurers to think about how they will transform. The need of the hour is "Simplifying Insurance," and the keyword is "Balanced Approach". The process of simplification and modernisation must ensure that the current ecosystem is not disturbed. For example, in the insurance ecosystem, brokers play a huge role. In some lines of businesses, brokers account for more than 70 per cent of turnover. Therefore, any transformation attempt must include the B2B2C (Business-Business-Customer) setup which includes brokers, agents, and bancassurance.

Simplification must go beyond just catering to Gen Z customers and it should also consider critical aspects like:

- **Deliver instant insurance anytime, anywhere,** to anyone; without compromising on data quality. Ask yourself, can insurance be bought on WhatsApp as almost everyone has the application on their smartphone? Businesses invest a lot in mobile apps, but how often will customers use an insurance app? The current approach to filling out long forms (paper-based / online) and submitting multiple documents won't be acceptable. A few clicks on mobile and one should get insurance. Artificial Intelligence (AI) and Machine Learning (ML) must assure authenticity of data collected from these clicks.

- **Inclusive approach:** Most think introducing digitalization will eliminate the brokers, like the myth that online shopping will close shopping malls. Each has its value, assure your brokers and empower them to get you more business. An enriched B2B2C model ensures that your broker can use mobile without a data connection and get you to new customers.

- **Prevent fraud:** Whatever the form "Insurance Fraud" takes, the outcome of fraud is two-fold: Losses to Insurer and an unfair overhead cost for the honest policyholder. Many are focusing on AI and ML to detect fraud after the fact; while it is possible to proactively address fraud with more straightforward steps. One must think of basic facts and questions before leaning towards AI, ML and investing time and money. The most significant chunk of fraud (40 per cent) happens due to poor data quality with insurers. It is better to improve processes and proactively prevent fraud than to discover after the damage is done.

- **Increase value-adding touch-points with the insured:** During the "Policy lifecycle", currently two touch-points exist between the insured and the insurer—once at the time of underwriting and another potentially at the time of claim. There are no value-adding touch-points in between. Insurers can add value, like upcoming bad weather-related safety precautions, health related safety precautions, insured driving patterns and advisory recommendations (after ensuring strict privacy controls are in place).

- **Increase customer loyalty and influencer models:** Your customer is a marketing champion. Make sure that your customer is delighted and empower them to introduce prospective others. Introduce reward and loyalty points in compliance with the local insurance regulator.

The writer is an InsurTech Enterprise Architect at Swiftant

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CORPORATE COMMUNICATION;
the nuts and bolts

By Aram Kaboro

Coherence among stakeholders is of cardinal essence in business development. Holistic business success is dependent on the unity among employees, shareholders and the general public: This entails appropriate dissemination of the tenets that an entity relies on to foster harmony and growth. In execution of the foregoing, corporate communication takes the centre stage of business operations.

By definition, corporate communication is a set of activities involved in managing and orchestrating all internal and external communications aimed at creating favourable point of view among stakeholders on which a company depends. The function helps a business achieve its goals and objectives by creating awareness and is split into two:

Internal Communication
This is any communication that is carried out within an organisation. It supports a company's operations by informing employees about the organisation's business objectives and priorities, changes in operations, or new policies and procedures.
In the context of insurance organisations, we have witnessed several mergers and acquisitions, and this causes a lot of speculation among the employees. Internal communication in this context is a collaborative effort with other functions such as HR, legal, finance and others to effectively address employee concerns.

A sense of belonging is vital in promoting employee output. Consequently—through internal communication—it enables staff to identify with the aspirations of the employer and hence feel compelled to perform better. This helps organisations discover new market opportunities and can also help develop new markets for products or services.

External Communication
These are communications meant for other organisations, customers, shareholders or the public. They help inform stakeholders about the business and new products, services and technologies.

Corporate communication can be used as a tool to promote an organisation's products and services. It can help solve problems in a timely manner if there are issues that the public is concerned about. The function can also help improve and maintain an organisation's reputation and brand image, especially through customer feedback and stakeholder engagement to create better products or services.

The Tactics
Over time, corporate communication tactics have changed along with the shifting technology landscape. The classic approach to corporate communication was using channels such as articles, newsletters, meetings, or conferences. An example would be organisations having their public relations teams set up stories and interviews with newspapers and magazines to promote their products and services. Today, corporate communication is more flexible, and it involves a two-way exchange of information. The flow is not only from the organisation to its stakeholders but also from stakeholders to the organisation. This helps create a better relationship among all parties. Besides the classic methods of communication, there are several digital and social media channels that companies can leverage on. These channels allow for timely and attributable communication from the organisation. Most companies combine the classic and digital channels of communication.

The Tools
Businesses use many different corporate communication tools to distribute information and engage stakeholders. The list of tools is growing every day. Some of the commonly used ones are:

- Social Media
Social media has completely changed how corporations interact with customers. Online communities such as Facebook, Twitter, Instagram, and LinkedIn dominate today as corporate communication tools.

Social media allows an organisation to quickly distribute information to a wide audience at little cost. This is a great tool for organisations to use because it can create awareness about their products and services and help them maintain relationships with stakeholders. If a business wants to inform the public about important products or services they offer, then they can simply post it on their social media accounts. Text, video and live sessions are all possible.

- Brochures, Newsletters and Websites
These are time-tested corporate communication tools. They can be used to share information of all kinds in brief or in detail, whether it is products, services, or policies. Newsletters inform stakeholders about products and promotions. They can be used to collect feedback, too. These might be sent in physical or digital forms. A corporate website is mostly used as a repository of information including management and policies, publications, news items, events calendar, products and services and company contact details among others.

- Videos and News Releases
Videos are a powerful communication tool as we can see with the increased consumption of video content. Companies can leverage on this tool to tell stories about their products, services, and initiatives in short form and long form.

Other video platforms that companies can leverage on include webcasts, podcasts, and webinars to communicate and engage with stakeholders.

News releases go out to the media and help send out communication concisely. They often contain essential information about new products or services along with management quotes.

The corporate communications function has expanded its role and today, it is one of the critical support functions in many organisations. The role has expanded to include stakeholder engagement, internal communication, public affairs, investor relations, brand reputation and crisis communication, digital communication, marketing, and advertising. Most importantly, the corporate communications function provides valuable counsel to the c-suite on matters public relations.

The corporate communication function can be domiciled within the organisation, it can be wholly outsourced, or it can be a hybrid of both forms.

The consequences and cost of poor communication, or miscommunication can be overwhelming it could lead to unnecessary conflict, mistrust, feelings of insecurity, low staff morale, stress, burnout, and ultimately high employee turnover and even loss making. Corporate communications is no longer a 'good to have', it is a must have function for any forward thinking organisation.

The writer is the consulting editor of this journal

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48TH AIO CONFERENCE AND ANNUAL GENERAL ASSEMBLY AND 50TH ANNIVERSARY CELEBRATIONS IN PICTURES

The AIO Conference brought together 1,300 delegates from across Africa to deliberate on issues around insurance and climate change and the risks and opportunities that exist for the industry. The Conference focused on issues of sustainable insurance, disaster risk financing, data driven insurance and the role of technology across the insurance value chain.

The conference provided an opportunity for learning from insightful presentations from key resource people, networking at a continental level, exhibiting and social engagement.

Welcome dance

Dr. Ben Kajwang (Left) receives the presidential pendant from Mr. Hassan El Sayed, General Manager of Sudan Insurance and Reinsurance Company as outgoing AIO President, Mr. Tope Smart watches on.

Passing the flag on to Algeria who will host the 49th AIO Conference in 2023

Delegate engagement

Hybrid meeting

Unveiling of the 50th Anniversery Book

Networking

Fitness walk sponsored by Continental RE

Insighful presentations

Exhibition

Engaging panel sessions

Professional Insurance Ladies Association (PILA) Award Winners

How high can you go? Ghana Re celebrates its 50th Anniversary at the AIO Conference.

SETTING GLOBAL SIGHTS

Dr. Ben Kajwang' addresses delegates after he was named President of the AIO.

Dr. Ben Kajwang', Director at the College of Insurance was named the president of the African Insurance Organisation (AIO)at the just concluded 48th AIO Conference and Annual General Assembly.

The Insurer sat with him at his office over a cup of tea to discuss what he intends to do during his tenure and what the role means for the Kenyan insurance market.

Tell us about the AIO and the role it plays in the African insurance market

The AIO was established in 1972 as a non-governmental organisation to establish a healthy insurance industry and promote insurance co-operation in Africa. It is headquartered in Douala, Cameroon. It consists of a Secretariat headed by the Secretary General, an Executive Committee headed by the President and a General Assembly which is the supreme body of the organisation.

The world has greatly changed and the AIO's role in the industry has also evolved. The AIO has 354 members from 48 African countries and 16 members from outside Africa. The membership cuts across insurance and reinsurance companies, regulators and supervisors, training institutions and insurance industry associations. To better serve and align to the needs of its members, the AIO's current strategic plan (2021-2025) outlines six initiatives to be implemented- Advocacy, research, training, conferences and events, reputation building and capacity building.

As the newly named president, you have 12 months at the helm of this pan African body, what are the key things you wish to accomplish.

I believe in working with teams, and so I shall work with the AIO Executive Committee, the Secretariat, and the members, to execute the six initiatives envisioned in the strategic plan. In addition to that, and in line with the theme of the 48th AIO Conference held in Nairobi on insurance and climate change, there is need for the insurance market to work together in synergy to strengthen the sector and enable it to handle the environmental and economic shocks experienced all over the world.

How can the Kenyan insurance industry, including the College of Insurance, leverage on your Presidency to grow and expand?

I see an opportunity for the local players to interact with the big players in the wider African and developed markets and this will help in developing technical capacity and even financial muscle. I'm also looking at a situation where there would be skills transfer to our local market and from our market to other markets. More importantly I see the brand of Kenya's insurance industry being visible beyond the country, beyond the East African community and beyond the Continent. Having the 48th AIO Conference in Nairobi enabled our market players to interact with the wider African and global players.

From the perspective of the College of Insurance, I see this as an opportunity for the young people who have joined the industry to develop their careers further in terms of opportunities in Kenya and beyond. I hope to see part of our workforce being absorbed by regional, continental, and global players.

During the conference, College of Insurance partnered with the African Re-insurance Corporation to develop a curriculum and study modules for insurance regulators and supervisors that will be rolled out across the Continent. We are also working with the AIO to develop curriculum on finance and leadership for senior executives on the Continent. These are game changing partnerships and as the College we are meeting our objective of being a global centre of excellence.

The Kenya Women in Insurance Association was launched on the side-lines of the conference: What impact do you think this will have on the penetration of insurance on the local market?

The Association aims to create a platform to promote the representation of women in the insurance industry through education, mentorship, and collaboration. Statistics show that the number of women in the industry remains low especially in the more senior levels. So, by supporting the activities of the Association we will not only have more women in leadership, but we will have a better understanding of society as a whole and this should help us do a better job at providing solutions to the wider society.

The vision for the Edge Convention Centre has come to pass, tell us about the building and what lies ahead.

It has been a long-term dream, especially during my tenure as the CEO of the College of Insurance under the holding of the Insurance Training and Education Trust. We thought of developing a state-of- the art convention centre with conference and accommodation facilities that cater for the growing demand for meetings, conferences, and exhibitions. We wanted to develop a world class facility that will make the College of Insurance the preferred choice for meetings, conferences, and exhibitions.

The Edge Convention Centre is one of its kind in the region as it has embraced green building technology and it is the first building certified by the American Green Building Council as a green building in East Africa.

You have been in the insurance industry for decades, what is the one thing you wish the industry would adopt to catapult it to the next level?

I have been in the industry for about three decades and from where I sit and what I still believe, is that when we professionalise the insurance industry in Kenya is when we will say that we will have achieved the major dream of Kenya being a financial hub. By professionalising the industry, we will have achieved the technical competence in the industry be it from the financial advisors all the way to the underwriters, to the chief executive officers because it is at that time when we shall not be having undercutting, mis-selling and other poor practices in the industry. That is when the industry will be able to generate profits, and more importantly our customers will get satisfied, the confidence in the sector will be assured, the trust will be built and we shall have very few of the players going under as all will be laid on strong foundations. It is then, that we will see Kenyan professionals playing on the global arena.

What does Ben Kajwang' do in his downtime?

I am a very simple person. For the last five or so years, especially when we were putting up the Convention Centre, I have not had much time to relax. But on any typical day when am not involved in the activities of the College, I am either relaxing at home or vising the countryside.
I love nature and I love to travel.

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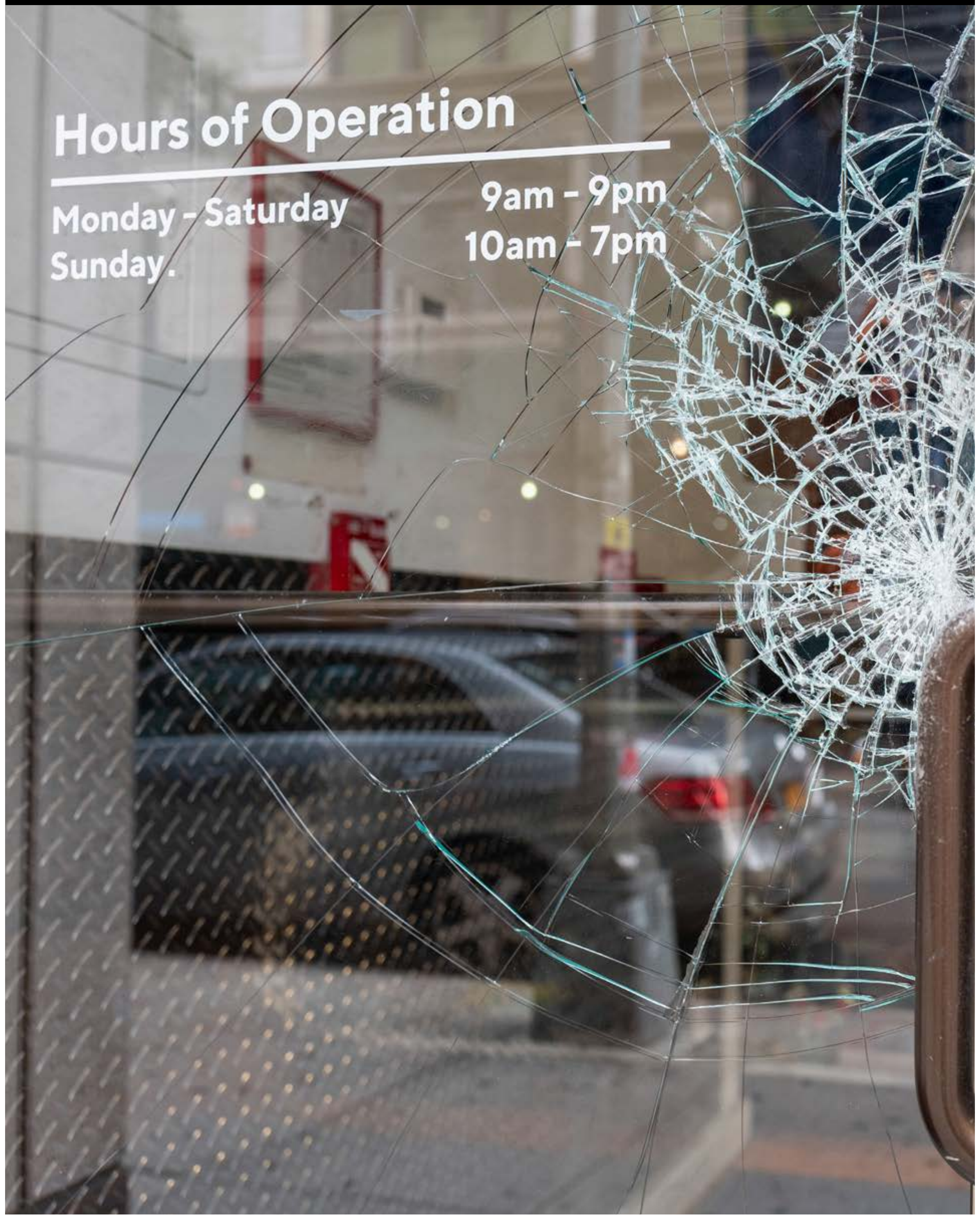
POLITICAL VIOLENCE INSURANCE;
do's and don'ts for businesses

By George Odinga



Africa is in a transitory phase. Many countries on the Continent are witnessing waves of political instability. Kenya has had her share of political upheavals with the major one being the 2007/2008 post-election violence that followed the disputed 2017 presidential elections. Owing to such political instability during every election cycle, the demand for political risk insurance is on the rise as a tool to mitigate political risks.

Political Violence and Terrorism (PVT) insurance covers an individual or company against physical loss and damage—as well as business interruption costs—because of a terrorist act or acts of political violence such as riot, strike, civil commotion, revolution, war, civil war, rebellion, insurrection, sabotage, coup d'état, malicious damage and consequential looting.

For successful claim payment following a loss, the event in question must have been triggered by political action, although the exact meaning of "political action" is often equivocal depending on the policy wording and level of coverage granted by wording chosen by an insurer.

A single political event may result in huge insurance loss that may wipe away all the premium savings over the years and as such political perils are classified as catastrophic and underwriting them requires large amounts of insurance capital. Due to this unpredictability of many political events, especially when operating in emerging economies prone to such political instability it is imperative that every party to the insurance contract plays a critical role in mitigating the eminent risks. Insured parties therefore need to play a critical role in mitigating these risks as a condition after insurance and ensuring the possibility of loss is reduced to the bare minimum.

Here are some of the actions insured parties need to take even as Kenya heads to elections in August 2022.

- Business owners need to first ensure they have PVT cover in force to caution them against any potential losses during the election period
- Insured parties should ensure that their business premises are properly fenced to deter any unauthorised entry during political gatherings or mass actions
- Reinforce the access controls by ensuring the window rails/guards and door reinforcements are strong to withstand any potential use of force to access the premises and loot any stock in trade as witnessed in 2007.
- Access to the business premises need to be controlled against any unauthorised persons denied access while only persons with relevant business appointments and transacting business are allowed into the premises before, during and after the election period
- Business owners need to avoid any open and public declaration of support for political candidates, remain neutral and keep their political opinions to themselves. Such open declarations make them targets and opens their business establishment to attacks in the event the other side of the political divide carries the day. Boycott of products and services from companies whose owners have declared support for rival candidates has been used by the opposition to pressure the winning candidates into brokering political deals. Such boycotts have potential to create revenue losses to such businesses.
- Ensure adequate security arrangements are put in place to maintain law and order during the political gatherings. Increasing the number of security guards and working with the National police to ensure police presence in and around business premises can minimise the likelihood of attack in the event of a political altercation.
- Company assets such as motorcycles and motor vehicles are easy targets and they should avoid political hotspot areas like venues for political rallies
- Consider relocating office locations from political hot-spot areas to more cosmopolitan regions and areas with low political temperaments.
- Constitute critical staff teams capable of working remotely to ensure that key operational issues continue to run even when movement has been hampered by any political events
- Consider establishing hot desks and alternative work sites in case access to the primary operational areas is denied
- Make early and adequate security escort arrangement to ensure safety movement of staff in the unlikely event that a curfew is declared and not everyone is able to move around
- Government, NGO's, churches and business leaders should continue voicing the need for peace before, during and after the upcoming elections.

The writer is the General Manager: Underwriting and Reinsurance, General Business UAP Old Mutual Group – Kenya

SERVING INSURANCE CUSTOMERS DURING ELECTIONS

By Lilian Nguyo

Elections in Kenya, like in most other nations, attract a lot of activity and sadly, some jostling. Conversations around the topic are held with great passion and some items which went previously unnoticed, such as colours and symbols take on new meaning. The impact of this on the economy and other sectors of importance have been documented elsewhere and frequently so. A good question to ask is: What can we glean from history in so far as customer experience in the insurance industry around this season is concerned?

It is not uncommon to get a customer calling to cancel their policy during or immediately after elections, because they feel that your insurance company or its officers does not support their preferred candidates. Elections have taught us to be sensitive to the customers especially in the way we choose and use language. Some statements—spoken utterly out of good intention—can easily be misconstrued to mean something unintended. On such occasions—rare or common—we must train our ears to listen with empathy and respond with caution and genuineness. We should be cautious to maintain neutrality so that all our clients feel safe securing their uncertainties with us irrespective of their political inclination.

Another lesson we have picked from our shared history in elections is that customers tend to cut or postpone spending during this period. The industry experiences cases of policy lapses, requests for surrenders and loans, premium defaults especially with institutions or people who peg such decisions on the next regime. Additionally, sales also tend to decline as people opt to hold onto money while assessing how the situation unfolds. We must find a way to encourage customers to realise that insurance is exactly for such moments, and that they need to keep pressing on to their goals.
During the past two elections, insurance claims for disability and property damage spiked, predictably due to unfortunate cases of political unrest. What we have learned as well is that some customers get a rude shock when their claims are declined based on their level of involvement in the fracas. It is therefore not only important for us to keep our clients informed about the role of insurance in securing the unforeseen, but also to caution them on their role in ensuring their own safety during this period. Sending out relevant, informative messages such as what is excluded in case of an election-related claim will be a welcome topic given the elections is top of mind.

We have also learned that when there is disruption, all of us suffer—insurance more than most other sectors. We have to be part of the peace drives. We have to communicate in favour of peaceful elections for this is as much the insurance company's duty as it is every citizen's.

We have learnt that one of the best ways to service clients during such times is through digital platforms. People spend hours on end on digital media scouring sites and pages for any relevant updates. Providing accessible and efficient digital platforms through which customers can reach insurers is a great way to feed into this experience.

We all have taken a thing or two from our experiences with elections. As a primary institution in the risk management space, we learn to adapt and modify the way we serve and service clients during such times. Despite the challenges, we must stay focused on the client and strategies must be put in place to ensure the quality of service we deliver to our customers remains exemplary.

The writer is in-charge of customer experience at Geminia Life Insurance Company

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LIFE INSURANCE FOR SUCCESSION PLANNING

By Jackson Kiboi

We have read, seen and maybe even experienced the all too familiar script but with different actors: A man or woman acquires wealth and eventually dies without a plan as to how his or her wealth should be distributed. The next scene in the plot is the battle for this wealth by the survivors of the deceased. This battle is a key turning point in most family relations, it marks the end of cordial engagements, and animosity eventually sets in. The script does not always have to end this way. We, as the authors of our own lives, can use insurance to rewrite a befitting end to the plot.

Life insurance is a basic tool to manage the risk of loss and can effectively provide income replacement for a family or business upon the death of an income earner or key employee. This need is sometimes overlooked by such income earners, especially business owners, when planning for their succession. This is because many owners plan to bequeath the business to their family members and assume they (family members) will continue to reap the same cash-flow from the business after the owner's death. This rationale does not put into consideration that the family will also lose the income stream from the deceased's salary. That salary amount will now be used as remuneration to the person appointed to perform the duties of the deceased in running the business. In a case where the role of managing the business is taken on by a non-family member, the cash-flow provided by that salary is no longer a family income.

Succession planning using nominations

A nomination is defined as a direction given by a nominator to another person or entity who is holding funds on his or her behalf, to pay the funds upon the nominator's death to a nominee. This nominee is appointed by the nominator during the nominator's lifetime and the nomination instructions only take effect after the death of the nominator.

One critical thing to note about nominations is that they operate under the rules of a particular scheme. Although they dispose off property upon death, they do not necessarily comply with the requirements of a Will, and they are therefore not subject to the law of succession. The property or the subject of a nomination does not form part of the nominator's estate; for the simple reason that the funds are meant to be paid to the appointed nominee. In other words, the person to whom the funds ought to be paid is designated.

Nominated funds are not subject to the Will of the nominator thus cannot vest in the personal representatives of the nominator for the simple reason that they do not form part his or her estate. It is for this reason that the person holding the funds—or the scheme manager or insurer—does not require a grant of representation before paying out the funds to the nominee or beneficiaries. The direction is that the funds be paid out on death, so the person holding the funds should only require proof of death before making the payment.

Nominations are enshrined in the Insurance Act under section 111 and are a mandatory feature in life insurance policy application forms. This means that nominations enjoy protection under the law and are therefore a solution in succession planning. Nominations can be used to dispose property without going through the rigours of the court process.

It may be difficult to divide up a business even-handedly; the business owner may feel that he or she is not treating their heirs equitably on a cash basis. Life insurance can be leveraged in this case to provide fair, comparable inheritance. The business owner may select the exact amount of death-benefit needed based on the projected value of the company. Upon his or her passing, loved ones will be left with an inheritance of equal value and the business will be left in good hands.

It behoves on us to periodically update insurance policies as family and business situations change. Possible issues to look out for when updating your insurance policies include: Children and grandchildren being born, married, and divorced; beneficiary designations may not be current and beneficiaries on policies sometimes predecease policy owners.

The Insurance industry offers different insurance products that can provide a financial safety net for family businesses in the unfortunate event of the death or serious illness of the person key to the running of the business. The products include Keyman Insurance, Credit Life Insurance and Mortgage Protection among others.

The writer is the Legal Manager, Retail at Britam Life Assurance Company (K) Limited.

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IT BEHOVES ON US TO PERIODICALLY UPDATE INSURANCE POLICIES AS FAMILY AND BUSINESS SITUATIONS CHANGE.

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INSURANCE SOLUTIONS FOR SENIOR CITIZENS

By Rose Wakiria

World over life expectancy is increasing. According to the 2019 Kenya Population and Housing Census, there were more than 1.8M people aged 65 and above. The life expectancy was 61 for men and 67 for women—up from 41 and 43 years respectively at independence. Living to be a senior citizen is no longer a privilege for a few.

With increased life span, retirement will last several decades for many. To remain financially independent and not slide into old age dependency and poverty will require intentional preparation for the season across career stages.

Senior citizens' major concerns are; not having enough money to live on for the rest of life, the likelihood of high medical bills and a comfortable home to age in. Other concerns are managing debt, growing wealth and leaving an inheritance to loved ones.

Until recently, the insurance industry avoided the senior citizen market segment, deemed unprofitable because of high risks and small size. At 65, you lose most insurance benefits—such as health insurance, when you need it the most—regardless of your ability to afford them.

Today, the industry has several insurance and investment products, enabling senior citizens to meet their priority financial needs:

Annuities

Insurers designed immediate annuities with senior citizens in mind. They convert retirement benefits and savings from other sources to a guaranteed income for life, providing financial security for retirees. They offer fixed and increasing income options. Though popular with many retirees, the alternative of accessing retirement benefits as a lump sum has resulted in some senior citizens soon running out of money, sinking into old age dependency and poverty.

Deferred annuities

These are under-used multi-purpose insurance products available to all as a wealth creation and wealth transfer tool, besides securing a guaranteed income for life or for a specified number of years. You invest a lump sum amount for a specific period, known as a defer period, and receive an income thereafter for a period or for life. You can use a deferred annuity to build a post-retirement fund to pay your medical insurance premiums and direct medical costs.

Income Drawdown

This is an investment product that provides a regular income from age 50. You reinvest retirement savings or savings from other sources to continue growing while accessing an income, if needed. You access the income for a minimum of 10 years, but you can design it to offer an income for life. Since it does not guarantee an income for life, it is best suited for those with multiple sources of income. You cannot access more than 15 per cent of funds invested in any one year, but you can top up and grow your fund if you choose to.

Health Insurance

Advancing in age coincides with the onset of age-related illnesses, increasing the likelihood of incurring high medical expenses. Gladly, the insurance industry is now providing several health insurance solutions for seniors. Insurers are accommodating senior citizens taking both in and out-patient covers for the first time.

Post-Retirement Medical Funds

You can build a post-retirement medical fund alongside your retirement savings, to pay for health insurance premiums and direct expenses in retirement. Life Insurance companies, provide guaranteed funds and now facilitate these separate savings.

Some offers combine a post-retirement medical fund and a health insurance cover. Throughout your career, you can save and invest regularly to build the fund—or inject lump sums—securing a specific level of health insurance cover on retirement, for life. This way, you do not pay insurance premiums in retirement.

Individual Retirement Fund

A retirement benefits plan enables you to save for retirement income and to own a home. You can assign up to 60 per cent of your retirement savings to buy, build or improve a home through a pension backed mortgage. Alternatively, you can use up to 40 per cent of your accumulated benefits subject to a limit of Ksh. seven million to buy a home. Maintaining an individual retirement fund that has a maximum retirement age of 75 can enable you to use this option as a senior citizen.

Life Insurance and Investment Products

Credit and mortgage cover protects your loved ones from loss of property or debt burden in the event of your premature death. Whole and term-life endowment and investment policies offer either or both protection and savings component even to seniors.

Financial independence includes taking care of one's burial expenses. There are many stand-alone or rider last-expense covers that include senior citizens, alleviating the financial burden that befalls a grieving families.
You can plan well and if needed get help to enjoy affordable premiums for these insurance covers by taking the policies earlier in life and carry them on to your senior years.

The writer is a trainer and coach on financial and retirement planning.

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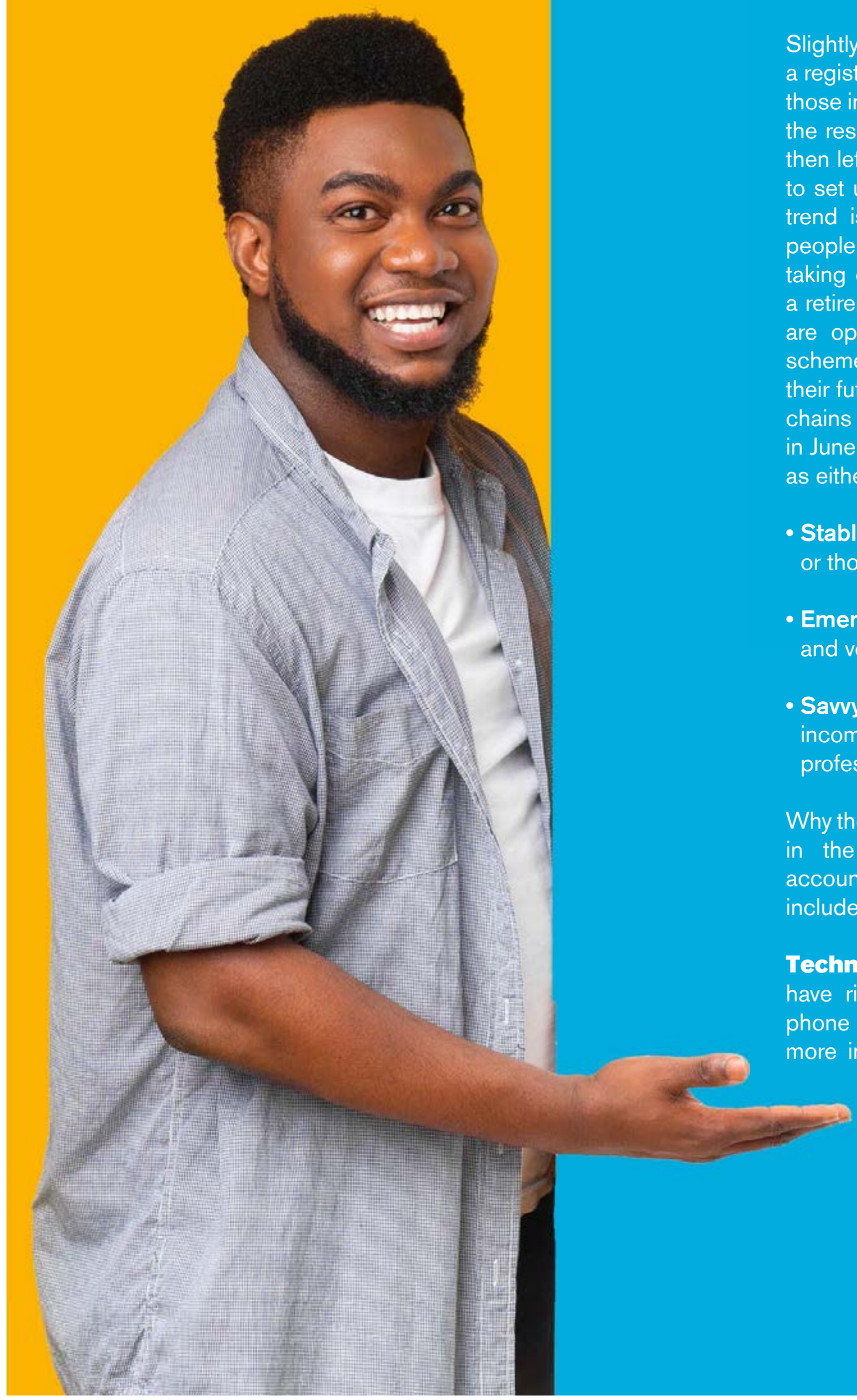
YOUTH EMBRACING RETIREMENT PRODUCTS

By Kennedy Odenyo



For one to have the kind of retirement they desire, there must be a deliberate effort towards creating the same. This calls for personal discipline in planning and setting goals by first acknowledging the period to retirement, determining how much to invest regularly, the kind investment vehicles to use, expected returns and target retirement amounts among others.

'Always pay yourself first out of any income received' should be the guiding philosophy for anyone who desires to escape poverty in retirement. Nevertheless, beyond financial goals, one must also plan for housing, medical, social and psychological engagements or activities in retirement for a wholesome experience.

Slightly over a decade ago, saving for retirement through a registered scheme was considered elitist; something for those in formal employment with the employer shouldering the responsibility. Simply put, most working-class people then left their retirement fate in the hands of the employer to set up a scheme, if at all, or contribute to NSSF. The trend is changing however. We now see many young people in and outside formal employment voluntarily taking charge and literally creating their future by having a retirement kitty in formal registered pension plans. They are open to setting up their own personal retirement schemes or individual pension plan accounts to secure their future and break away from parent-child dependency chains of the past. A report by Microsave Consulting done in June 2020 clusters part of this young generation group as either Stable, Emergent and Savvy market segments:

- **Stable:** People with largely defined and certain income or those in formal sector
- **Emergent:** Those with decent income though unstable and volatile, such as SME entrepreneurs,
- **Savvy:** Those with high irregular but predictable income with equally high expenses, like young urban professionals such as designers, lawyers and, architects

Why then the paradigm shift? What is aiding this revolution in the retirement sector where personal retirement accounts are easily embraced? Some of the reasons include the following:

Technology: Most service providers retirement products have ridden on the wave of internet expansion, smart phone and mobile money usage in the country to create more interactive channels, better customer journey and user experience using multiple digital channels for customers than before. A prospect no longer needs to walk to a physical branch to open a personal retirement account; this can now be done online in a matter of minutes. The products have therefore been refined through technology to suit the young savers space.

Financial literacy: industry players and stakeholders such as Association of Kenya Insurers (AKI) and Retirement Benefits Authority (RBA) have done a lot to create awareness among the public—specifically the youth on the need for retirement planning in recent times. Retirement has been redefined to look cool and suit the interest of the youth such as being your own boss, retire on your own terms, breaking family dependence chains in retirement are some messages that resonate well with the youth. This sensitisation has created a lot of interest leading to more young people joining the retirement savers club on their own volition. RBA even went further to sponsor a scheme targeting those in the informal sector—the MBAO pension scheme that is still up and running to date. The players have also increased in number over the years to include scheme administrators besides life assurance companies, which has created healthy competition and offered diversity.

Guaranteed returns: Unlike other high-risk-high-return investment instruments available for young people, most personal retirement schemes in the market provide steady and assured rate of returns above average national inflation rate. The tax reliefs by the government are also an attraction compared to other investment alternatives. With long term saving objective in mind, this investment avenue provides peace of mind even in volatile times.

Flexibility: Unlike life assurance policies, personal retirement schemes are mostly flexible. One can choose their preferred retirement age, vary contribution amounts, contribute, stop, withdraw or top up as and when funds are available to match their income patterns. One can also plan for short-term goals with the savings. It is now common to find those with formal schemes operating personal retirement accounts to run alongside the employer schemes and NSFF

Job Patterns: Previously one worked for one or two employers until retirement. This is no longer the case; most youths in employment are doing three to five years before switching jobs or venturing into self-employment or getting on the gig economy. This has fuelled the growth market for personal pension plans in several ways: For those retrenched and are below age 50, they need the personal pension accounts to transfer in the locked-in or deferred benefits; for those who are changing jobs or joining the gig economy, a personal pension account is ideal for consolidation of benefits and flexibility.

Inadequacy of NSFF contributions: For those in employment where the employer does only the minimum, personal pension plans are ideal to supplement the NSSF which only provides basic safeguards

Incentives: Beyond the tax incentives offered by the government, recent developments in the retirement sector such as using retirement funds to access mortgage facilities or for post-retirement medical funds have added the impetus for setting personal retirement accounts. It is an avenue for planning for future medical costs and housing needs when one is still at the wealth-building stage of life.

Unlike most life assurance solutions that are a more of push products, personal pension plans are easily a pull product given the right packaging and messaging to the youth market. There remains a huge untapped market for the industry players to unlock in mobilising retirement savings.

The writer is the Business Development Manager, ICEA LION Life Assurance Company Limited.

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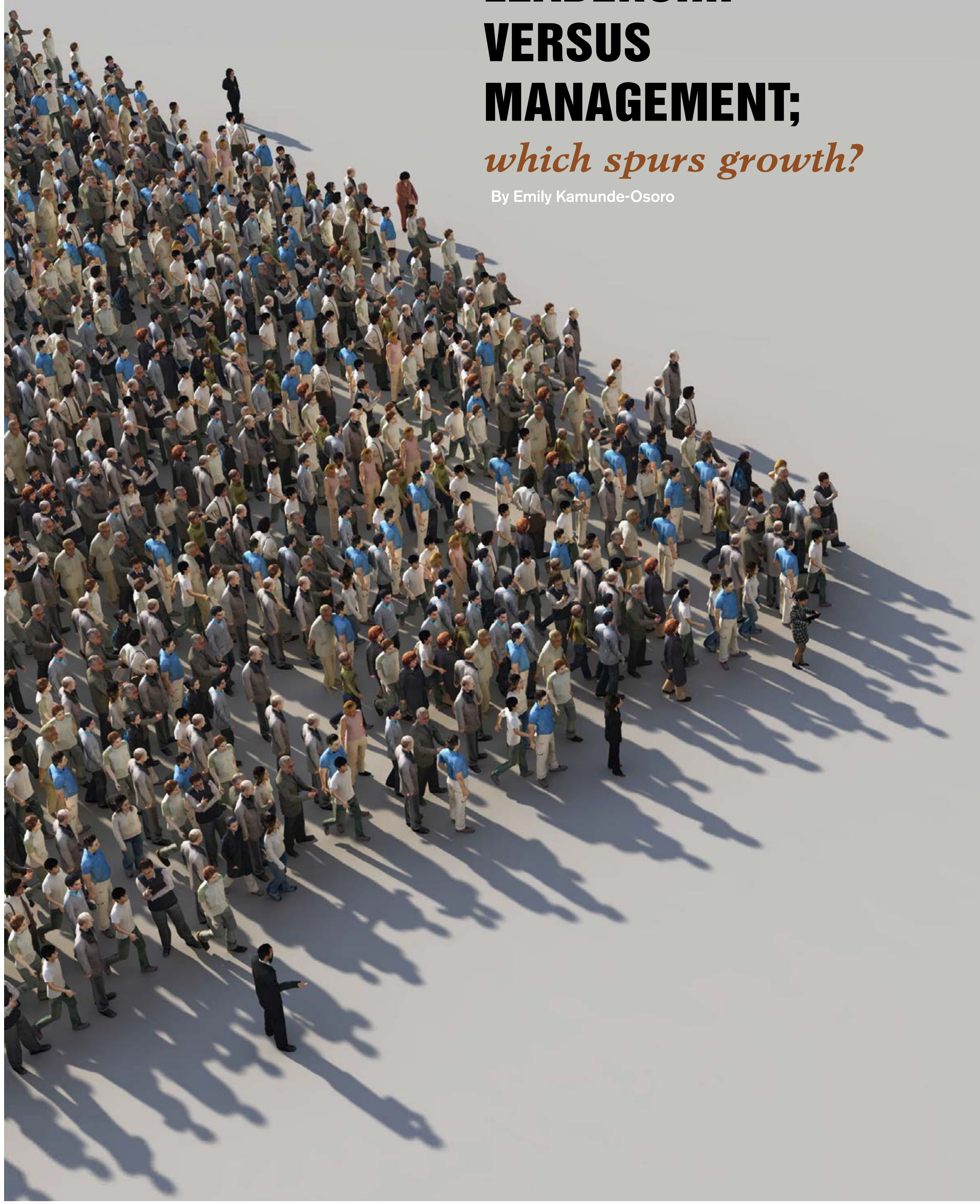


LEADERSHIP VERSUS MANAGEMENT;
which spurs growth?

By Emily Kamunde-Osoro

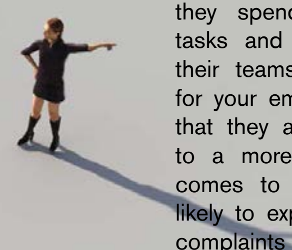
There is so much change happening globally and so fast that business leaders who do not make the shift will stop growing. What kind of leader shift is required? Leaders across an organisation should be mindful of, and get ahead of the current trends if they wish to retain employees, maintain business continuity and achieve strong performance.

One of the fundamental changes in business today is the steady shift away from hierarchical models of management (Delloite Human Capital Trends, 2019). High performing organisations promote teaming and networking within their establishments, move people across functions and allocate new projects.

American consulting company, Gartner, predicts that by 2024, 30 per cent of corporate teams will be without a boss due to the agile and hybrid nature of work. This puts even more emphasis for more agile leaders as teams will be operating without a traditional manager. Being agile calls for an environment of trust that does not lend itself to traditional hierarchies.

Every employee deserves to be led well. Below are some tips and benefits of embracing a leadership approach as opposed to traditional management of teams.

1. **Equip managers with up-skilling resources:** When managers have the proper skills, training and resources, they spend less time on low-level tasks and are equipped to develop their teams. Investing time with and for your employees sends a message that they are valued which translates to a more engaged team. When it comes to delivery, organisations are likely to experience reduced customer complaints and higher productivity owing to the investment in training and adequate resourcing.



2. **Embed technology for business:** As work processes evolve, both the employee and customer experiences change as a result of digitisation. Creating more efficiencies on the part of employees frees up time for more valuable tasks, increases employee engagement; better experience for customer means increased satisfaction; motivation on both ends leads to greater business value. As organisations grow in number and expand geographically the need for Human Resource systems becomes even bigger as businesses are able to increase efficiencies when it comes to communication, managing talent and performance processes.

3. **Measure behaviours not just numbers:** You can have the best performer in the organisation but if they achieve their results by stepping on everyone's toes, then the result is counter-productive. High performing organisations invest in behavioural measurement tools such as 360 surveys within their performance management systems that allows to assess leadership competencies and alignment to organisation values. Successful leaders lead by example; they model the right behaviours for their team which effectively contributes to collaboration and increased engagement.

4. **Embrace Diversity, Equity and Inclusion (DEI):** Do not only focus on getting the numbers right, but also focus on aligning the hearts and minds of employees to facilitating desired results. To realise workplace improvement in DEI, leaders must first acknowledge that we all have our biases, it also requires humility and willingness to move forward. When employees at all levels and backgrounds are engaged equally and have a sense of belonging in the organization, research has shown that they are likely to produce the best results. When it comes to measuring performance, how do we reduce bias and inequality in ratings? One of the ways is creating time for consistent conversations with your teams and documenting the outcomes. Clearly articulating the goals, expected behaviours and training sets both manager and employee for success by avoiding assumptions and incorrect expectations.

5. **Personalised coaching:** Coaching capability is currently one of the top in-demand skills for managers. Andrall Pearson notes that great managers know that sustained superior performance cannot be built on one-shot improvements like restructuring, massive costs reductions or reorganisations. While this is sometimes necessary or a business priority, the manager's priority should be to avoid those situations. Coaching is one of the most powerful interventions in driving performance and positive change within an organisation. Investing in personal coaching will help the next generation of leaders to get ahead. Some of the benefits associated with coaching according the International Coaching Federation (ICF) research includes optimised individual and team work performance, improved communication skills, increased self-confidence and improved business management.

6. **Adopt team structures:** Educate leaders on how to operate cross functional teams and reconfigure rewards and performance to support team performance. When you invite your teams to the table, they take their place at the table. Team structures have their own agreed leadership roles, work priorities and routines that are understood by each team member. These teams could be project teams, self-managed teams, virtual teams or operational teams. This approach encourages creativity, problem solving, empowerment and autonomy of decision making which overall increases organisation performance.

7. **Let Managers lead in times of crisis:** Encourage them to spend more time with people than on administrative processes.

- ***Empathise and listen*** to the voice of your employee by conducting surveys and feedback. Ensure you address the challenges employees face in order to gain credibility
- ***Collaborate and co-create:*** Incorporate employee perspectives when designing their journeys and new experiences
- Collect and incorporate feedback continuously
- Reward the right behaviours—such as influence and impact at work and in the community—not just job level, tenure and title.

The writer is a Leadership Coach

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What is freemium insurance?

By Wangeci Mathenge

Introduction

It's an insurance model that offers customers **basic insurance** for **free...**

(usually to **encourage** certain **customer behaviour**)

...as well as more **advanced** (comprehensive) insurance which customers **pay** for Basically, a mashup of **free** and **premium**

That sounds familiar I hope?

I bet you've all downloaded an app that lets you use its basic features at no cost but…

...needs you to pay to get access to premium (better) features

What's the point?

Companies pay for this insurance for their customers to attract more customers and gain their loyalty

There is also the hope that if a customer likes the product while it's free, they will start paying for the more comprehensive model

What can it do for you?

This model is a great way to get customers to be loyal to your business

While at it, you get to introduce customers to insurance

Often, these customers have not had any insurance previously

Basically, it helps you build a large volume of active customers

By first giving free insurance

- customers are able to understand the benefits of insurance and
- trust that claims will be paid

With this, more customers will be willing to upgrade (pay for) to higher benefits

However...

The "free" insurance must be compelling to attract a large base and make customers want to change their behaviour e.g. buying more from a company

The "premium" insurance needs to be even more compelling for customers to want to pay

How to do that?

By providing insurance that fits the needs of your customers

Even when free, if a need is not met then the change of behaviour that you want to incentivize might not be achieved

Does that actually happen?

Here's an example

A Mobile Network Provider (MNO) like Airtel or Orange could offer you free insurance based on your airtime usage; higher usage gets you higher benefits

It could also give you the chance to double your benefits at a small premium

Interesting, right?

I'd love to get your thoughts on this and any examples of this that you've seen

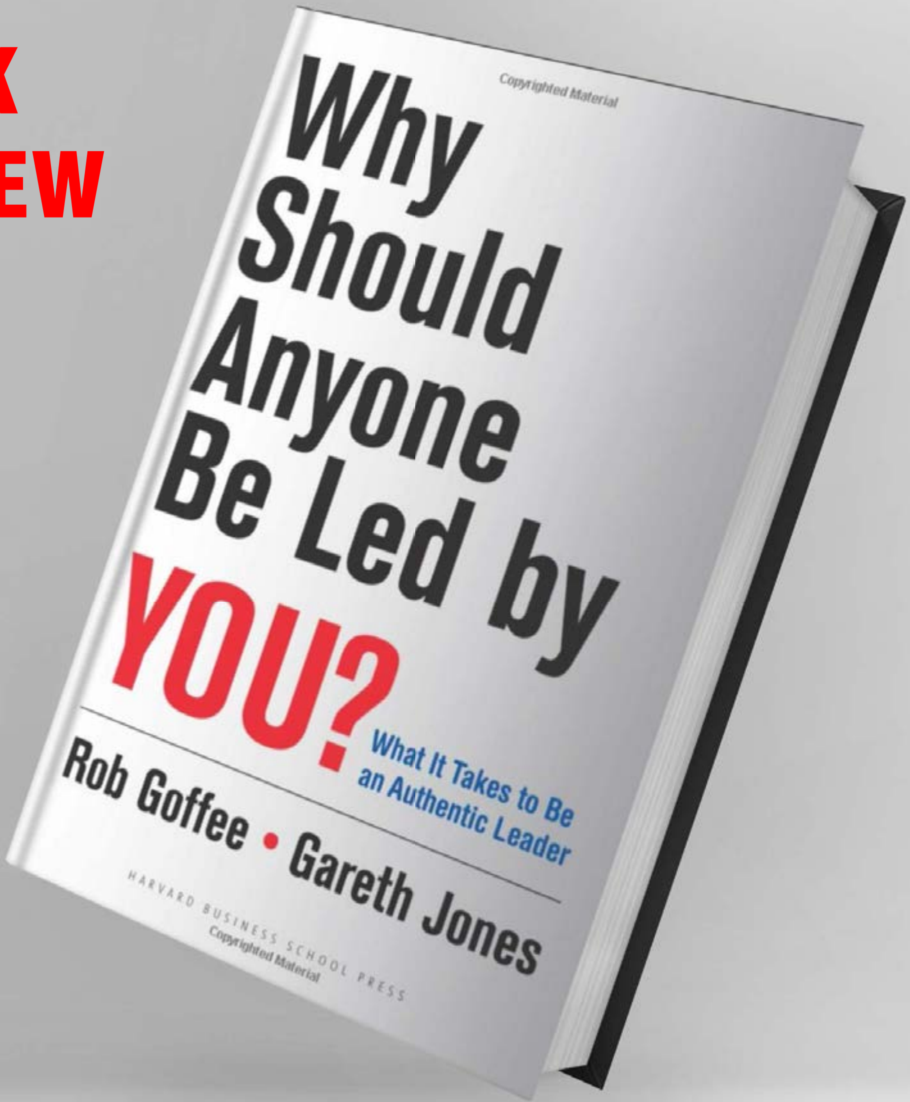
Check your providers and see what freebie insurance you have.

Then maybe upgrade to even better!

The writer is a Member: IFoA, TASK and ASSA.

BOOK REVIEW

By Bev Naliaka



The book's title may either pique one's interest or inspire some to proudly assert themselves as great leaders in their own right.

As leaders, we face conflicts on how close interactions should be, how to communicate with care and empathy, to be yourself without the risk of familiarity and also how to be good followers. This book expounds on how we can leverage our individual strengths to engage teams and be consistent at being ourselves even as we respond to changing contexts: Simply put as, "Being yourself with skill; being an authentic leader".

According to the book, there are four elements that teams want from their leaders; authenticity, recognition of contribution or significance, excitement through passion and connection and a sense of community to inspire people to achieve extraordinary results.

Leaders must sense individuals who make the biggest impact on performance, important teams that must be involved to get things done, individuals that need training and organisational context and constraints of operation. Leaders must sense human nature and think about people and culture, not just logic and tasks.

Like leading, following is a two-way street. Good followers must be able to speak up, even when personal risks are involved, complement leaders, and understand the context of leadership such as change and timing of circumstances.

The book underscores that effective leadership requires a combination of high skill level and high authenticity, as low authenticity and high skill level is equivalent to having inauthentic role players that result in ineffective teams.

The basis of a leadership relationship is to help followers constructively answer; why are we here? What is our purpose? What can we achieve together? Why are you the leader? Leadership must create a connection between daily work and purpose.

This book can be found at www.prestigebookshop.com.

The reviewer is an Account Director at Tim-sky Media Services

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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