



Closing the protection gap

AOA / ICMIF Microinsurance Seminar – Auckland 11th November 2019.

What are our commitments ?

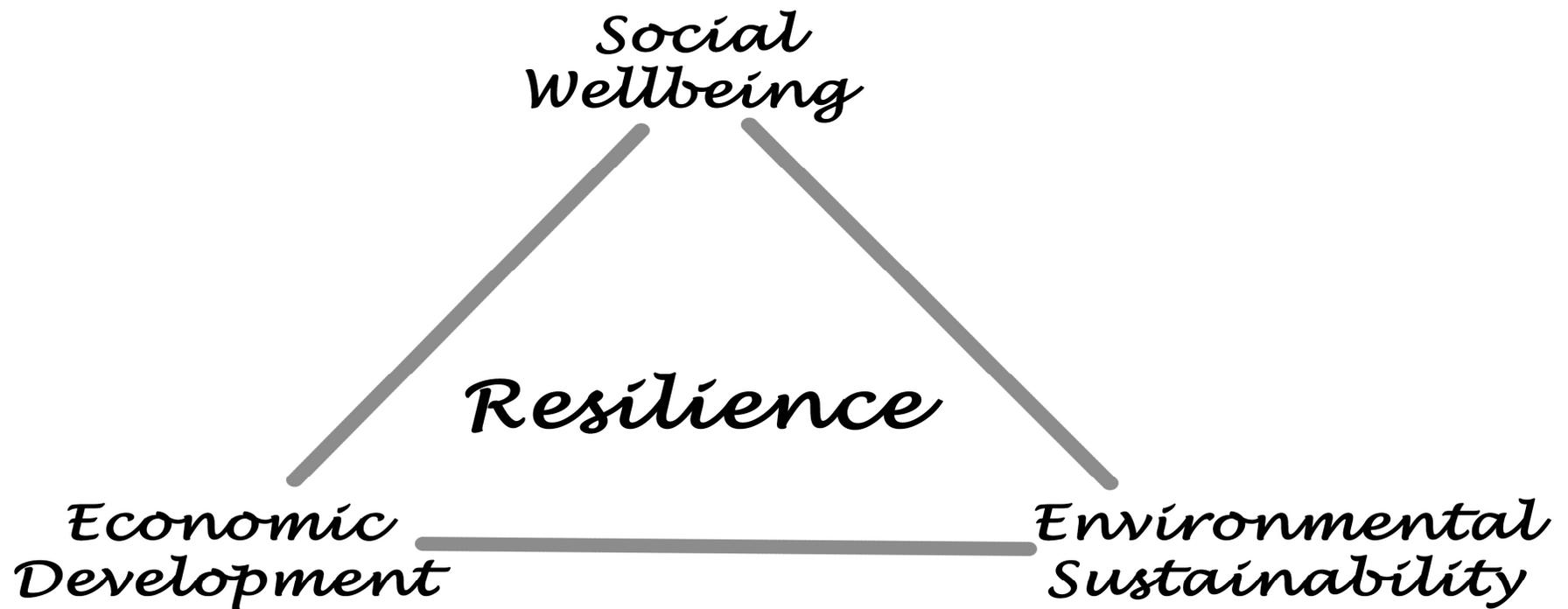
How do we ensure sustainable communities ?

- ❖ Insurance Development Forum (IDF) has committed to deliver **500m** newly protected consumers by 2030.
- ❖ Need to transition from selling products to delivering solutions that address customer needs
- ❖ Migrate from working in silos to developing broad partner ecosystems



Delivering Resilience

The core building blocks



Why we chose Indonesia for our pilot programmes

Falling of Poverty Is Creating The Demand For Sustainability in Financial Inclusion

Only **11%** live below the government-defined poverty line

Only **49%** of adults have access to a bank account

Interest rates often in excess of **25%** for a loan



Over **153,223** cooperatives & credit unions

Nearly **70%** of lending activities are dominant by Top Banks

Only **6%** fintech efforts are focused on insurance

Insurance penetration in Indonesia is only **2.75%**



Our Community Segments



Distribution partners

Rural Credit Unions



Factory Workers



Building Community Value

Student Cooperatives



Digital Partnerships



Validation Of Demand

KMB Has Already Completed Successful Pilots

Key Lessons Learned



Pilots 1 & 2

- ❑ Launched May 2017 & September 2018
- ❑ East Java & West Sumatera
- ❑ Regional cooperatives
- ❑ Credit unions with 60K & 125K members
- ❑ Credit life & Catastrophe PA
- ❑ Monthly reporting



Pilot 3

- ❑ Launched April 2019
- ❑ West Sumatera
- ❑ Student / University Cooperatives
- ❑ 150,000 members & their families
- ❑ Life, Catastrophe PA, General PA,
- ❑ Monthly reporting



Products need to respond to consumer's actual need, not insurer's perception of need



Start with buy-in and agreement from customer on what they can afford, and tailor offering accordingly



Customers trust cooperatives, do not trust insurance companies or agents



Major issues with data quality. Slow adoption of new models.



Strong need from regulators for accurate and transparent data



Education needs to be ongoing and available on a mobile platform

The Resilience Ecosystem



The essential building blocks

Education



Financial Inclusion



Increase earnings



Mobile Engagement



Resilience

Measure Impact



Sustainable Communities



Leaving no one behind – Our SDG Commitment



How do we bridge the Engagement Gap ?



Access to Finance – the changing environment



The move from bricks & mortar to digital

The legacy model.

- ❖ Manual credit approval processes with access to funds via:-
 - ❖ Credit Unions
 - ❖ Rural Banks
 - ❖ Grey zone / Loan sharks
- ❖ Borrowing rates in excess of 24%pa
- ❖ Mandatory credit life sales but limited other protection products sold.

The digital model.

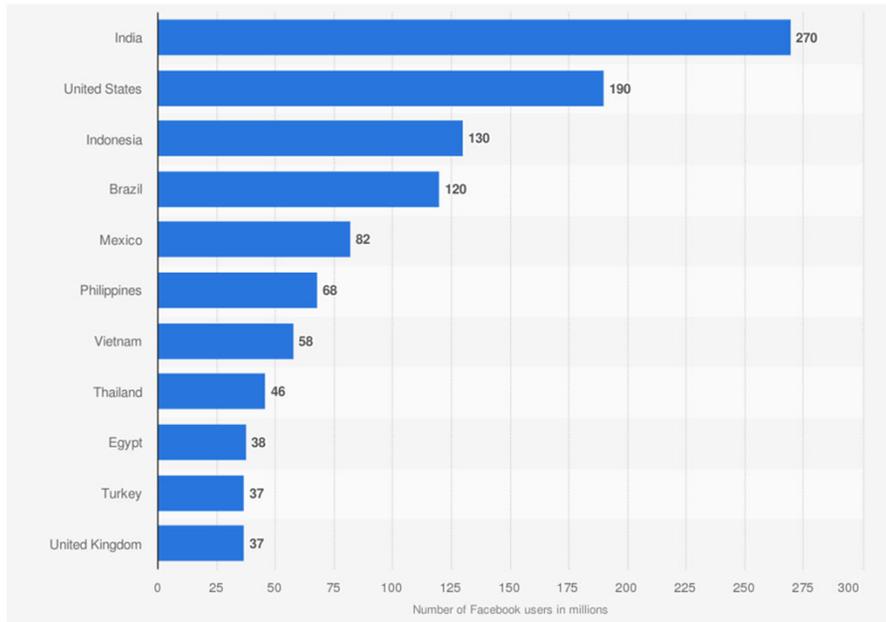
- ❖ Online banking, credit approvals & payment capability
- ❖ Increased transparency
- ❖ Payment gateways facilitate development of individual credit scoring algorithms
- ❖ Surge in P2P lending
- ❖ Digital integration required for insurance product sales

Digital Capacity Building

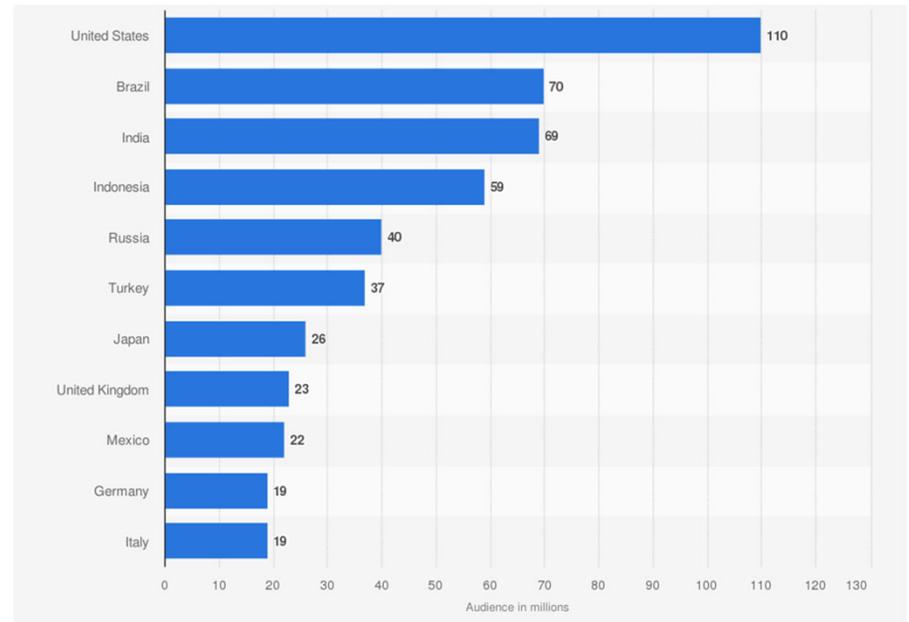


Understanding our customers needs

Global Facebook Users - 2019

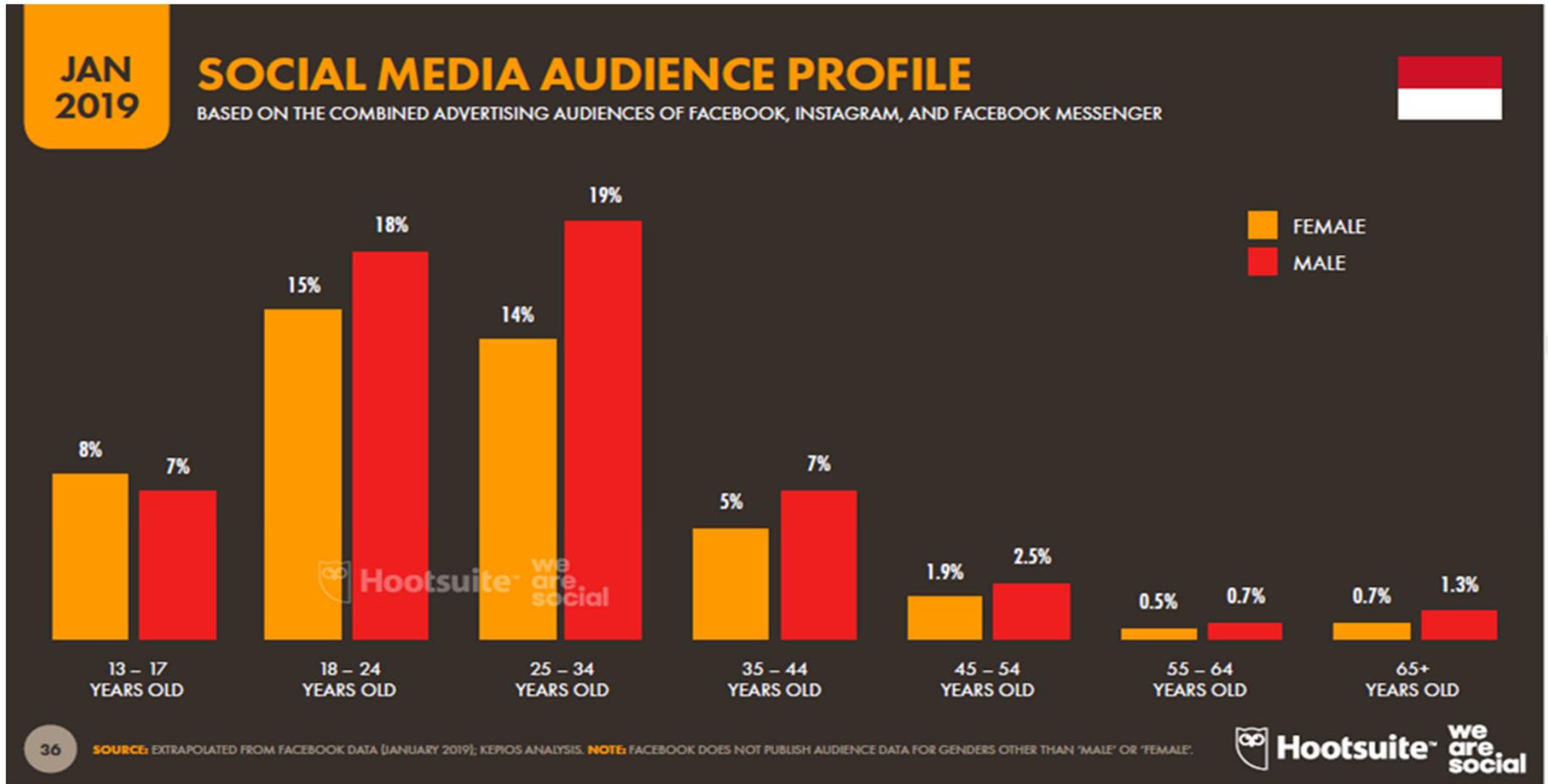


Global Instagram Users - 2019



Targeting Communities Digitally

The ability to access and understand consumer need



What can our community do ?



Simple solutions that can be scaled globally

To create sustainable competitive advantage for our businesses and the communities we serve, we need to invest in:

- ❖ Infrastructure that empowers communities by delivering:-
 - ❖ Education & broad mobile engagement
 - ❖ Access to finance and protection solutions
 - ❖ Supports new revenue creation and development of MSME / SME models.
 - ❖ Measures impact, delivers governance
- ❖ Develop strong ecosystem partnerships, that deliver value and services for our customers, into which we can blend our protections solutions.
- ❖ Strengthen the community bonds of our movement, to address critical society needs, E.G. Climate adaptation, ageing populations, income disparity.

What is the benefit for our customers ?



Simple solutions that can be scaled globally

- ❖ Radically accelerate the rate of both education and financial inclusion across all communities.
- ❖ Increase our understanding of customer need, preference and capacity
- ❖ Develop holistic customer solutions that go far beyond the selling of simple protection products, through new ecosystem partnerships
- ❖ Provide access to sustainable finance to fuel entrepreneurial & SME growth
- ❖ Deliver increased transparency for individuals, commercial partners and regulators
- ❖ Build increased customer trust and loyalty that will ensure sustainable competitive advantage

Building Resilient Communities - Together



Thank you