



# Association of Kenya Insurance Brokers Understand and Prepare for Disruption

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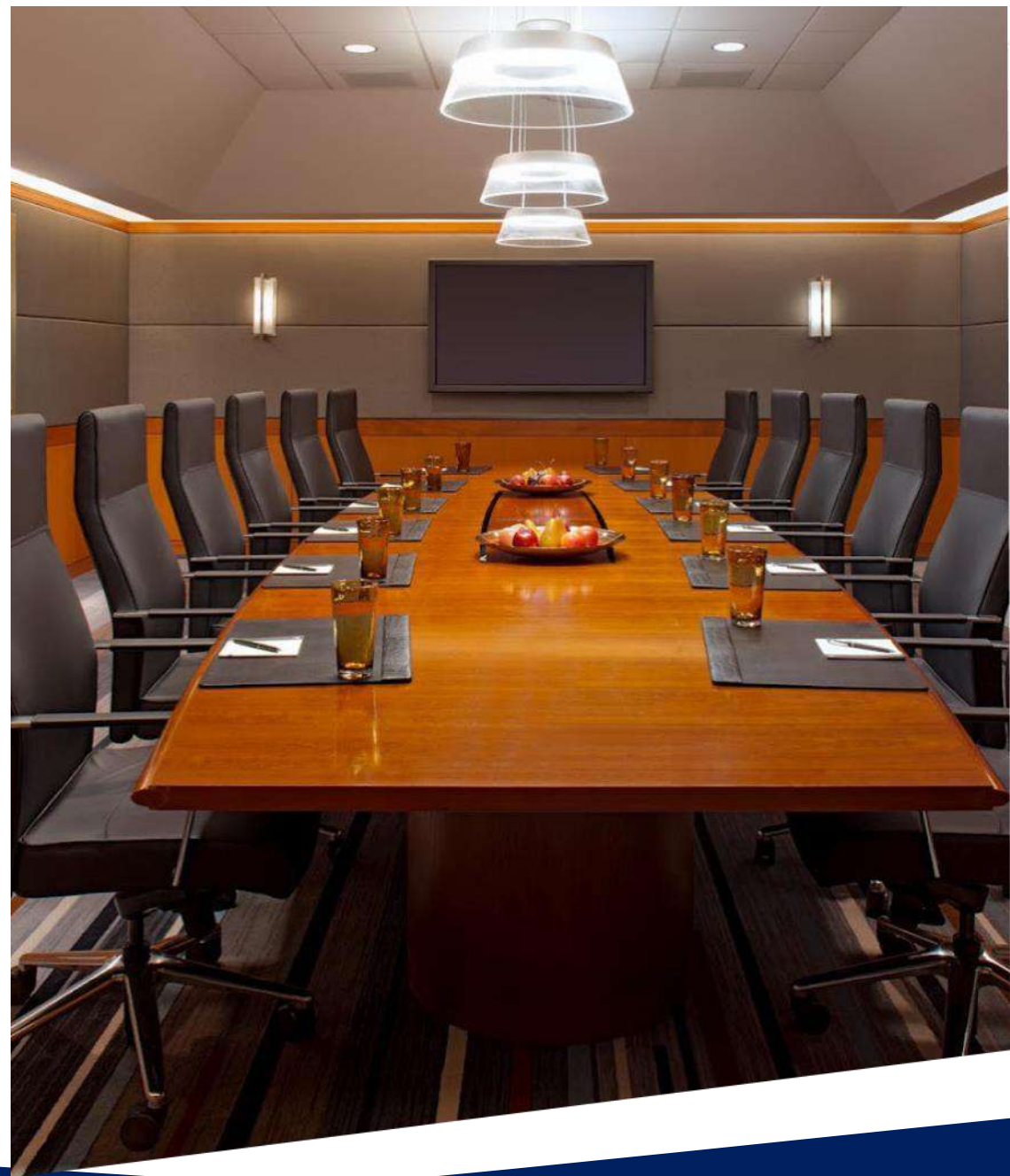


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# Session Overview

1. Global and African Insurance Industry Overview
2. The only constant is change
3. Digital disruption
4. Customer Experience
5. ESG
6. Talent, Execution, Culture





# Global and African Overview – Total Market

- 2023, global insurance market - \$6.5 trillion
- African Insurance Market – \$ 80 Billion (1.23% of global)
- Kenyan Insurance Market - \$ 2 Billion
- South Africa - \$ 40 Billion (50% of Africa)

Conclusion: Africa Represents small portion (1.23%) of the global insurance market, indicating **significant potential for expansion**

(NB. Africa GDP is 2.7% of global GDP)



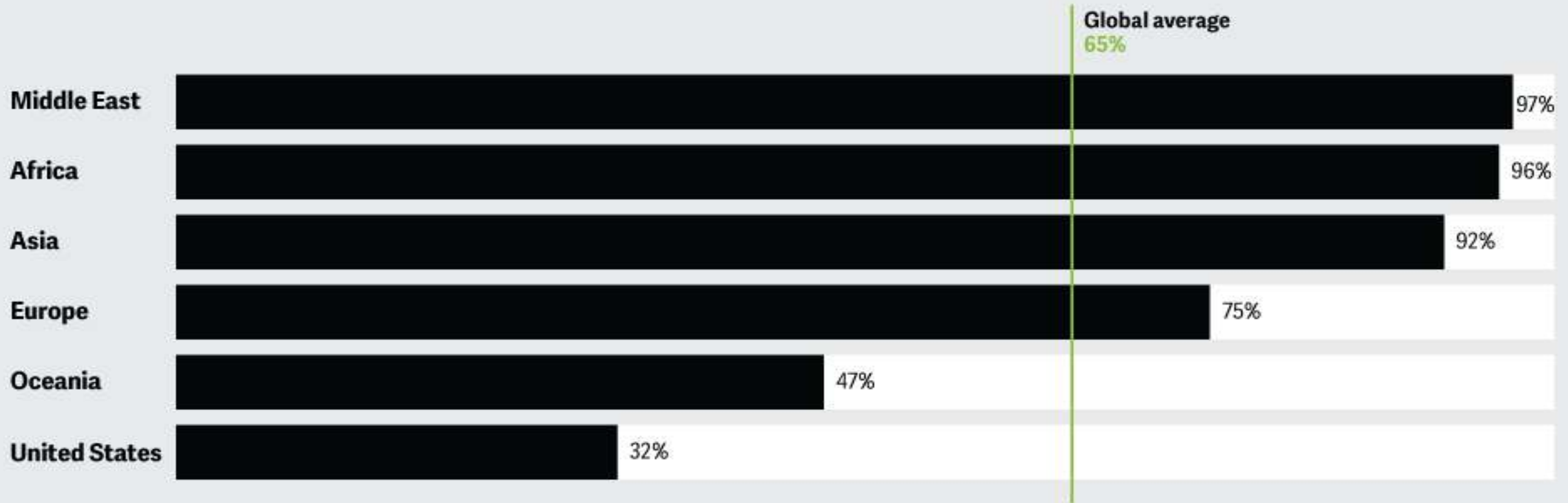
# Global Overview – Life Insurance 2023

- Global life insurance market - \$3.5 trillion.
- African life market - \$30 billion (0.8% of Global)
- **Kenyan Life Insurance Market - \$800 million**
  
- Global non-life insurance market - \$3 trillion.
- African Non-life market - \$50 billion. (1.6% of global)
- **Kenyan Non-Life - \$1.2 billion**
  
- **Huge Growth Potential in Life Insurance lagging behind General Insurance.**

Figure 1

## Emerging regions experience the most pronounced gaps in insurance coverage

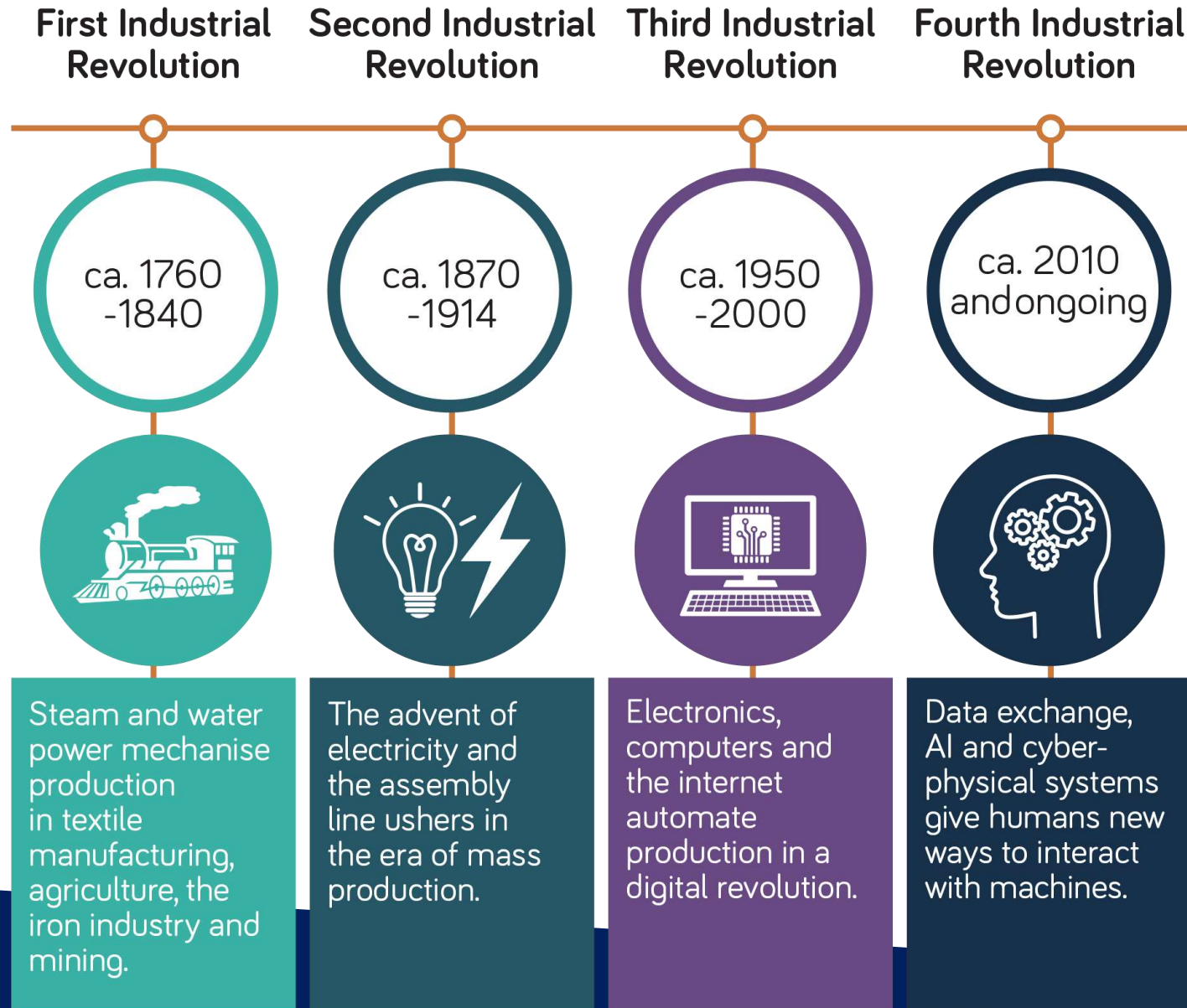
2023 protection gap, by region



Source: Steve Bowen, Brian Kerschner, and Jin Zheng Ng, "Natural catastrophe and climate report: 2023," Gallagher Re, January 2024.

**Deloitte** | [deloitte.com/us/en/insights/research-centers/center-for-financial-services.html](https://deloitte.com/us/en/insights/research-centers/center-for-financial-services.html)

# The only constant is change...

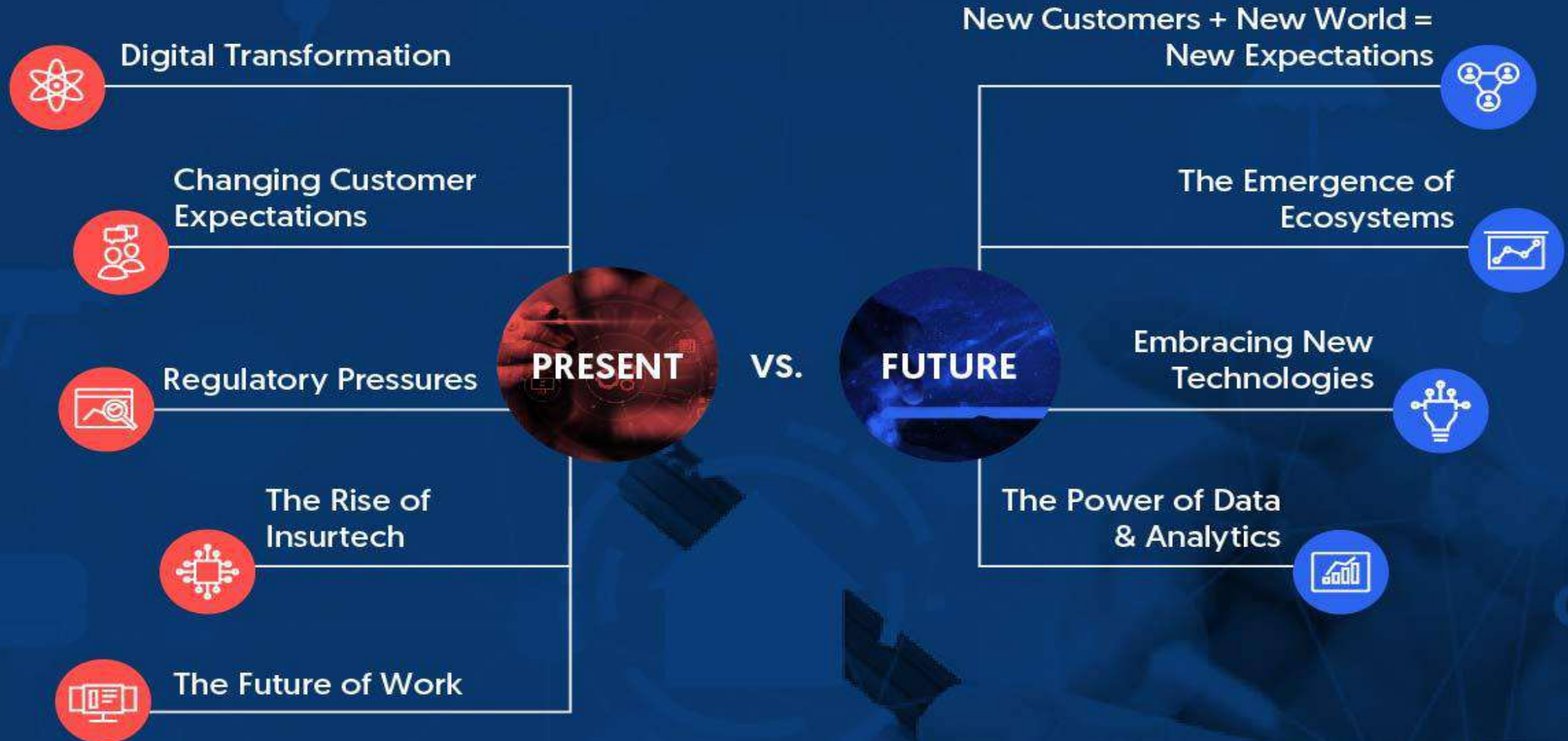




# The only constant is change...



# INSURANCE INDUSTRY DISRUPTORS





# Five trends affecting the future of insurance

01



**A widening trust gap in an uncertain world**

02



**Rapidly evolving customer needs and preferences**

03



**An increasingly digital and AI-driven world**

04



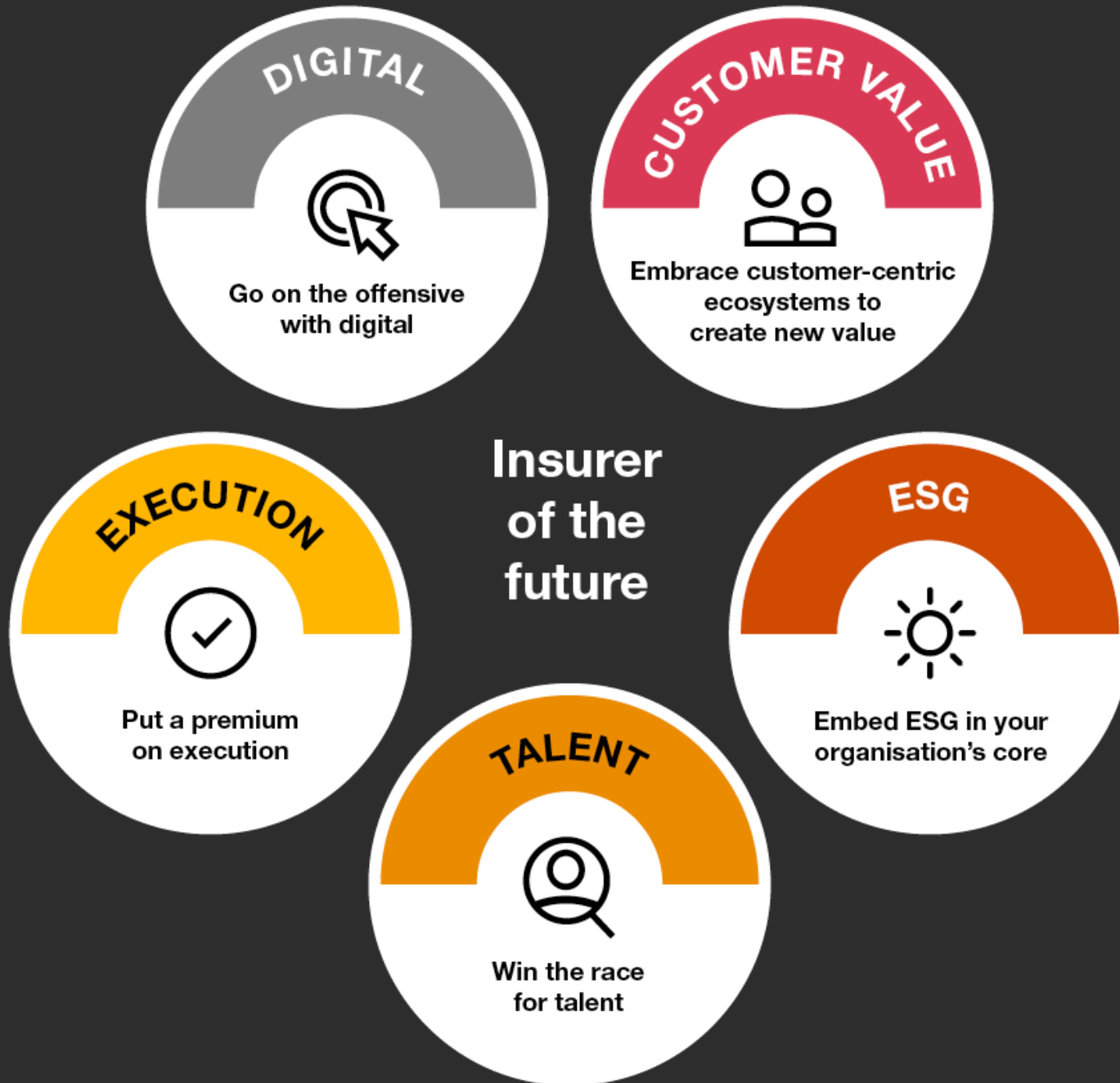
**Climate risk and a focus on sustainability**

05



**Convergence, collaboration and competition**

# 5 Priorities emerge from the 5 trends



# Digital disruption

The change that occurs when new digital technologies and business models affect the value proposition of existing goods and services.



# Disruptive Technology Defined

- **Harvard Business School Professor Clayton M. Christensen** coined the term in 1997.
- A term that characterizes groundbreaking technological advancements or innovations capable of significantly altering traditional business models.
- In the insurance industry, disruptive technology introduces novel approaches, products, or services, challenging established norms and redefining the competitive landscape.

# Digital Disruption is here....

## 5 USE CASES OF DIGITAL DISRUPTION IN THE P&C INDUSTRY



Automation & AI  
Reducing Claim  
Processing  
Time & Cost



Omnichannel  
Customer Experience  
Tools Improving  
Policyholder  
Communication



Telematics  
Technology  
Enables  
Personalization  
At Scale

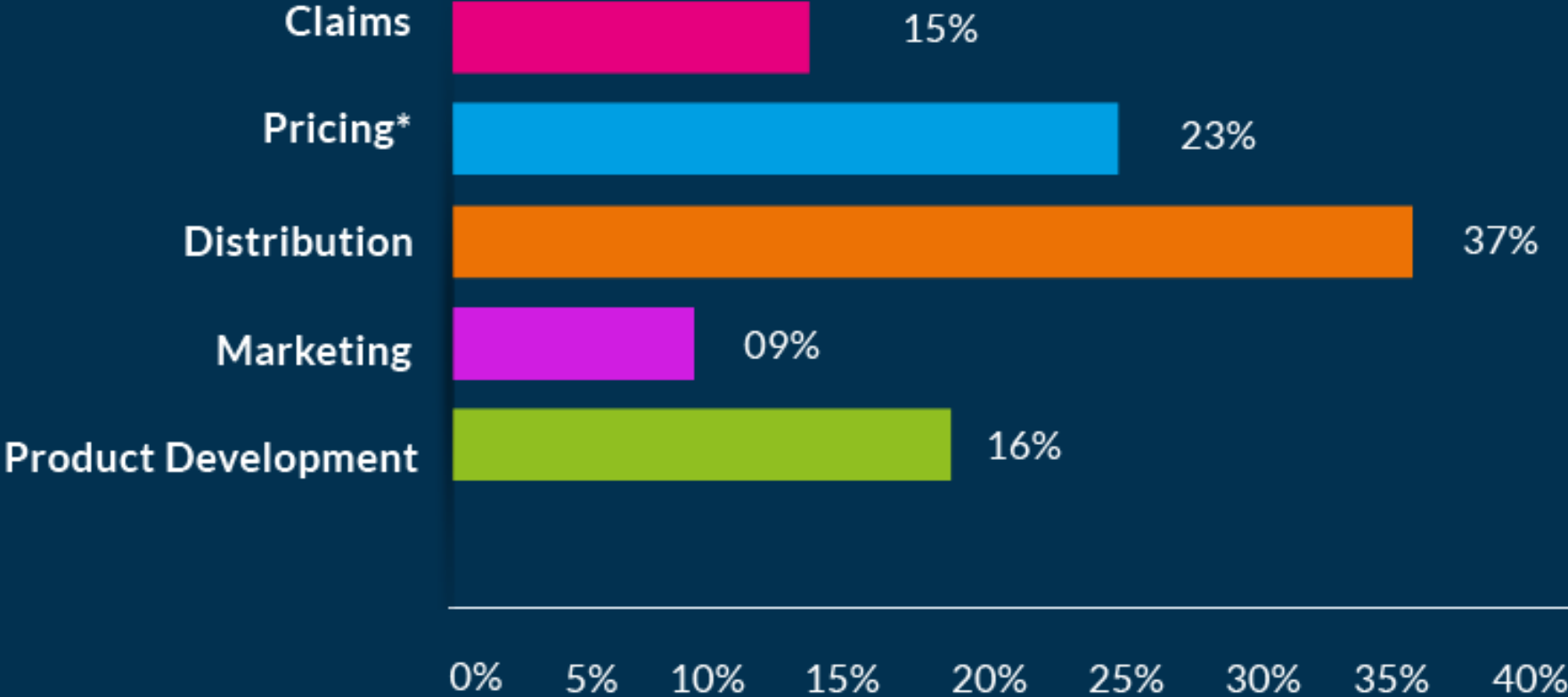


Blockchain & Smart  
Contracts Facilitate  
A More Transparent  
P&C Insurance  
Industry



Digital Adoption  
Platforms (DAPs)  
Improving Insurance  
Agents Productivity,  
Motivation &  
Performance

# Application of Disruptive Tech



\*Includes Underwriting & On-boarding  
Source: McKinsey Panorama



# Customer experience

Positive customer experiences correlate directly with enhanced loyalty, retention and business growth.



# CUSTOMER EXPERIENCE IN THE INSURANCE INDUSTRY

1.



Personalization

2.



Omnichannel  
Experience

3.



Speed &  
Convenience

4.



Transparency

5.



Customer  
Feedback

**new//metrics**

# Example to consider.....





# Changing customer expectations

**Today's insurance customers demand more than just protection; they seek slick and efficient operations, that are personalized and tailored to their exact needs.**

**Fintech news**

**Renewing the  
Customer Experience  
in Insurance**



# Changing customer expectations Need to address challenges.....

## Common Challenges of Insurance Companies in Providing Good Customer Experience



**Complexity**

**Communication**

**Claims  
processing**

**Personalization**



# Ways to provide the best insurance customer experience



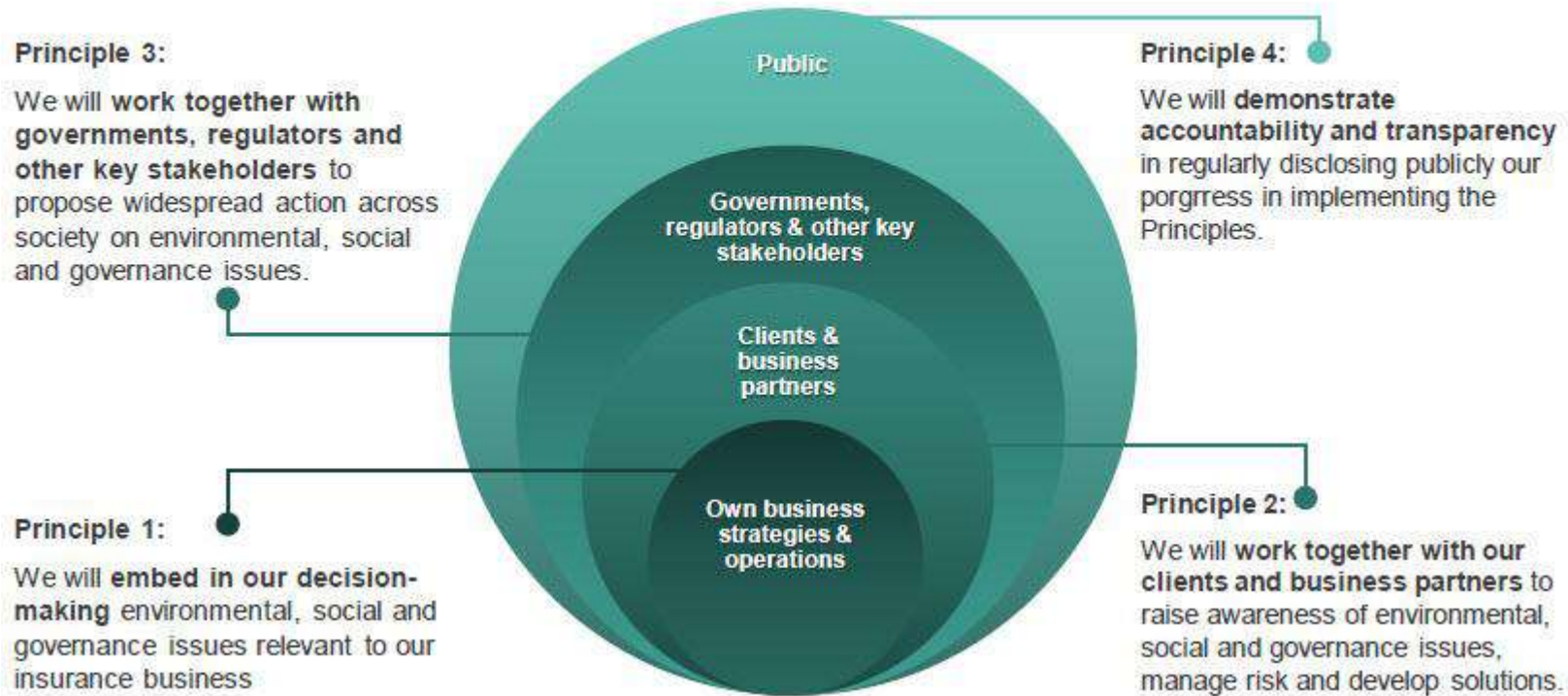


# EMBED ESG in Business

Growing emphasis on Environmental, Social and Governance Issues

# UNEP PSI – Principles for Sustainable Insurance

## The 4 sustainable insurance principles





# THE NAIROBI DECLARATION ON SUSTAINABLE INSURANCE

## About the Declaration

The Declaration was formally launched at the UNEP PSI's 4th Africa summit hosted by ICEA LION Group as a founding signatory in Nairobi in April 2021. Together with 11 other institutions, signatories to the Declaration sought to bring together senior leaders to accelerate solutions to major sustainability challenges – ranging from climate change and ecosystem degradation to poverty and social inequality -

# Talent, Execution and Culture

People and their work Environment



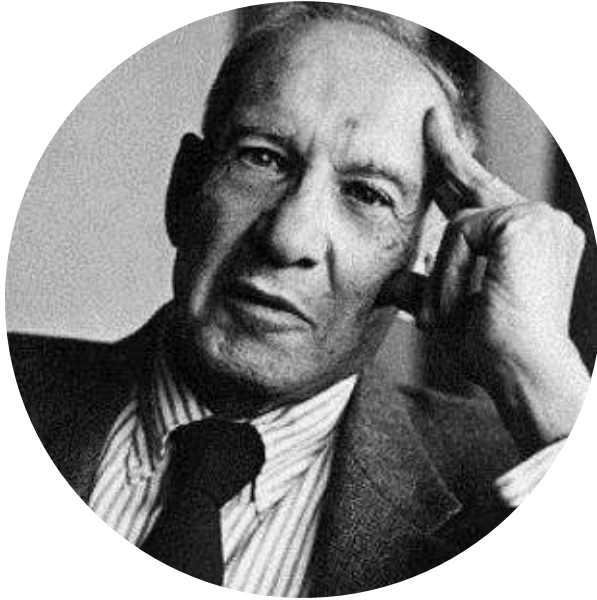


## TALENT AND EXECUTION (PWC 2022 survey)

55% of respondents cited talent acquisition and retention challenges as biggest risks that will negatively impact their 2022 goals.

## Insights on Culture: Talents operates within a culture

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**“Culture” eats  
strategy for  
breakfast.”**

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Peter Drucker

# CHANGE MANAGEMENT IS NECESSARY in this disrupted world.

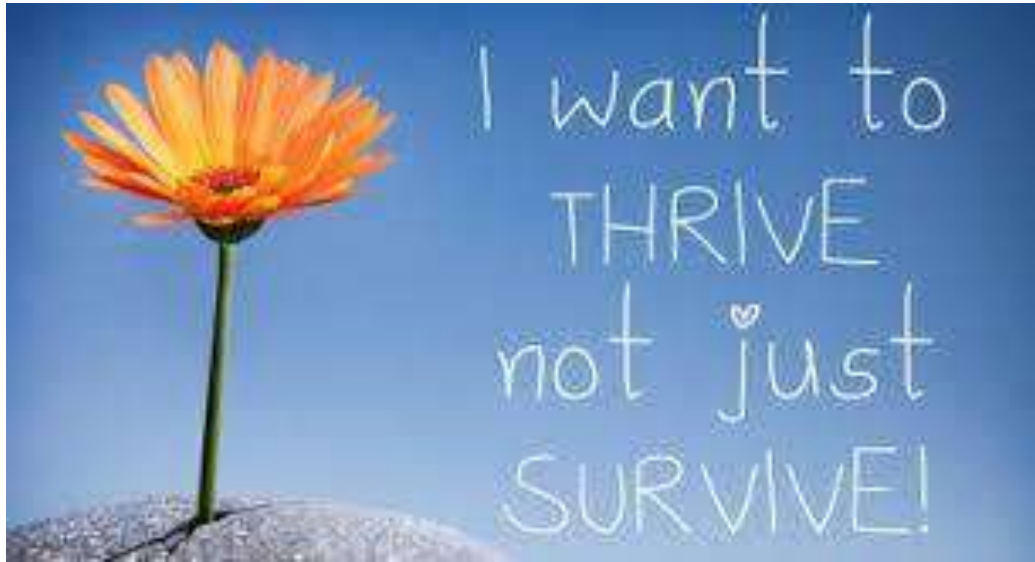
Technology will not change peoples' habits by itself



... someone has to lead the change











# UNDERSTAND EMPLOYEE ENGAGEMENT

Foundation for  
successful Business

# EMPLOYEE ENGAGEMENT- SOME DEFINITIONS

- An emotional and intellectual dedication to the organization;
- The effort that workers put in above and beyond the requirements (Kay, 2022).
- A positive, fulfilling, work-related state of mind characterized by vigor, dedication and absorption (Schaufeli, et al., 2002).



# Employee Engagement for successful strategy



- Managers account for 70% of employee engagement
- When organizations increase the number of engaged employees, they improve various organizational outcomes, including profit, staff retention rates and customer service
- In best-practice organizations, **25% of managers and 30% non-managers are NOT engaged**

GALLUP - STATE OF THE GLOBAL WORKPLACE (THE VOICE OF THE WORLD'S EMPLOYEES)  
2024 REPORT

## Important Emphasis in a small market

- Customer-Centric Approach- Gen z
- Digital Transformation
- Agile/ Responsive Operations
- Enhanced Data Analytics
- Talent, Skills, Gen z and leadership Transformation
- Partnerships and aggregation
- Reaching the underserved (seek breakthrough through innovation)
- Effective motivated agency force.





**For Businesses to  
succeed, leadership,  
culture and  
engagement matters!**

**The differentiator in a  
very small market with  
high potential, in a  
disrupted world!**





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# Thank you

Comments, Observations, Questions.

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