

Q&A with Sørn and RGAX

Sørn recently sat down with RGAX's Tjaart Esterhuyse to discuss this year's Insurtech 100 and RGAX's perspective on Life and Health.

Sørn: Which companies are best placed to thrive, not just survive, over the next year?

Tjaart: It is incredible how the life and health industry has been impacted over the past decade by new entrants. This is a strong list of startups, and I do not envy the judges who had to pick the rankings. It is a tough, very competitive world out there, and "thriving" may only be possible for a few. If I was pressed to select key ingredients that an insurtech should possess, I'd go with tenacity, coupled with the ability to adapt quickly while creating a compelling customer experience. Also, it's important to clearly articulate the problem that needs solving; quite frequently we find that the startups and insurtechs we work begin with a great solution instead of taking into account the root challenge or issue and working from there.

Sørn: How are market dynamics changing and how are these companies shaping the future?

Tjaart: Traditionally, selling life and health products has been through financial advisors. However, in many markets, the pool of advisors is slowly shrinking, with few new entrants. Customers are increasingly using digital means for purchases, be it Amazon,

eBay, or even the local grocery store offering a digital platform and free delivery. What we see in terms of the growth in online sales is mainly for things consumers want or believe they really need. Insurance is not often the first thing people wake up to and think they need. In fact, a lot of awareness creation is needed to persuade people to consider, and then purchase, insurance. Which is why advisors exist in the first place – to "sell the need for insurance" and then to support by offering the right product.

Many of the newer insurance businesses are trying to address this through digitisation of the insurance sale process, optimizing the customer experience and cutting out friction in the system, such as streamlining underwriting. Others use artificial intelligence and machine learning to improve risk selection and thereby assist in creating more targeted and compelling offers.

There is renewed interest in value added services, rewards programmes and also in embedded insurance, where insurance cover is included in the purchase of another non-insurance related product or service. Transparency and clear communication are required in these structures. An excellent example of an embedded insurance product is the collaboration between OUTsurance –

a digital insurer – and Shoprite – the largest retailer in South Africa. Shoprite has embedded a funeral insurance product into their retail rewards programme, thereby providing much needed coverage to a large underserved market in South Africa.

All of these trends will spill over into the greater insurance market, even though the large incumbents have been slow to react, they are certainly realising that if they don't change, they will no longer be relevant.

Sørn: How is tech going to shape life and health in the future?

Tjaart: Tech, on its own, is not all that valuable if there is not a clear problem to solve. I've been amazed lately by the creative new developments that are occurring in using mobile phone technology, data and behavioral science. Because of this focus and new approaches to tracking individual health progress, I believe people are going to be so much more aware of their state of health, and what to do about it. Whether most will heed the advice to lead healthier lives remain to be seen. At RGA we are always on the lookout for new technology and developments that can add to the value proposition in the life and health industry: be it through process innovation, lifestyle or health improvement



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opportunities, or streamlining the customer experience and avenues for engagement.

Sørn: Can you tell us a little bit more about the vision and the 'why' behind RGA's role in the life and health space?

Tjaart: RGA's global purpose of "making financial protection accessible to all," is the guiding light in how we engage with our clients and the insurtech partner ecosystem to collaborate and co-develop solutions that drive growth opportunities. Ultimately this equates to serving more of the population and specifically, helping provide life insurance to underdeveloped markets. We seek to attract new insurance customers to the industry so that in their times of greatest need, families and their dependents are taken care of. That is why these new ideas and unique approaches to solving industry challenges are so important to us and underscore our core purpose. I applaud the insurtechs and startups listed within these pages and appreciate that they are continually challenging and pushing the industry forward and embracing the true spirit of innovation.

[Click here to view Sørn's full Insurtech 100 report](#)

