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THE NEXT STAGE IN THE EVOLUTION

Technology: Booster shot for the industry

Technology in our world has become synonymous to breathing. Most people do not think about it, they don't really try to understand it, but their lives depend on it. Make breathing difficult or take it away and you quickly see that, without it, we simply do not survive.

I realise this sounds quite dramatic but, no matter how you look at it, technology has become indispensable in the digital age. As for the insurance and financial industries, if you had the privilege, or foresight, to attend COVER's TechFest2023, you would have heard from the various presenters how crucial innovation on the back of technology has become for survival and a sustainable competitive strategy.

In this e-book we feature a comprehensive overview of all the presentations and round table discussions. The videos of the sessions, for the full experience, can be viewed on our website. Please also feel free to get into contact with any of the presenters or talk to me for a referral.

I would like to thank all our sponsors, presenters and delegates for their support in making this one of the best yet. We are in the planning phase of our TechFest2024, and have a few surprises up our sleeve. Watch this space.

Enjoy the read and please share the e-book if you enjoy it.

Tony



THE FUNDAMENTALS OF SUCCESSFUL INSURANCE

Insights from Izak Smit, the Group CEO of PPS, when he delivered an enlightening talk on the fundamental aspects that contribute to successful insurance.



As the opening keynote speaker at COVER's TechFest2023, Izak shared valuable insights on the critical role of technology in the insurance industry, reflecting on PPS and its unique focus.

PPS differentiates itself by concentrating on the professional market segment. Operating under the mutual model, which is uncommon in the financial services industry, PPS maintains a narrow focus, with only about one and a half percent of the population qualifying as members based on eligibility criteria.

While insurance itself involves fundamental processes like collecting premiums, appropriate pricing, claims assessment, ensuring capital adequacy, and risk management, Izak emphasized that the delivery and distribution of insurance heavily rely on technology. In fact, he humorously noted that most financial services businesses today would consider themselves applied IT businesses, as any instability in the technology infrastructure can significantly impact operations.

Recognizing the importance of staying up to date with technology, Izak stressed the need for investment in IT and the continual evaluation of platforms. As such, PPS continually challenges itself to assess the longevity of their existing systems and determine when it becomes necessary to adopt newer technologies. As a company focused on the professional market, PPS's products require personalized advice and a face-to-face approach, adding complexity beyond simple transactions. They rely on their business partners and independent advisors for growth and distribution.



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MORE THAN AN ENABLER

In his talk, Tavio Roxo, CEO and Founder of OWLS™ Software, discussed the concept of technology as more than just an enabler in the insurance industry transformation. While acknowledging the short-term value of technology as an enabler, Tavio emphasised that with a broader vision, technology can play a much more significant role.

Tavio highlighted the importance of technology in enhancing interactions with policyholders and stakeholders, enabling consistent engagement. However, he also addressed the challenges associated with effectively utilising technology, particularly in terms of data quality. Tavio stressed that accurate data serves as the foundation for successful technological advancements. By building various functions on top of accurate data using different technology stacks, insurers can achieve operational efficiencies.

To support his perspective, Tavio cited limited success in automating manual processes within insurance companies. He mentioned the example of cash allocation, which can be automated using technology if the underlying policyholder data is properly understood and aligned with associated benefits. However, Tavio emphasised that if the data is incorrect, even with technology, the process of allocating premiums becomes challenging and prone to friction.

Tavio also noted that many insurance companies have developed their business processes based on past technological restrictions. For instance, in the absence of cloud-based technologies, new policies had to be brought in via paper forms, making real-time data validation and remote onboarding impossible. However, Tavio expressed his belief in the ongoing journey towards efficient operations.

While adopting individual technologies may be a starting point, the ultimate goal is to integrate these technologies into a centralised platform. Such a platform would streamline various areas of the business and control the digital journey of clients with the organisation. Finally, Tavio argued that embracing technology in the long term and implementing a centralised digital platform can make processes easier, bring efficiencies, and generate cost savings for insurance companies.

By recognising the broader potential of technology and prioritising data accuracy, insurers can drive transformation and optimise their operations in the industry.

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CLEARLY DEFINE BUSINESS PROBLEMS

Hanno van Aarde, CEO of Briisk, discussed the importance of defining business problems and prioritisation in the context of Insurtech.



He acknowledged the insights shared by Tavio and Izak regarding core system efficiencies and the potential for technology to solve business problems. Briisk, as a tech company collaborating with business professionals, focuses on addressing these problems. Hanno highlighted the challenge of unclearly defined business problems, which can hinder the implementation of technology.

Considering the expense involved, it is crucial to establish specific desired outcomes. Isak's mention of budget and capacity constraints resonated with this perspective. Although exploring new possibilities is essential, prioritisation is necessary since not every project can be tackled simultaneously. Briisk's primary focus revolves around interfaces, particularly customer interaction and optimising business workflows in distribution.

Hanno emphasised the importance of technical experts understanding the business requirements rather than assuming they can handle any task. While they value developing innovative solutions, profitability and return on investment must also be considered.

Occasionally, they may need to decline certain requests to avoid becoming project delivery blockers, a common challenge in the technology sector.



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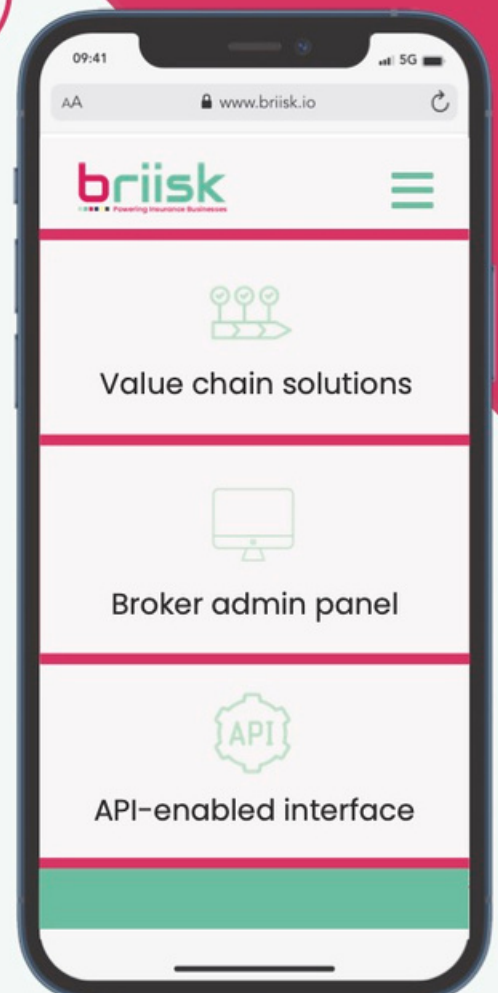
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SEAMLESSLY CONNECTING DATA SOURCES & SOFTWARE

Jen McKay, Director of Linktank, discussed the state of technology in the financial advice industry and the challenges and opportunities for smaller businesses.

Their annual survey revealed that smaller businesses often struggle with technology decisions due to a lack of practical planning and strategy. Integration remains a consistent problem, and the client engagement experience has become increasingly important. Despite the growing importance of client engagement, practices still face difficulties in seamlessly connecting data sources and software to fully leverage these features. The industry has a long way to go in terms of technological advancement.

CRM and practice management systems are still considered the most valuable investments, according to Jen. However, behavioural finance, client engagement, client portals, and achieving a comprehensive view of the client are becoming increasingly important to support advisors' engagement experience. During the exploration of available technology and directions, intermediaries rely on product providers and platforms for guidance. However, when it comes to making final decisions and implementing technology, businesses prefer to handle it internally. The abundance of specialised tools in the market makes it challenging for advice businesses to make upfront decisions and choose a path.

It's also important for businesses to consider their independence when seeking advice from product providers, as it can impact their autonomy.



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THE FRAGMENTED CLIENT JOURNEY

Christelle Colman, CEO & Co-Founder of AMI Underwriting Managers, shared her vision for transforming the insurance industry and creating exceptional digital experiences.

She discussed a unique approach they took to gather suggestions for product and service improvements by organising a competition for brokers, offering a trip to France as a reward. The response was overwhelming, highlighting the intermediaries' desire for simple technological solutions.

Christelle identified a problem with the fragmented client journey between brokers and their clients, particularly regarding the digital interaction. Despite investments in creating a digital environment, the process often broke down when documents were sent to brokers, requiring manual printing and signing. This resulted in an unsatisfactory digital experience for clients.

To address this issue, Christelle emphasised the importance of providing an exceptional digital experience for end consumers, simplifying claim submissions, and improving communication. Intermediaries proposed solutions like pre-populated forms to streamline processes and requested more efficient communication channels, such as business WhatsApp.

She believed that focusing on improving communication and delivering a personalised experience through digital innovation would be a game changer for the industry.



TRANSFORMING INSURANCE THROUGH TECHNOLOGY

Craig Olivier, COO (Chief Operating Officer) and co-founder of Genasys Technologies, delivered the opening keynote speech at the TechFest discussions leading up to the main event.

Drawing on his extensive experience in the insurance industry since 1999, Craig discussed the transformation of the industry and the pivotal role of technology in driving innovation. He reflected on the early days of Genasys, where the focus was on building technology platforms to enhance efficiency and facilitate information sharing across distributed agencies. However, Craig recognised that the insurance industry has evolved significantly since then, with exciting technological capabilities that foster innovation and disruption.

Craig identified six major disruptors currently challenging the insurance industry. These include social disruption, where a digital presence and agile strategies are essential for competitiveness. Tech disruption enables the industry to leverage technologies like IoT (Internet of Things), telematics, and AI (Artificial Intelligence) to better understand risks and tailor insurance offerings. Political, environmental, economic, and industry disruptors also pose significant hurdles that require adaptation.

In response to these challenges, Craig urged the industry to embrace urgency in implementing necessary changes. He emphasised the importance of identifying gaps and obstacles hindering progress and offered insights into current technology trends that empower businesses in navigating the evolving insurance landscape. Craig also stressed the importance of using technology for the right reasons and aligning it with specific objectives. He emphasised the need for an open architecture that allows seamless integration of various technologies.

Additionally, Craig highlighted the importance of assessing market readiness for innovative technologies and understanding customer preferences when designing solutions. He shared success stories where adopting an agile approach, delivering value quickly, and pivoting as necessary led to significant achievements.

By disrupting legacy platforms and fostering an innovative culture, Genasys successfully signed up multiple customers and drove innovation across markets.

THE POWER OF AI IN

EVOLUTIONISING CUSTOMER ENGAGEMENT

Alan Burger, CEO and Co-Founder of InfoSlips, delivered a talk on revolutionising customer engagement and the power of AI in communication and personalisation.



As a communication platform provider, InfoSlips focuses on delivering various documents to customers, and Alan highlighted the evolving market trends they are observing. He noted that while open architecture technology makes integration easier, customers now expect instant answers and support regardless of time or event. Alan emphasised the need for better ways to deliver timely and personalised information to meet these changing demands.

Alan expressed frustration with the lack of fundamental changes in documents provided by insurance companies, such as policies, bills, and statements. He highlighted statistics showing that only a small fraction of people read these documents thoroughly, particularly when they contain complex terms and conditions. Alan believed that AI could significantly improve the customer experience in this regard.

He explained how AI enables hyper-personalisation of communication, going beyond generic templates. Personalised videos can be incorporated to explain specific updates, quotes, policies, or changes. AI can also summarise lengthy content, highlight vital details, quickly retrieve specific information, and address complex inquiries. Importantly, AI is compatible with existing systems, requiring minimal architectural changes.

Alan emphasised the benefits of AI-driven solutions, optimising resource utilisation, reducing frustration, and enhancing customer satisfaction. These solutions allow for support deflection without compromising customer experience, driving loyalty, and providing a competitive advantage. He also mentioned the potential of AI in predictive analytics, compliance, risk reduction, and hyper-personalisation of products.

“

AI enables hyper-personalisation of communication, going beyond generic templates. Personalised videos can be incorporated to explain specific updates, quotes, policies, or changes.



When Infoslips entered the US market, they encountered obstacles due to outdated legacy systems and inadequate client engagement tools. Alan highlighted the significance of data in the industry and the challenges faced with acquiring necessary data, especially with older systems. He also noted the resistance to change prevalent in the industry, with companies being risk-averse and hesitant to embrace innovative approaches.

Alan shared his surprising observation that the insurance market in South Africa appears to be more technologically advanced and mature compared to the US market, which can pose challenges when introducing innovative technology solutions.

Alan's talk emphasised the revolutionary impact of AI in customer communication and engagement. By harnessing AI's capabilities, insurers can enhance the customer experience, optimise resource allocation, foster loyalty, and gain a competitive edge.



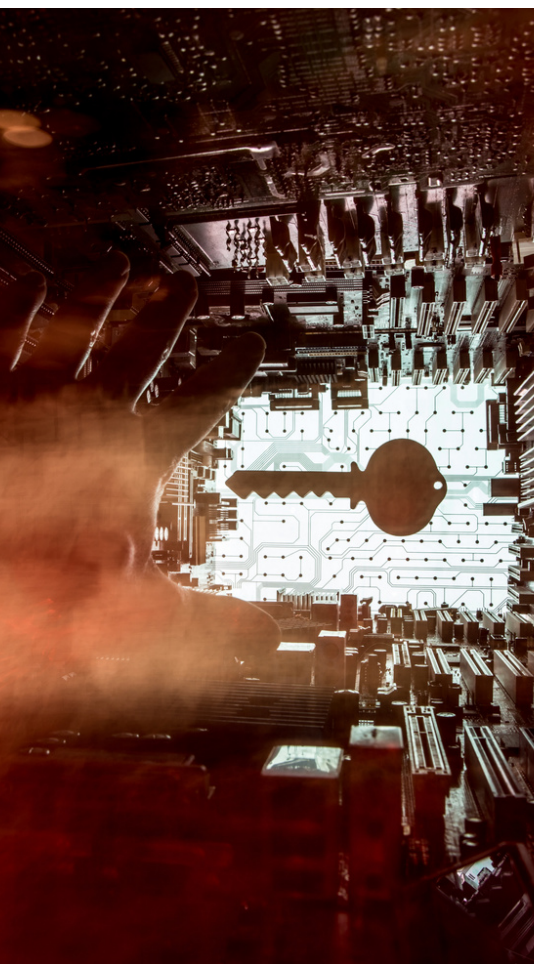
STRIKING THE RIGHT BALANCE: TRANSFORMATION & MODERNISATION

Bart Patrick, the Chief Revenue Officer at Genasys Technologies, recently discussed the delicate balance between transformation and modernisation in the insurance industry.

As a self-proclaimed data geek with a deep interest in insurance data, Bart shared his thoughts on the challenges and opportunities that technology presents. While Bart aligned with Craig's viewpoint on the significance of technology in the field, he offered a slightly different perspective. He emphasised that insurance, at its core, remains an art centered around managing risks, with technology supporting and enhancing that fundamental purpose.

During the Christmas period, Bart contemplated the outcomes of substantial technology investments made by the industry. Despite the significant spending, the desired impact on expense ratios had not been fully realised. This led Bart to investigate the reasons behind this discrepancy. Through his exploration, Bart discovered insights from experienced insurers who allocated their IT budgets into three categories: maintaining existing operations (50%), growth initiatives (25%), and business transformation (remaining portion). However, he found it problematic that nearly half of the transformation budget was spent on data analytics.

Further investigation revealed that technical debt and legacy systems were major hindrances to progress, aligning with Craig's observations. Outdated technology limited the industry's ability to capitalise on new opportunities and drove up costs in the process.



Bart stressed the need to allocate resources wisely and evaluate the impact of each system. He advocated for adhering to industry standards and avoiding costly customisation, as modern systems offered flexibility and configurability. Bart emphasised a pragmatic approach to transformation, focusing on necessary steps and implementing strong governance to ensure successful outcomes. Taking a sequential approach, Bart recommended prioritising modernisation before transformation.

By modernising the core aspects of their business, insurers can unlock the potential benefits of innovative technologies, setting the stage for future transformation. He urged the industry to pursue excellence in cost control, develop realistic and achievable business cases, and deliver them with excellence, one step at a time. Bart ended his talk by highlighting the importance of understanding technology opportunities and implementing proven and scalable solutions.



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THE NEED FOR INTEGRATION & COLLABORATION IN THE FINANCIAL ADVICE INDUSTRY

In her talk, Jen McKay discussed the challenges faced by advisors in the financial advice industry, with a particular focus on the lack of integration options in technology solutions.



This article delves into the key points raised during the talk and emphasises the importance of collaboration and investment in technology for improved efficiency and client service.

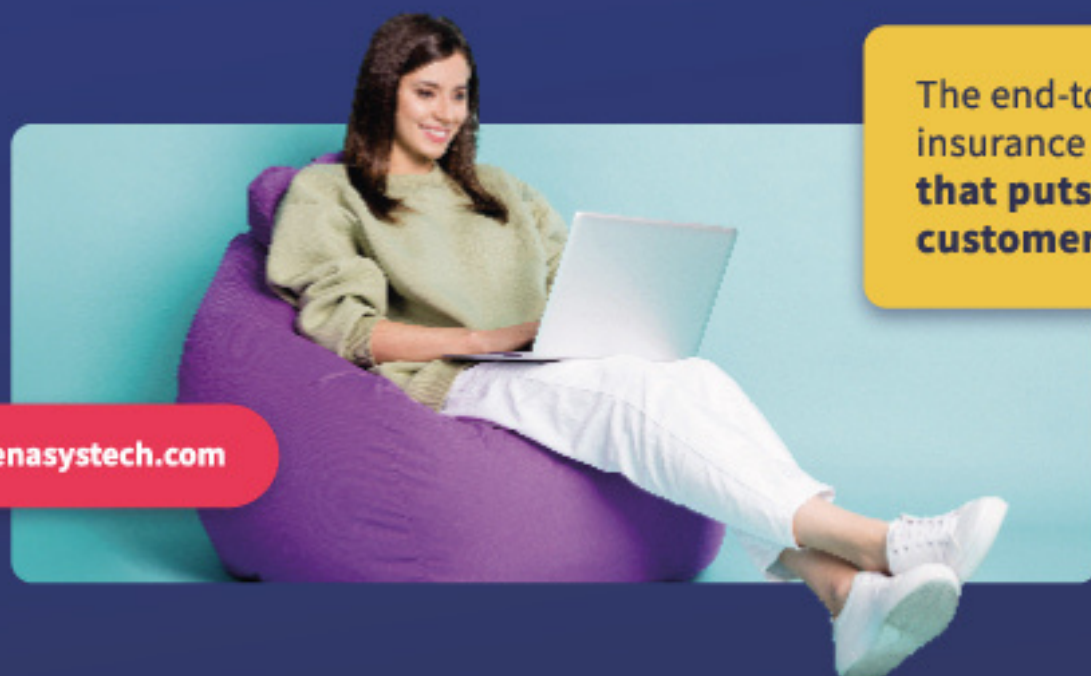
Lack of Integration Options

One of the recurring challenges faced by advisors, especially in the independent space, is the limited availability of integration options within the industry. Most businesses rely on multiple technology systems, resulting in inefficiencies and a loss of profitability.

The need to interface with product providers further complicates the situation, as integration options are often scarce. This leads to decision fatigue and a sense of frustration among advisors when selecting and implementing technology solutions.

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Fatigue and Opportunity

The prevalence of technology options in the market today has not mitigated the challenges faced by advisors. On the contrary, the abundance of choices has contributed to decision fatigue and a reluctance to switch from one technology platform to another. This technology fatigue has created an opportunity for various players in the market to capitalise on by providing greater integration options and collaboration opportunities, ultimately benefiting both the independent advice market and the consumers they serve.

The Role of Technology Providers

The talk also shed light on the role of technology providers in addressing the integration issue. Surprisingly, many providers do not proactively seek integration options but rather wait for customers to request them. This approach hampers progress as it becomes a demand and development prioritisation issue. Moreover, the complexity of using APIs (Application Programming Interfaces) and the lack of user-friendly integration solutions discourage smaller businesses from taking advantage of available options. Bridging the gap between technology providers and users by offering easy-to-implement integration options is crucial.

Technology Strategy and Investment

The importance of a well-defined technology strategy cannot be overstated. Businesses need to approach their technology journey with the same rigor as their financial planning process. This holistic view enables them to align their technology strategy with their business goals, profitability, efficiency, and risk management. Despite the increasing awareness of technology's significance, many businesses still perceive it as an expense rather than an investment. Shifting this narrative to viewing technology as an investment can drive greater adoption and enable businesses to remain competitive and relevant.

Digitisation Challenges

While advancements like AI (Artificial Intelligence) are enticing, the financial advice industry still faces fundamental challenges related to digitisation. Many businesses have yet to transition away from paper-based processes, hindering progress in adopting more advanced technologies. Collaboration among different players in the technology and product provision markets can help penetrate this gap and drive digitisation efforts forward.

Confidence in Data Integrity and Education

Confidence in data integrity among advisors is surprisingly high, which could be attributed to efficient administration practices. However, opportunities exist to further improve administrative processes and reduce duplication of effort. Additionally, the industry demonstrates a high level of confidence in internal education regarding data privacy regulations. Addressing administrative burdens and ensuring data integrity can propel the industry forward.

The financial advice industry faces ongoing challenges related to the lack of integration options, decision fatigue, and digitisation. However, these challenges also present opportunities for technology providers and businesses to collaborate and offer more efficient, integrated solutions. By defining a comprehensive technology strategy and considering technology as an investment rather than an expense, businesses can enhance their competitiveness, deliver a compelling client experience, and truly become client centric. Embracing automation and artificial intelligence can further augment advisors' abilities to provide personalised and efficient services.

The industry's success lies in collaboration, investment, and a proactive approach to technology adoption.





OVERCOMING THE DAUNTING CHALLENGE OF DIGITISATION: WHERE TO START?

Rudy Bedeker, co-founder of Concourse IT, addressed the real and rudimentary problem of digitisation and the challenge of knowing where to begin.

Both technology providers and intermediaries face the daunting task of helping clients transition to digital processes and making decisions regarding the best approach for digitisation. The sheer magnitude of the technology landscape can be overwhelming. To avoid becoming overwhelmed, it is crucial to break down the process into manageable steps and focus on addressing the most pressing needs. If the primary issue is transitioning from paper to digital, that should be the initial focus. By taking small, bite-sized steps, the digitisation journey becomes more approachable.

The risks of not embracing digitisation should also be considered. For example, many businesses still generate significant amounts of paper, which requires storage space and protection from potential damage. Digitisation offers a solution to these challenges, making it essential to evaluate the potential consequences of not pursuing this route. When devising a technology strategy, it is essential for clients and intermediaries to identify their specific needs. By breaking down the requirements into manageable components, it becomes easier to compare different technology solutions effectively.

Moreover, it is crucial to recognise that digitisation is a journey, not a quick fix or sprint. Finding a tech partner who will accompany and support the business throughout this journey is invaluable. While the speed of implementation is critical, time and resources can be significant obstacles. Allocating the necessary resources and considering the time and effort required to implement a chosen solution are crucial factors to keep in mind. However, businesses must also recognise that not embracing digitisation means missing a massive market opportunity. The exponential growth of internet-enabled devices underscores the potential waiting for those who embrace digitisation.



Cost is often a significant barrier to entry when embarking on the digitisation journey. Businesses must seek solutions that convert capital expenditures (CapEx) into operational expenditures (OpEx) and offer scalable billing models. By partnering with a digital solution provider that offers low barriers to entry and a scalable model, businesses can gradually ease into the process, minimising overhead costs and transforming them into operational expenses.

Cloud computing has played a crucial role in facilitating this shift, providing a more cost-effective and scalable approach compared to traditional server-based installations. Overcoming the challenge of digitisation requires a strategic and gradual approach. Breaking down the process into manageable steps, identifying real needs, finding a supportive tech partner, and considering scalable billing models are key factors for success.

By embracing digitisation, businesses can unlock new opportunities and remain competitive in an ever-evolving digital landscape.

NAVIGATING THE BROKER'S JOURNEY: INSIGHTS FROM SANDRO GEYSER, MANAGING DIRECTOR OF INTEGRISURE

In the ever-evolving landscape of technology and digitisation, intermediaries and brokers face the challenge of making strategic decisions to propel their businesses forward.

Sandro provided valuable insights into this journey, shedding light on key considerations and the significance of aligning IT investments with business goals. With a focus on maintaining trust relationships and optimising returns, Sandro emphasised the need for a smart and sustainable approach to technology adoption.

IT Investment Aligned with Strategy

As an intermediary broker, Sandro stressed the importance of recognising that the business should drive technology investments, rather than the other way around. It is crucial to ensure that IT investment aligns with the overarching business strategy. He highlighted that fear of missing out should not be the sole driving force behind technology adoption; instead, it should make clear business sense and positively impact the bottom line.

Smart Technology Adoption

Sandro advocated for a thoughtful and well-defined approach to technology adoption. He advised intermediaries to clearly define their requirements and objectives when considering IT solutions. Rather than succumbing to the allure of trendy tools and platforms, he urged brokers to carefully evaluate the relevance and effectiveness of technology in addressing their specific needs. By understanding what they want, when they will get it, and how much they will pay, intermediaries can maximise their return on investment and avoid potential pitfalls.



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Change Management Process

Implementing new technology requires a comprehensive change management process. Sandro emphasised the importance of embracing change and considering long-term implications. It is crucial to anticipate maintenance, upgrades, and additional requirements that may arise in the future. Intermediaries should be aware of scope creep, where additional features or functionalities may be desired after the initial implementation. Balancing the associated costs and time requirements is essential for successful technology integration.

Capitalizing on Low-Hanging Fruits

Digitisation presents significant opportunities for intermediaries to streamline their processes and enhance client experiences. Sandro highlighted the availability of readily accessible tools that can be leveraged without significant financial investment. For example, platforms like Microsoft Teams offer simple yet effective ways to record conversations and link them to relevant records or diary entries. Similarly, utilising tools like calculators in Microsoft Excel can add substantial value to the digitization process. By capitalising on these low-hanging fruits, intermediaries can gradually embark on their digital transformation journey.

Sandro's perspective as the Managing Director of Integrisure shed light on the intermediary broker's journey towards embracing technology and digitisation. By aligning IT investments with business strategy, adopting technology intelligently, managing change effectively, and capitalizing on existing resources, intermediaries can navigate this journey successfully.

Sandro's insights remind us that while technology is critical, the intermediary's relationship and trust with clients remain paramount, ensuring a sustainable and profitable future for brokers in a rapidly evolving digital landscape.

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LONG LIVE ADVICE

Pieter Erasmus, co-founder at Ctrl stressed that it is important for brokers to look at and understand the ecosystem and omnichannel environment.

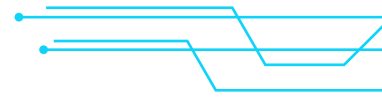
There are solutions out there that connect the end user to the broker, the insurer, and even third parties, where data is already sitting with a third party that holds information rich data about the consumer. This data is then simply plugged in, enriching the ecosystem. He said that it is critical that brokers often look at their own needs as brokers, considering what the end is that they have in mind. It is all about the end user according to Pieter. This is why good client segmentation is so important, as you get to understand them much better as individuals with specific needs. You need to have a solution that serves your customers according to their particular needs.

Pieter said that if you have a tech solution with this omnichannel approach, you can say to your customers that you have it all for them: "Come and visit me at my office later, have an in-person coffee and we can switch over to a tech solution". He said that you might even want to give this tech solution to your customers from day one. I mean we, there is a younger generation that is coming into the mix that we want to provide insurance to. There is an old notion of three out of 10 vehicles in the market out there are insured. Why can't it be four or five? There need to be solutions out there that bring that number up.

Pieter said that if you have a tech solution, you will get a younger generation that will come into the mix as well. But for that you need a tech solution. So, there are lots of opportunities that sit out there. What is important to note, he said, is that brokers are critical, and he passionately believes that "long live the broker advice in South Africa" is critical.

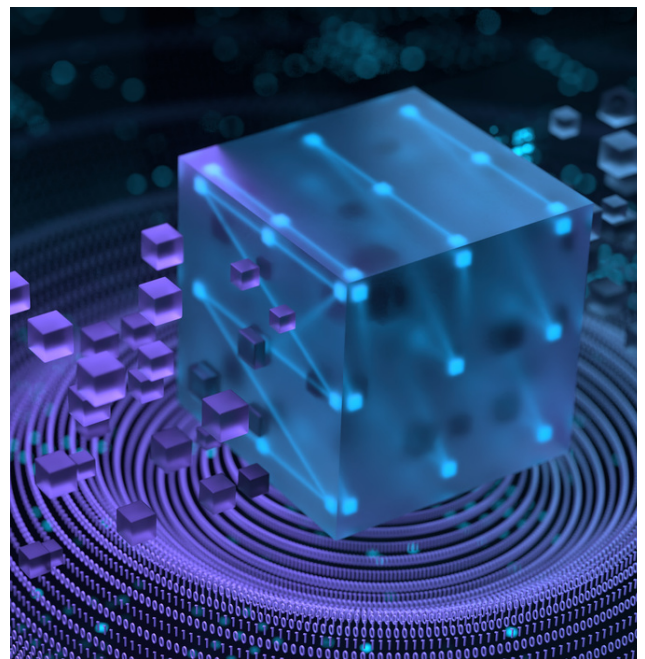
He concluded by saying you need to stay on top of the latest technology trends and opportunities, and you need to bring that into your solution to your customers.

PARTNERING WITH THE RIGHT PROVIDER



Jason Judge, co-founder of Concourse IT, emphasised the importance of digitisation and the role of cloud computing in transforming businesses.

As a technology expert, he believed that implementing technology into businesses is crucial for growth and adapting to the modern era. Based on the insights presented by Jen McKay earlier, Jason highlighted that many small to medium-sized enterprises are seeking ways to address business growth and embrace technology. The surveyed individuals, typically between the ages of 30 and 50, are likely to be tech-savvy and familiar with the internet and digital devices. However, they face obstacles such as cost, time, and skills when it comes to tech investment.



Regarding these challenges, Jason suggested that partnering with the right technology provider can alleviate the concerns. By selecting a provider who offers a long-term partnership and assistance throughout the implementation process, businesses can overcome skill gaps and cost-related issues. This allows organisations to focus on their core business processes, such as insurance, while relying on technology experts to handle the technical aspects. Jason emphasised that digitisation is an investment that benefits multiple aspects of a business. It enables growth, improves client services, and enhances business processes.

By implementing technology in a way that aligns with existing business processes, organisations can achieve efficiency and streamline operations. A good technology provider should tailor their solutions to the unique needs and culture of the business, rather than imposing a rigid system. Cloud computing, specifically, was highlighted as a significant component of digitisation. Jason compared it to a "business Tamagotchi," where businesses can carry their operations with them wherever they go. Cloud computing offers the advantage of collaboration and accessibility, allowing employees to work remotely and interact with the business system seamlessly.



IT TAKES 78
SPECIALISTS
TO CHANGE
A SKYLINE.

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Additionally, cloud computing helps alleviate concerns related to data backup, security, and regulatory compliance by delegating those responsibilities to the service provider. The cloud also enables the development of a robust ecosystem around business operations. It facilitates collaboration, data sharing, and market access, reducing data duplication and increasing efficiency. However, Jason acknowledged that security is a common concern when it comes to digitisation. Choosing a reliable and trustworthy technology provider is essential to ensure data security and mitigate risks. The provider should be transparent about their security measures and demonstrate a commitment to building a strong relationship based on trust.

Finally, Jason briefly mentioned the importance of API integration, as discussed by Jen earlier. He encouraged businesses to select a service provider who is open to API discussions and willing to provide access to all necessary data. The ability to integrate with other systems and access data freely is crucial for collaboration and flexibility. In conclusion, Jason Judge's talk emphasised the significance of digitisation and cloud computing in modern businesses. By partnering with the right technology provider, organisations can overcome challenges related to cost, time, and skills, and achieve growth and efficiency.

However, careful consideration of data security, API integration, and building trust with the technology provider is crucial for successful digitisation.



TECH FEST
THE NEXT STAGE IN THE EVOLUTION

Day 1 – Session 1



Session 1:

DIGITAL STRATEGIES IN a data-rich industry

Tavio Roxo, CEO and Co-founder of OWLS™ Software opened COVER's two-day TechFest2023 when he highlighted the need for intermediaries, insurers, UMAs (Underwriting Management Agencies), and administrators to upgrade their technology in the insurance industry.

Drawing a parallel to the rise and fall of dominant players like Blackberry, Nokia, and Sony Erickson with the emergence of smartphones, the Tavio emphasised that a step change is happening in the tech and insurance industry. The insurance value chain was described as having a fragmented technology landscape, leading to a manual and inefficient execution of administrative tasks. Different departments relied on separate technologies for pricing, underwriting, onboarding, policy servicing, claims, and financial operations. This resulted in a lack of coherence and an overall view of the business. The fragmented software environment led to inefficient resource allocation and hindered the creation of a coherent digital journey for customers and stakeholders. Additionally, misalignment of data among systems created challenges in generating accurate reports, eroding trust in data and systems.

Tavio referenced the success of platform businesses like Facebook, Airbnb, and Amazon, emphasising the importance of building trust. He identified technology as the means to provide transparency, predictability, reliability, speed, and inclusiveness in customer interactions and proposed a vision for insurance businesses to take customers on an end-to-end digital journey, like platforms such as Amazon, catering to every request and building trust along the way.



Tavio emphasised the need for the insurance industry to adapt to the digital expectations of the younger generation, highlighting their preference for online interactions and transactions, saying that the shift to digital was recognised as already happening in Africa, and businesses were encouraged to embrace the necessary technological advancements to remain relevant in the future.

He then highlighted the rapid growth of mobile money transactions in Africa and emphasised the need for proper technology infrastructure to leverage this opportunity, saying that Africa currently accounts for 70% of the world's \$1 trillion worth of mobile money transactions, with a significant increase from \$495 billion in 2020 to \$701 billion in 2021, representing a year-on-year jump of almost 40%.

Tavio highlighted three important technology attributes for a successful digital journey:

1. It must include cloud-based technologies that provide scalability, availability, accessibility, and security. Cloud-based solutions offer the flexibility to easily scale resources and ensure data security through constant monitoring and updates.
1. The technology solution should allow for end-to-end functionality across all products, both life and non-life, within the same system or platform by integrating various functions, such as quoting, underwriting, claims management, and financial transactions, into a centralised system, businesses can gather and interpret information consistently, enabling faster decision-making and product updates.
1. Thirdly, he acknowledged the shortage of sophisticated IT skills in the insurance industry and recommended using user systems that are predominantly configured rather than developed. Configurable systems, though initially more time-consuming to set up, offer greater longevity and flexibility, as they can be easily modified for changing business use cases. This approach reduces deployment time and lowers the risk associated with extensive development efforts.

Tavio concluded by emphasising the importance of building internal skills and resources within organisations in Africa to create a sustainable insurance ecosystem and highlighted the need to train and educate individuals to support the targeted growth in insurance penetration, which is currently at 2% on average but aims to reach 14% on the continent.



Session 1: **DIGITISATION STRATEGIES**

Amritha Reddy, the Head of Fraud at TransUnion Africa, discussed the challenges and opportunities of the digital age in her talk.

She emphasised that while digital channels offer exciting possibilities, they also introduce risks for insurers and businesses. Reddy highlighted the importance of navigating this digital landscape to stay ahead and maintain a balance between risk management and client experience. She explained that the pandemic has accelerated the shift to digital platforms, resulting in increased digital transactions and suspected fraud attempts. Bad actors and syndicates are constantly seeking ways to exploit vulnerabilities and manipulate systems. This underscores the need for organisations to focus on channel security and establish trust with their consumers.

Reddy mentioned that the insurance industry has seen a significant change in suspected fraud attempt rates, indicating the evolving fraud landscape. Insurers face challenges such as fragmented technology landscapes and silo-driven operations, making it crucial to build a strong defence against fraud. She discussed the importance of automation, robotics, and AI in fraud prevention, suggesting that organisations should embrace these technologies to automate repetitive tasks while involving human specialists for complex processes.

To meet consumer expectations, businesses must protect personal data and provide secure online experiences. Reddy emphasised the significance of transparency, data utilisation, and consistent omni-channel experiences to build trust and deliver exceptional customer service.

In summary, Reddy advocated for a comprehensive and layered approach to fraud protection, focusing on identity verification, fraud prevention strategies, and effective policies. She stressed the need for collaboration, leadership buy-in, and a culture of innovation to succeed in a rapidly evolving digital and fraud risk environment.



Panel Discussion: **KEY TRENDS DRIVING THE EVOLVING** INSURERS BUSINESS MODEL

Robin Wagner, who heads up the insurance practice for TransUnion discussed the evolving business model of insurers and highlighted key trends driving this evolution.

One significant trend is the cost-of-living crisis, which is leading insurers to adopt new practices such as automation, digitisation, and data utilisation to improve efficiencies. Wagner indicated that they see around 80% of direct insurance traffic and approximately 80% of all transactions (including brokers and underwriting platforms) at TransUnion in South Africa. He noted a decline in transactions to the bureau, with a 6% drop year on year and a 15% decrease year to date. The number of active policyholders remains stagnant, with premiums increasing by an average of 7% and cancellations rising by nearly 20%. The research also reveals that 55% of South Africans express high concern about inflation.

Despite the challenges, Wagner believed there are opportunities to excel and thrive. Insurers are under pressure to adapt and evolve due to the revenue-focused challenges at the top of the funnel. Simultaneously, rising claims costs and fraud contribute to margin pressure at the bottom of the funnel. Insurers are addressing these issues by automating claims processing environments, employing complex algorithms, and utilising data elements to enhance decision-making, reduce false positives and negatives, improve the claims experience for good customers, and mitigate fraud.

The current economic conditions create a strong motivation for fraudulent activities, leading to an increase in fraud across insurers and insurance markets globally. Wagner suggested that insurers need to evolve their thinking beyond actuarial models and adopt advanced techniques to combat fraud effectively. He shared a success story from the UK, where device risk analysis was implemented, linking different policyholders to the same device, and significantly reducing syndicated fraud and ghost brokers. Digitisation, automation, and the use of multifaceted data elements are key in reducing costs, managing policies, servicing customers, and mitigating fraud.

Wagner also acknowledged the weaponisation of data and praised South African insurers for their long-standing use of sophisticated data in pricing models. He emphasised the shift from manual underwriting to data-driven decision-making, which allows for more consistent and informed pricing decisions. Pricing models are adapting rapidly in response to changing risk conditions, requiring insurers to develop platforms and technologies to adjust pricing strategies in near real-time.

In conclusion, Wagner acknowledged the challenging conditions faced by insurers but remained optimistic about finding opportunities within data analytics and automation to succeed in the evolving landscape.

Day 1 – Session 1: Panel Summary

In summary, the conversation revolved around digital strategies and the continuous nature of the digital journey.

Tavio acknowledged that there is no definitive endpoint in a digital transformation process and that it is a constant enhancement. Amritha emphasised the importance of having a single view of data and client information to combat fraud effectively. She mentioned the benefits of an ecosystem view where data is integrated from various sources. Robin highlighted the need for scalable tech stacks to handle the increasing volume, veracity, and velocity of data. Tavio concluded by adding that insurers must be able to process and utilise data in real time to make informed decisions.

The commentators all agreed that adapting to evolving data needs and incorporating new data points is crucial for efficient operations, accurate pricing, and fraud prevention. They stressed the importance of leveraging data to fine-tune organisations and make better decisions.



TECH FEST
THE NEXT STAGE IN THE EVOLUTION

Day 1 – Session 2



REINVENTING THE WHEEL

In session two Brad Toerien's talk focused on breaking down the barriers of innovation and emphasises the importance of purpose-led innovation.

He highlighted three key points:

- **Purpose-led Innovation:** To build sustainable innovation in businesses and industries, it is essential to align innovation efforts with a larger purpose. People do not just buy products or services; they buy into the why behind a company's actions. Purpose-led innovation combines emotional and functional aspects of a brand, putting the customer first and enhancing value for them.
- **Removing Barriers to Innovation:** In today's world, there are fewer barriers to innovation due to the incredible opportunities and tools available. However, the real challenge lies in achieving market adoption and profitable distribution. Simply producing innovative ideas is not enough; it is crucial to make them stick, convince customers of their necessity, and drive broad market adoption.
- **Overcoming Barriers:** Brad discussed various barriers to innovation, including leadership, culture, company structure, fear of disrupting the status quo, risk tolerance, outdated processes, regulatory compliance, and distribution challenges. He emphasises the need for leaders to create an environment that removes these barriers and fosters innovation.





purpose-led innovation and a continuous commitment to improvement are the keys to sustainable innovation and success in a rapidly changing world.

Throughout his talk, Brad provided examples from his career, where purpose-driven decision-making played a significant role in successful businesses. He highlighted the importance of building innovation into a company's DNA, consistently communicating purpose and progress, gaining buy-in from stakeholders, and obsessing over customer needs rather than solely focusing on competition. Ultimately, Brad argued that purpose-led innovation and a continuous commitment to improvement are the keys to sustainable innovation and success in a rapidly changing world.

He continued to discuss various barriers and enablers for innovation in the insurance industry. One of the main barriers is the lack of consumer trust, which leads to fraud and dishonesty in claims. Rebuilding trust between consumers and insurance companies is crucial. The enablers of innovation include having a clear business purpose, fostering a culture that rewards innovation and experimentation, embracing technology, and leveraging alternative sources of customer data.

He provided several case studies to illustrate these concepts. One case study focused on FMI rethinking life insurance products to pay income benefits instead of lump sum benefits, simplifying the advice process and improving customer understanding. Another case study highlighted the use of cloud-based technology and strategic partnerships to quickly launch a digital life insurance company with low investment costs. The third case study demonstrated how alternative data sources and a laser focus on a specific risk (in this case, cancer) can streamline the underwriting process and create a simplified, quick sales experience, referring to the recently launched Aynjil.

His talk also emphasized the importance of market adoption and distribution for successful innovation. It suggested that innovation should be based on real customer insights and authentic needs. Understanding the sales channel and aligning with its processes and requirements is crucial. Overcoming compliance and regulatory challenges, enabling sales channels, and persistent communication are also discussed as crucial factors in driving innovation and ensuring its success. **Overall, Brad's talk highlighted the significance of trust, purpose, culture, technology, and data in fostering innovation within the insurance industry and encourages persistence in pursuing innovative ideas.**



PEAKS & TROUGHS OF INNOVATION

Gavin Peters, VP of Marketing for Genasys Technologies followed Brad Toerien, with further thoughts around innovation in the industry.

He emphasised the importance of innovation and discussed the challenges and opportunities it presents. Peters highlighted that understanding and predicting change is difficult, citing examples of failed predictions in the past. He mentioned the hype cycle and how technologies experience peaks and troughs before reaching productivity. Insurance companies, in particular, face barriers to innovation due to complex processes, long product life cycles, and limited customer feedback.

Peters discussed the common approaches to innovation, such as multi-year digital transformation programs, but noted their limitations. He introduced the concept of "pro adaptability," which involves proactive and forward-thinking adaptation to trends. Pro adaptive businesses anticipate changes and build the necessary infrastructure to react effectively. Peters outlined four key areas of focus for pro adaptive businesses: leadership, culture, processes, and technology.

He emphasised the need for visionary leadership, a flexible and agile culture, and the right processes and technology to support innovation. On innovation with the end customer in mind, Gavin had the following to say: "For us, as a Tech company, it is the age-old B2B to C mentality of when you are selling into businesses that are serving the end consumer". He said that you are putting yourself in the shoes of your customer. So, their customer is the insurance businesses or the carriers and the brokers.

Genasys must therefore think what they want to achieve, which is to then deal with their customers. It is therefore about thinking through their lens and adding and becoming part of their team. Genasys sees themselves as real partners with their clients, he said. So, it is part of their DNA to think about their customers' customers. "The only way that we can innovate is if we are very much looking at our customers' customers, the end consumer, because that is how we solve their problems."

He stressed that they must, at the same time, look at how their customers want that which they need. And sometimes that is not all about the end insured. That is about improving insurer processes. Genasys must look at, automation within the business that speeds up previously inefficient processes. Sometimes they get companies that are startups off spreadsheets moving onto software for the first time, he said. So, they are looking at both sides, which is a real balance, but because they get so close to their customers, they are always thinking about their customers, looking at both sides, which can be complex because you have a lot to consider, but it is crucial.

Overall, he stressed that innovation is crucial for insurance businesses to stay ahead in a rapidly changing landscape. By embracing pro adaptability and effectively addressing the barriers to innovation, companies can position themselves for success in the future.





TECH FEST
THE NEXT STAGE IN THE EVOLUTION

Day 1 – Session 3



THE POWER OF DATA: UNLOCKING INSIGHTS FOR BUSINESS SUCCESS

In today's digital era, data has emerged as a critical component of any organisation's strategy. It holds the key to unlocking valuable insights and driving business success.

In his talk at TechFest2023, Kali Buggery, the CEO of The Data Company, highlighted the importance of leveraging data across the value chain, along with practical examples and case studies. This article aims to delve into the key takeaways from the talk, emphasising the significance of data in achieving digital transformation and making informed business decisions.

The Growing Data Landscape

The rate at which data is being generated is staggering. As revealed by statistics shared during the talk, an overwhelming 328.77 quintillion bytes of data are created every day. What is even more astounding is that 90% of the data in existence today has been generated within the past two years. This exponential growth can be attributed to factors such as increased internet usage, virtual conferences, social media interactions, and the digitalisation of various processes.

Harnessing Data for Strategic Decisions

The ability to effectively utilize data is a game-changer for organizations. Research has shown that companies investing in data and analytics capabilities witness an 8% increase in revenues and a 10% reduction in costs. Moreover, 69% of surveyed respondents reported being able to make better strategic decisions based on data-driven insights. This shift from relying on gut feelings to leveraging factual data empowers businesses to enter new markets, launch products with confidence, and stay ahead of the competition.

Operational Improvements through Data Integration

Data integration plays a pivotal role in streamlining operational processes. By connecting various systems and automating data transfer, organizations can eliminate manual data entry, reduce errors, and improve overall efficiency. For instance, in the insurance industry, automating data collection and utilizing external sources like the insurance crime bureau enable early detection of fraudulent cases, ultimately reducing claim costs. Additionally, businesses can gain enhanced customer insights by creating a single view of each customer, facilitating cross-selling and upselling opportunities based on personalized data-backed recommendations.



The Data Deluge and Future Opportunities

As the volume of data continues to skyrocket, organisations must adapt to the evolving landscape. By 2025, it is projected that 160 zettabytes of data will be generated annually. While this abundance of data presents challenges, advancements in cloud technology offer cost-effective storage solutions. Furthermore, the real-time processing of data is gaining traction, with an estimated 25% of all generated data set to be utilised in real-time processing by 2025. This trend opens a world of possibilities, including the early detection of fraudulent activities, personalised customer experiences, and improved operational agility.



Driving Customer Experience, Pricing, and Product Innovation

To remain competitive, businesses must focus on three key areas: customer experience, pricing, and product innovation. Today's customers expect seamless omnichannel experiences, where they can effortlessly continue their interactions across different devices and channels. An organization's ability to retain customer data and provide a frictionless experience significantly impacts customer satisfaction. Furthermore, data-driven insights empower businesses to optimize pricing strategies and tailor product offerings to meet customer demands effectively.



Embracing Data Analytics for Business Success

Technology should be seen as a tool to process vast volumes of data, enabling humans to make more informed decisions. While concerns about AI (Artificial Intelligence) replacing human decision-making were addressed, he stressed that technology enhances decision-making by providing valuable insights quickly and accurately. Organisations need not fear being replaced but should instead embrace the potential benefits that technology brings.

Challenges in Achieving Data Integration

There are several significant issues such as data quality, consistency, and standardisation saying that many organisations still rely on paper-based or handwritten systems, leading to data inconsistencies when transitioning to digital platforms. Improving data quality often involves leveraging third-party data sources to validate and cleanse existing data. Integration of data from different systems and operational data scattered across databases, spreadsheets, and mobile apps were identified as areas requiring attention and standardisation.

Utilising Data Visualisation and Modern Technologies

Data visualisation and modern technologies are crucial tools for businesses. Visualising data through dashboards and data visualisation tools can provide better insights and facilitate decision-making. These tools have become more affordable and accessible, and organisations are encouraged to leverage them to improve data analysis capabilities. Additionally, integrating legacy systems with real-time data sources and incorporating AI and machine learning into data processes were stressed as crucial steps for organisations to stay competitive.

Data Integration Challenges and Available Solutions

A further challenge is the lack of integration options, but it remains unclear whether this is due to a lack of awareness among brokers and Financial Services Providers (FSPs) regarding available technology vendors or a genuine absence of suitable integration solutions. The need for easy integration options was emphasised, and further discussions were encouraged to address this challenge effectively.

The Data Company's Six-Step Process

The Data Company created our own six-step process to guide organisations on their journey to artificial intelligence. The steps include data migration, data integration (including third-party data sources), data management, data analytics, data visualisation, and operationalisation. Each step aims to help businesses progress towards implementing AI and utilising data effectively, starting from their existing data sources and expanding to new and emerging data streams.

The Role of AI in Data Analytics

There are various elements involved in utilising AI in data analytics. These include chatbots for personalised services, natural language processing for data matching, sentiment analysis to gauge public opinion, computer vision for simulations and training, and predictive analytics for anomaly detection and lead qualification. The importance of AI in enhancing business processes and decision-making was emphasised.

NAVIGATING THE CHALLENGES OF DATA IN THE INSURANCE INDUSTRY

We extracted highlights from a presentation by Paul Donnelly, Executive Vice President for EMEA (Europe, the Middle East, and Africa) at Fineos, at TechFest2023 where Paul shares insights into the complexities of data management in the insurance industry.

With over 15 years of experience in life and health insurance, Paul highlighted the significance of data collection in the underwriting process and the challenges associated with it. He emphasised the need for insurers to uphold high standards in data protection while meeting the evolving expectations of customers and regulators.



The Underwriting Process: Collecting Extensive Data

In the insurance industry, the underwriting process serves as a pivotal point for data collection. Underwriters are always seeking more information, striking a balance between acquiring comprehensive knowledge and achieving sufficient insights. Life and health insurance, in particular, involve the collection of vast amounts of personal and sensitive data. From health and financial secrets to family history, insurers assume the responsibility of safeguarding this personally identifiable information.

Meeting Scale and Sensitivity Challenges

While the scale of data presents challenges across the insurance industry, life, and health insurance face unique obligations due to the sensitive nature of the collected information. Regulatory frameworks such as the General Data Protection Regulation (GDPR) aim to establish higher standards for data protection and ensure insurers act as responsible custodians. Paul emphasises the importance of maintaining a high standard given the sensitivity of the data acquired during the underwriting process.

Legacy Systems and Evolving Expectations

Paul acknowledged the reliance on core systems that were designed to meet the standards of the past. However, he highlighted the contrast between these legacy systems and the changing expectations of individuals and society at large. Insurers must now provide transparency to customers and regulators regarding the storage, accessibility, and usage of data. The existing systems often fall short in meeting these modern demands, creating a gap between societal expectations and industry capabilities.

Data as the New Oil or the New Asbestos?

Drawing upon the popular adage that "data is the new oil," Paul brought attention to the potential risks associated with data mismanagement. While data holds immense value, it can also become a liability if organisations are ill-prepared to handle it. Paul urged insurers to develop the necessary competencies, processes, and systems to navigate the data challenges effectively. Ensuring data is managed securely, ethically, and in compliance with regulations is crucial for the industry's future.



Fineos: Driving Innovation in Data Management

Paul concluded by highlighting Fineos' role in addressing data-related challenges. Fineos specialises in claims administration management systems for the life and health insurance sector. The company has developed modular core systems for policy administration, billing, and payments management, among other functionalities. Recognising the significance of data in both underwriting and claims processes, Fineos leverages automation, rudimentary automation, and advanced technologies like AI and machine learning to streamline and enhance the customer experience.

By reducing friction and applying predictive analytics, insurers can provide specialised support to claimants while ensuring responsible data usage.



TECH FEST
THE NEXT STAGE IN THE EVOLUTION

Day 2 – Session 1





EMPOWERING INTERMEDIARIES AUTOMATING INSURANCE BUSINESS WORKFLOWS

In this session Hanno van Aarde, CEO of Briisk, shed light on the significance of insurance business workflow automation and its focus on empowering intermediaries.

Joined by **Fred De Beer, a serial entrepreneur in the financial services space, and Stephen Motseki, an experienced player in the insurance industry**, the discussion highlighted the crucial role of technology in streamlining insurance processes and complying with regulatory requirements. Hanno explained that the automation sought by industry professionals spans the entire value chain, requiring a comprehensive understanding of relevant legislation. Acts such as the Financial Advisory and Intermediary Services (FAIS) Act, the Information and Communication Technology Act, the Protection of Personal Information Act (POPI), the Financial Intelligence Centre (FIC) Act, and data security regulations all play integral roles in shaping the insurance landscape.

Intermediary services, defined as any act performed by a person on behalf of a client or product supplier, encompass a range of activities such as buying, selling, managing, administering, and safeguarding financial products. These services entail data maintenance, customer servicing, premium collection, and accounting. Therefore, intermediaries act as the linchpin that connects various business processes within the insurance industry, and technology companies aim to aid in this regard. According to Hanno, the main challenge faced by the insurance industry lies in the mass customisation of products.

Insurance offerings are no longer limited to simple life or motor insurance; they now involve extensive customisation, including additional coverage levels and value-added products. Each customisation element introduces complexity to the workflow, affecting distribution, customer engagement, policy administration, collections, and claims. Consequently, technology companies must address these challenges while ensuring flexibility to accommodate the diverse customisation needs.

While insurance products themselves may be considered commodities, the services provided and the way they are delivered remain highly customised. Van Aarde presented the example of travel insurance, which combines life insurance, health insurance, and short-term insurance. The aim is to understand clients' strategies and utilise technology to execute those strategies effectively. This approach enables increased sales, digital onboarding processes, and optimised website performance, aligning with the client's goals.

To overcome the complexities associated with customisation and regulatory compliance, Briisk adopts a platform approach. The company provides a building block platform that allows each client, such as intermediaries, to develop their unique workflows, customer journeys, and data management methods. The platform is product-agnostic, supporting a wide range of insurance offerings and even extending beyond the insurance industry to cover third-party services and validated products.



One of the critical data challenges is creating a single customer view across multiple channels and touchpoints. The goal is to establish a unified data set that adheres to regulations, enabling a seamless customer experience. Briisk addresses this challenge by creating a customer key, a unique identifier that links to third-party databases, such as CRM (Customer Relationship Management) systems or policy databases. This approach enhances the perception of a singular customer view while respecting data privacy regulations and permissions. The ultimate objective of business process automation is to eliminate data redundancies and enable seamless data reuse. By digitising processes and securely sharing data across various business operations, redundant data entry can be eliminated, saving time, and improving efficiency. The use of secure technologies, such as one-time passwords and single sign-on, ensures that data can be shared securely across different business processes.

Navigating complex technical requirements: In the realm of workflow automation, intermediaries often face the daunting task of determining what processes to automate and how to navigate complex technical requirements. According to Hanno, Briisk's solution focuses on addressing these challenges. By offering customisable automation templates and expert support, it empowers intermediaries to identify and automate critical workflows while integrating seamlessly with existing systems.

One of the primary hurdles that intermediaries encounter is understanding which tasks and processes to automate amidst a sea of confusion. Furthermore, the customisation of products and the need for compliance add complexity to the equation. Briisk recognises this challenge and assists intermediaries in simplifying the automation process. By offering expert support and providing a user-friendly interface, Briisk ensures a seamless integration with existing systems. Rather than discarding current infrastructure, Briisk focuses on augmenting and enhancing it, thereby streamlining the user experience.

The technology landscape is rapidly evolving, presenting intermediaries with a plethora of options. Hanno said that they believe in transparency and works closely with clients to evaluate different tools based on cost, speed to market, and the ability for clients to manage automation themselves. By avoiding the pitfall of trying to be everything for everybody and maintain a focus on delivering high-quality service. While certain functionalities may not be available today, the continuous journey of innovation aims to meet future client needs and align with industry advancements.

Intermediaries require clarity on how workforce automation can benefit their operations and contribute to the bottom line. Tangible benefits, such as increased efficiencies, driving shareholder value, and enhancing profitability, are vital to the success of implementing automation. Briisk emphasises the importance of data in delivering these quantifiable benefits. By incorporating data elements into workflows, it enables insightful analysis and provides actionable insights to drive further optimisation.



According to Hanno, Briisk's solution acts as the ultimate orchestration layer, bridging the gap between legacy systems and digitized insurance practices. With each product iteration, Brisk expands its functionality to cater to a broad range of needs. Digitising insurance and embracing automation not only improves efficiencies but also empowers intermediaries to access new markets, increase policy sales, and foster business growth. The flexibility offered by Brisk ensures that workflow automation strategies align with the unique needs of each intermediary.

Focusing on engagement: In the pursuit of success, intermediaries must prioritise customer experience and by leveraging digital automation, they can simplify and streamline the engagement process, making it easy and seamless for customers to interact. The resultant positive customer experience fosters customer loyalty opens opportunities for upselling and cross-selling and expands the customer base. Accurate data plays a crucial role in this journey, enabling the creation of a single view of the customer and facilitating better decision-making.

Implementing automation solutions entails challenges related to time and cost. Product customisation further compounds the complexity, as intermediaries strive to differentiate themselves in the market. Brisk addresses this challenge by providing customisable templates that cater to 80-90% of intermediary needs, while allowing for the remaining 10% to be customised. By empowering intermediaries to handle a sizeable portion of the work themselves, Brisk accelerates the implementation process. Additionally, intermediaries can form groups and pool resources to reduce costs and maximise the effectiveness of automation solutions.

Digital transformation for the future:

On a question from the audience, Fred discussed the need for a digital transformation strategy in the insurance industry to accommodate the next generation of customers, specifically millennials and Gen Zs, who will make up 75% of the economy by 2030. He emphasised that insurers must adapt their product sets to meet the expectations of these customers, who have different preferences and experiences compared to previous generations. Brisk, as a technology-oriented company, aims to support this transformation by digitising the entire value chain of insurance. They believe that insurers need to leverage modern platforms, especially mobile platforms, to provide access to their products. Insurers that fail to embrace technological advancements may face challenges in the future.

Fred discussed the concept of dynamic product packaging, where solutions are customised in real time based on customer data and risk assessment. This approach allows customers, particularly millennials, to tailor their insurance products according to their specific needs. To succeed in this digital era, insurers should combine technology with effective marketing strategies to communicate and explain these products to customers in a simple and concise manner.

The digitisation of workflows with Brisk's platform can lead to numerous benefits for insurers. It can optimise office space, reduce paperwork, enhance efficiency through data integration across the value chain, ensure data security, broaden the customer base, and lower resource costs. These improvements can contribute to higher revenue and help insurers remain competitive in the market.

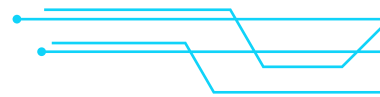


TECH FEST
THE NEXT STAGE IN THE EVOLUTION

Day 2 - Session 2



SPEED TO MARKET: ACCELERATING INNOVATION IN THE INSURANCE INDUSTRY




A summary of a presentation by Wayne Tom, CEO, GhostDraft. In today's rapidly evolving insurance landscape, speed to market has become a critical factor for success.



Insurers are facing changing customer needs, emerging risks, and internal dynamics that demand agile and efficient processes. To stay competitive, insurance companies must bring new products to market faster while reducing operational costs. In this article, we will explore the significance of speed to market and examine some insights from the insurance industry. The insurance industry is experiencing profound transformations on multiple fronts. The expanding customer base, particularly among the growing middle class, presents opportunities for new insured parties to enter the market.

However, these customers, particularly the younger generation, have different expectations when it comes to insurance. They seek tailored products and seamless digital interactions with insurers. The digital revolution has significantly influenced customer behaviour. A substantial portion of insurance consumers now research online before making any decisions, with home insurance purchases online witnessing a notable increase. Moreover, environmental factors and cyber risks have added complexity to the risk landscape, demanding additional coverage and compliance requirements.

The ongoing impact of the COVID-19 pandemic has further emphasised the need for affordable insurance products. Internally, insurers are grappling with changing dynamics. The aging workforce and retiring employees pose challenges in terms of skills shortages. As a result, insurers face the task of not only maintaining current business operations but also transforming their businesses to adapt to the post-pandemic era.



"To achieve top-line growth and cost-effectiveness, insurers must strike a balance between stability and agility, rethinking their ingredients for success in the future. "

In South Africa, the insurance market reveals unique dynamics. While funeral cover is prevalent among the population, other forms of insurance, such as life, physical asset, and health insurance, remain underrepresented. Affordability is the primary barrier preventing increased penetration of insurance products in the country. The life insurance gap alone was quantified at 15.4 billion rand in 2019, highlighting the need for affordable and accessible insurance solutions. Traditionally, insurers have built their business models around managing risk and protecting the balance sheet. This approach has led to highly standardised, robust, and compliant products.

However, the manual processes associated with designing and implementing these products have hindered speed to market. To achieve top-line growth and cost-effectiveness, insurers must strike a balance between stability and agility, rethinking their ingredients for success in the future. Research conducted by industry analysts identified several factors impeding accelerated speed to market in the insurance industry. The average timeline for bringing new products to market ranges from six to nine months, with product modifications taking around 45 months. The research also highlighted that the design phase, accounting for 40% of the total process, is the longest and most complex stage. Smaller insurers and those equipped with new technologies generally experience faster product introduction and modification times.

To overcome these challenges and expedite speed to market, insurers must address several factors that contribute to delays. This includes streamlining the research and drafting phase, reducing complexities in the design phase, optimizing review and approval processes, and improving technical implementation and testing procedures. Speed to market has become a critical driver of success in the insurance industry. There is no single fact that an insurer can immediately target for sure fire improvement in their speed to market. Ultimately, speed to market comes down to something else.

Wayne identified seven key levers to improve speed to market:

- **Product:** Use deep datasets and advanced analytics tools to offer more niche and customised products that cater to specific customer requirements and tap into microsegments. Implement dynamic pricing based on specific coverage and customer risks.
- **Digital Sales Channels:** Design products to be sold digitally through various channels. Develop a reusable digital customer engagement platform that allows flexible customer interaction through web and mobile apps.
- **Value-Added Services:** Include value-added services beyond pure insurance, such as predictive maintenance or preventative services, to reduce the likelihood of claims. Bundle these services into the product offering.
- **Customer Journey Modelling:** Document and understand the customer journey from the viewpoint of the customer. Simplify processes and improve customer experience throughout the sales, research, claims, renewal, and account management stages. Design journeys to support multi-channel interactions.
- **Data Utilisation:** Utilise available data, including proprietary data and external data sets, to derive insights and intelligence. Use data for risk screening, policy pricing, and customised underwriting.
- **Automation:** Automate routine tasks and simple decisions using low-code workflow tools and advanced analytics. Identify market microsegments and streamline the sales process.
- **Internal Collaboration and Empowerment:** Set up a small, empowered internal collaboration team to make decisions and drive speed to market. Involve business users in the process and provide them with access to customer data and monitoring capabilities.

Additionally, Wayne discussed three critical technologies for enabling speed to market in the insurance industry:

- **Ecosystem-based Policy and Claims Administration Systems:** Move from monolithic systems to ecosystem models that deconstruct core applications into cloud-based components. Utilise secure APIs (Application Programming Interfaces) and integration layers to access pre-integrated applications from multiple vendors.
- **Customer Journey Mapping and Experience Initiatives:** Use graphical tools to document and capture every step of the customer's journey. Simplify the customer experience through low-code implementation of front-end interfaces integrated with the back-end systems.
- **AI (Artificial Intelligence) and Natural Language Processing:** Leverage AI and natural language processing tools like ChatGPT to simulate conversations, detect usage patterns, and improve customer interactions. AI can be used for predictive modelling, underwriting, risk analysis, and chat-based customer interactions.

A man with glasses and a red sweater is shown from the chest up, looking extremely overwhelmed. He has his hands raised in a gesture of surrender or frustration. He is surrounded by a chaotic scene of papers, a smartphone, and a clock. The background is a mix of blue and white geometric shapes.

**SO MANY
DOCUMENTS,
SO LITTLE TIME.**

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ENHANCING CLIENT COMMUNICATION FOR ACCELERATED MARKET SUCCESS: INSIGHTS FROM DANE RICHARD, CEO OF JMR SOFTWARE

Dane emphasised the importance of speed to market for insurers to differentiate themselves from competitors.

He highlighted the customer journey as a key focus for accelerating speed to market. Effective client communication plays a crucial role in building trust and enhancing the client experience. Dane suggested several strategies for enhancing client communication. First, building trust through clear articulation of insurance policies and coverage details. Transparent communication fosters long-term relationships. Second, using clear and concise language to explain complex insurance concepts, making them easily understandable to clients.

Third, proactive communication keeps clients informed about policy changes, renewal notices, and relevant updates, demonstrating professionalism and commitment. Personalisation is another important aspect of client communication, tailoring messages to individual client needs and preferences. Empathy and compassion are crucial when dealing with challenging life events that often require insurance claims. Understanding and supporting clients during these times can alleviate stress and anxiety. Dane also emphasised the significance of effective claims handling and clear communication throughout the claims process.

Clients should be well-informed about required documentation, expected timelines for claim resolution, and other relevant details. Managing expectations and building trust during the claims process is essential for long-term client satisfaction. Dane stressed that effective client communication is vital for insurers to support speed to market, build trust, strengthen relationships, and enhance client satisfaction.

Clear communication strategies such as clarity, simplicity, proactive communication, personalisation, empathy, and continuous improvement can differentiate insurers in a competitive market and establish long-lasting client relationships.

THE SHIFT TOWARDS CUSTOMER CONVERSATIONS



Insights from Alan Burger, CEO of InfoSlips. Alan highlighted the growing trend of transitioning from customer communication to customer conversations in the insurance industry.

By leveraging technology, such as AI, insurers can engage in meaningful interactions with customers, fostering digital empathy and building trust. He emphasised the importance of understanding customers on a human level, even when the interaction is technology driven. This approach allows insurers to be available to customers around the clock, creating the best possible experience tailored to individual needs. Conversational interfaces are being utilised to transform static documents into dynamic conversations. Customers can ask questions about their policies and receive instant answers, making the information more accessible and engaging.

Beyond document conversations, these technologies have the capability to understand customer profiles and address their specific needs. This personalised approach enhances the overall customer experience and extends beyond the limitations of a single document. By conversing with the insurer, customers can gain insights into coverage, claims processes, and their policy details. Alan also touched on several other noteworthy points. He highlighted the significance of starting with product design, moving towards modular approaches that allow for tailored solutions for individual customers. This micro-segmentation and granular approach ensure that the product addresses the unique needs of each customer.

Moreover, Alan mentioned the preferences of Gen Z and the upcoming Gen Alpha, who often prefer digital interactions without engaging with a human representative. They value systems and processes that empower them to make decisions independently. Omni-channel experiences play a vital role, extending beyond traditional channels like email and phone to encompass various digital touch points. This includes mobile apps, progressive apps, and messaging platforms that offer instant engagement without cumbersome processes. Alan concluded by sharing his personal experience with pet insurance, highlighting how the entire process, from onboarding to claims, was seamless and efficient without the need for human interaction.

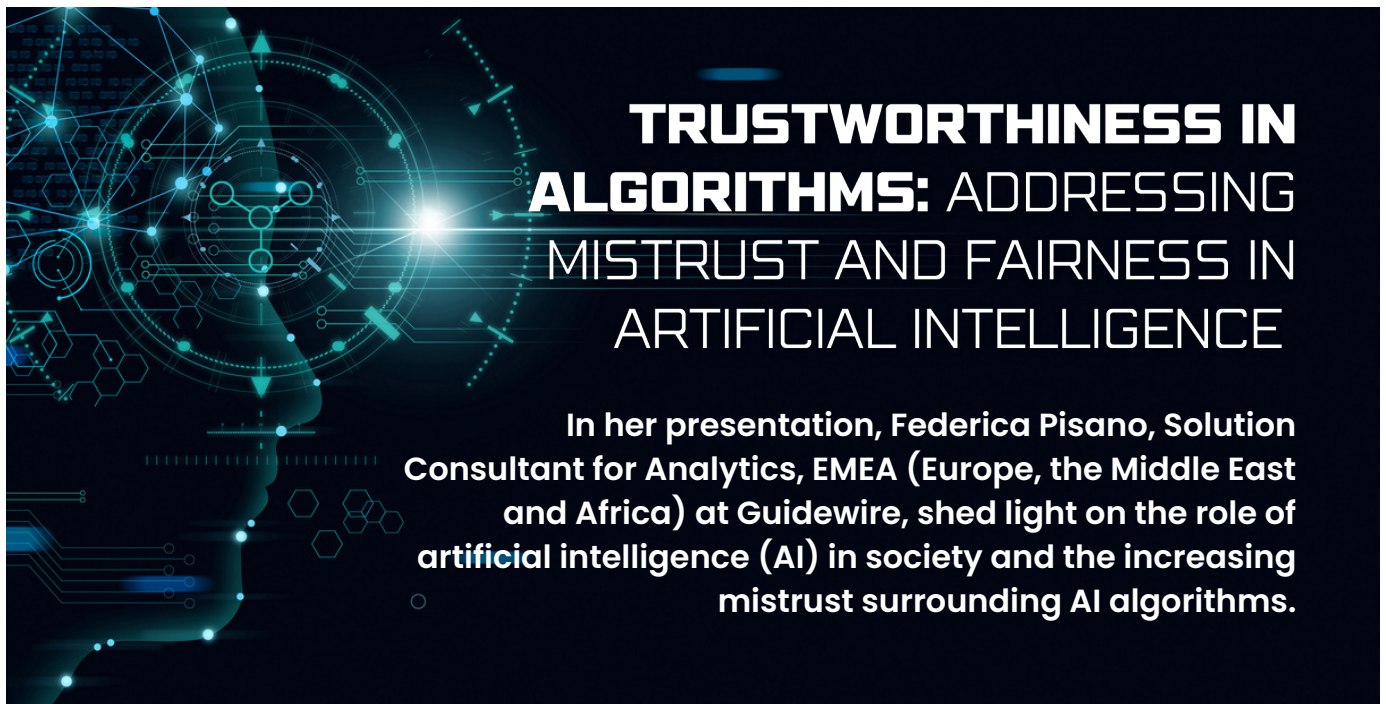
This example demonstrates the potential for streamlined customer experiences across multiple insurance products.



TECH FEST
THE NEXT STAGE IN THE EVOLUTION

Day 2 - Session 3





She discussed the reasons behind this mistrust and explored the state of AI regulation. The presentation also emphasised the importance of adopting a fair approach to building and using AI. In addition, Federica highlighted some initiatives taken by Guidewire to address these concerns. This article will summarise the key points from Federica's presentation and provide insights into the challenges and potential solutions related to trustworthiness in algorithms.


The Growing Role of AI

Federica acknowledged that AI has become an integral part of our daily lives, impacting various sectors and industries. From entertainment to retail and insurance, AI is providing convenience, automation, and improved decision-making. Examples mentioned included generative AI used in photography, conversational AI for customer engagement, AI combating misinformation, and its application in automating insurance claims processes.

Mistrust in AI

Despite the widespread use and benefits of AI, Federica pointed out the rising levels of mistrust in AI algorithms. Citing a survey conducted by Rackspace, she highlighted the polarisation of trust in AI, with a significant percentage of respondents expressing either light or strong trust in AI. This mistrust can be attributed to several factors, including concerns about biased outcomes, job displacement, data privacy, intellectual property rights, and the manipulation of user behaviour.





The choice of algorithms and model training can also contribute to biases, leading to overfitting or the inclusion of proxy attributes that inadvertently discriminate against certain groups.

Understanding Bias and Discrimination

Federica discussed the problem of biases in AI algorithms, particularly in relation to discrimination. Biases can arise during the data collection process, where historical data may be incomplete or biased due to sample biases. The choice of algorithms and model training can also contribute to biases, leading to overfitting or the inclusion of proxy attributes that inadvertently discriminate against certain groups. She highlighted real-world examples of discriminatory AI practices reported by organisations and researchers.

The growing mistrust in AI calls for responsible practices to address biases and discrimination. It is essential for organisations, policymakers, and industry leaders to collaborate in shaping AI regulations that promote transparency, accountability, and equitable outcomes. Guidewire's initiatives serve as an example of the industry's efforts to navigate these challenges and build trust in AI systems.

The State of AI Regulation

Federica acknowledged that AI regulation is still in its initial stages and constantly evolving. While there is no unanimous feeling about the adequacy of governance measures, she discussed the European Union's proposed regulations and the need for third-party in high-risk AI applications. Federica also mentioned Italy's temporary suspension and subsequent resumption of AI services due to privacy concerns. The United States is also exploring further regulation, with industry leaders acknowledging the necessity of responsible AI practices.

Implications for South Africa

In South Africa, the regulatory landscape may be shaped by global developments and regional considerations. Federica suggested that the proposed regulations by the European Union could set a standard for other parts of the world. However, she also highlighted the importance of finding a hybrid approach that aligns with the unique needs and context of South Africa and the African Union.



EXPLORING THE POWER OF AI IN UNDERWRITING FRAUD DETECTION, AND CLAIMS PROCESSING

Abri Kohn from Santam delivered a presentation highlighting the significance of AI in the underwriting space and its potential in various areas of the insurance industry.

He emphasised the value of AI in making accurate underwriting decisions by leveraging vast amounts of available data, identifying the use of chatbots, and virtual assistants as an opportunity to enhance efficiency and effectiveness in financial services. Kohn mentioned that clients, especially millennials, desire 24/7 availability and prefer the convenience of chat-based communication over traditional phone interactions.

Fraud detection was another area where he discussed AI as a powerful tool. By building predictive models and integrating external data sources, insurers can better assess the likelihood of fraudulent claims, ultimately protecting customers and mitigating risks. His presentation acknowledged the potential benefits of AI in safeguarding people, in addition to addressing the threats associated with its implementation.

Regarding claims processing, Kohn highlighted the numerous models employed by the claims department. AI can assist in streamlining operations, improving efficiency, and enhancing customer service. Augmenting human assessors with AI can optimise their time, enabling them to focus on tasks where AI currently cannot provide the same value. He countered fears about job displacement by emphasising historical patterns in which technological revolutions created more job opportunities.

In terms of risk management and predictive analytics, preventing claims from occurring was deemed ideal. The integration of the Internet of Things (IoT) and artificial intelligence was emphasised as a promising avenue for preventing catastrophes. Kohn mentioned ongoing proof-of-concept projects in this domain, highlighting the shared interest among insurers. Abri underscored hyper-personalisation as a critical factor for the future of insurance and the effective utilisation of customer data to provide tailored products and identified personalised experiences as a key differentiator.



He said that understanding client profiles can facilitate cross-selling, upselling, and targeted marketing efforts. Lastly, he touched on the topic of bias and its implications. Kohn raised the question of how to ensure algorithms and models are free from bias, particularly when working with entities like the Competition Commission in South Africa. The aim is to guarantee equal and fair opportunities for different suppliers and prevent biases that could favour specific groups.

Overall, Abri Kohn's presentation highlighted the transformative potential of AI in underwriting, chatbots, fraud detection, claims processing, risk management, hyper-personalisation, and bias mitigation. These areas present both challenges and opportunities for the insurance industry, shaping its future landscape.

ADDRESSING CHALLENGES & BUILDING TRUST IN AI FOR FINANCIAL SERVICES

Bryan McLachlan, representing CyborgIntell, delivered a compelling speech on how their company aims to tackle three crucial problems in AI for financial services: talent and skill shortages, time-consuming projects, and the issue of trust.

IMcLachlan elaborated on the company's approach to addressing the trust problem, emphasising transparency, documentation, feature control, and model risk management. Transparency was highlighted as a cornerstone of building trust. CyborgIntell ensures that everything done on their platform is fully explainable in plain business English. Like Guidewire's approach, they provide transparency at both the model level and individual decision level. It is not sufficient to inform a customer that their claim was declined because "the machine said so." Instead, CyborgIntell's platform offers real-time, plain English explanations for individual decisions, enhancing customer understanding and trust.

Documentation plays a vital role in establishing trust. Every action performed on the platform is carefully documented and recorded, enabling the production of comprehensive documentation that can be read in plain English. This documentation highlights the exact steps taken, including the algorithms and features used. CyborgIntell can easily demonstrate that sensitive variables like race, gender, or postal code were not utilised in the decision-making process, offering reassurance regarding potential biases.

Control over feature selection is another aspect that contributes to trust. Data scientists or those implementing the machine learning algorithms have complete control over which features are selected. This level of control empowers them to deselect variables that may introduce bias, such as race or gender. CyborgIntell also allows full control over methods used for handling missing data, aiming to mitigate bias-related challenges discussed earlier.

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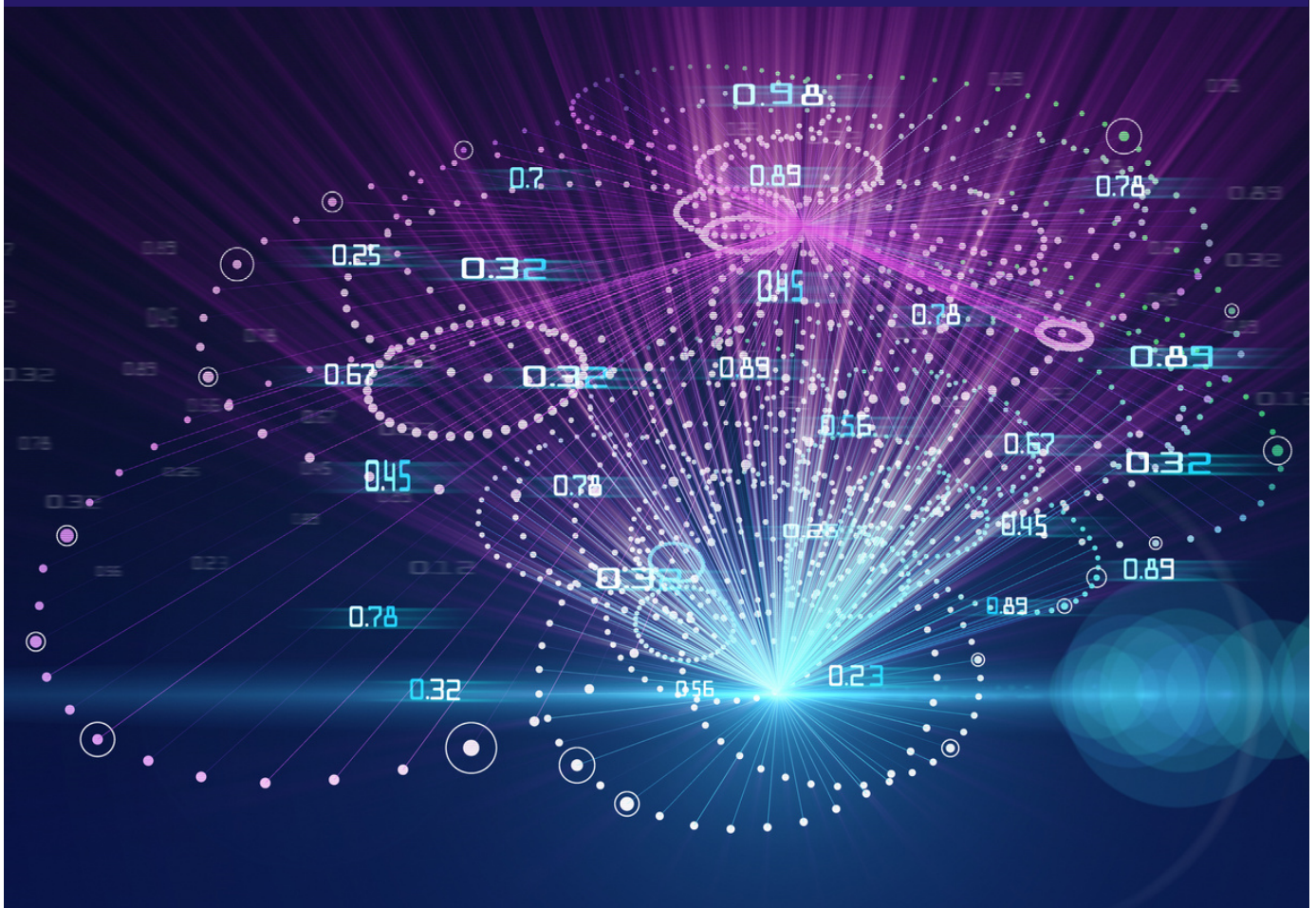
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Model risk management is a dedicated module within CyborgIntell's platform. This proactive approach involves identifying and addressing issues related to data quality. By detecting changes in the data, whether due to errors or shifts in customer behaviour, the company ensures that models are always trained and deployed on reliable and up-to-date data. The platform also monitors model performance, promptly notifying relevant stakeholders if any issues arise. This enables timely model retraining and redeployment, reducing risks and preventing prolonged periods of model failure or bias.

McLachlan also revisited the time-related challenge previously mentioned. Their AI projects typically take only two to four weeks, from data preparation to deployment. Moreover, once models are deployed, they can be retrained, retested, and redeployed within a few hours. This rapid turnaround time ensures that any failed models can be swiftly replaced, minimising financial losses and potential customer dissatisfaction.

Bryan outlined their efforts to address talent shortages, time constraints, and trust issues in AI for financial services. Through a transparent and explainable platform, comprehensive documentation, feature control, and proactive model risk management, CyborgIntell aims to build trust in the industry and provide efficient, reliable AI solutions.



ENHANCING CONSISTENCY, FAIRNESS, AND TRUST IN FINANCIAL SERVICES WITH VOYC AI

Matthew Westaway, co-founder, and CEO of VOYC AI, delivered an insightful talk on the need to elevate voice interactions in financial services by ensuring consistency and care.

Highlighting the limitations of current practices, Westaway discussed how his company employs AI to review 100% of recorded calls, aiming to improve fairness in the evaluation process. He shared three key aspects that contribute to achieving fairness: accuracy, diversity, and explainability. One crucial factor in achieving fairness is accuracy. VOYC AI recognises that transcription forms the foundation of their platform.

While South Africa boasts 11 languages, they currently focus on English due to the need for accurate results. With an 88% accuracy rate in English, the company refrains from putting experimental models for Afrikaans and Zulu, with lower accuracy rates, into production. VOYC AI is actively working to increase the accuracy of these models, ensuring fair treatment by providing reliable outcomes.

Addressing the issue of bias in AI models, Westaway emphasised the significance of diversity in the team that develops and trains these algorithms. While many machine learning models worldwide are developed and trained predominantly by white males, VOYC AI intentionally built a team with gender and racial diversity. Their 20-member team consists of 10 women and 10 men, with equal representation of white and non-white members.

By actively avoiding groupthink and fostering diverse perspectives, VOYC AI strives to mitigate biases that may arise from a homogenous team. Furthermore, Westaway emphasised the importance of explainability in AI. Acknowledging the lack of consumer trust in AI, VOYC AI aims to provide transparency and clarity.

They believe that individuals should be able to understand why a certain decision or performance mark was assigned by an AI model. Like reading product ingredient labels, VOYC AI's platform ensures that every interaction is thoroughly reviewed, including the original source audio. By double-checking and providing access to the reasoning behind AI-driven decisions, the platform enables informed decision-making. Westaway also provided a brief demonstration of VOYC AI's platform. With millions of calls monitored daily, the system identifies issues and triggers alerts for review by team leaders or quality assurance members. The platform offers detailed transcriptions, speaker identification, emotional analysis, and alerts for specific triggers such as client frustration or the mention of regulatory bodies. By promptly addressing these alerts, VOYC AI's platform has proven to reduce complaints and improve the quality of customer interactions.

Matthew said that VOYC AI aims to revolutionize voice interactions, ensuring that every interaction receives meticulous attention and enabling financial service providers to deliver better customer experiences.

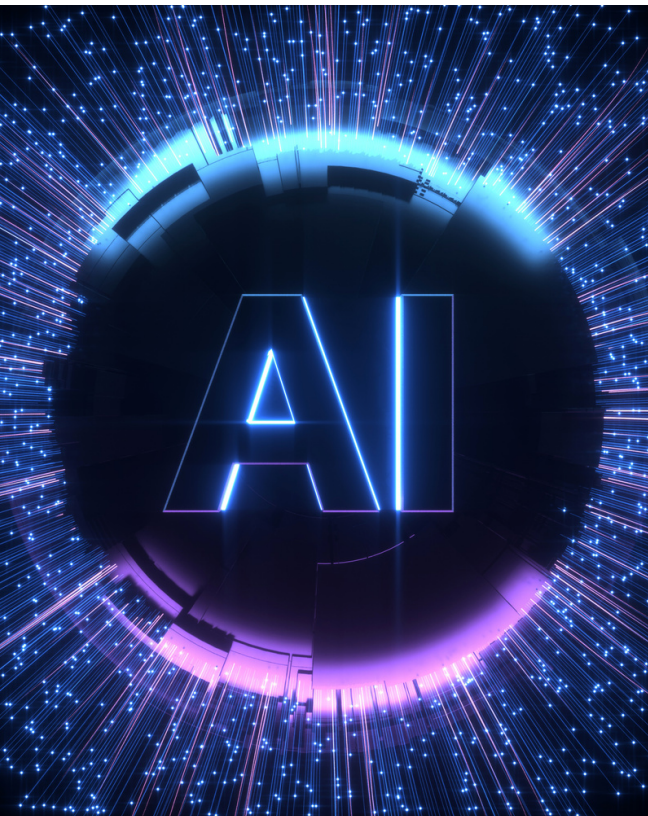




TECH FEST
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Interesting Reads





HOW APPLIED AI CAN REINVENT CUSTOMER EXPERIENCE

**Xolani Nxanga, Managing Executive
Guardrisk LAUNCHPAD**

Digital advancements are the driving force behind innovation across industries today. In an age of rapid change, technology holds the key to the ability to adapt and transform both at speed and at scale. Businesses need to be agile in their response to industry, business pressures as well as evolving client needs and expectations.

Nowhere is this more relevant than in insurance.

A legacy of the pandemic is the need for simplicity and convenience. Customers now expect and demand immediate access to services and products, as well as relevant interaction and engagement, through digital platforms. Instant gratification has become a defining feature of customer experience. Insurers, both traditional and the new generation of insurtechs, need to understand and respond to this need for immediacy. The good news is that ongoing developments in technology are not only allowing them to deliver simple, convenient services and products to customers, but also opening further opportunities to combine technological capabilities with human connection.

One trend is emerging as a leader due to its massive benefits and capabilities in the insurance space: that is applied AI. Research by McKinsey has found that applied AI has the highest innovation score of the most significant technology trends unfolding today, and that it is highly relevant to financial services as an industry. Applied AI, underpinned by machine learning capabilities such as natural language processing and optical character recognition, is seeing increased business adoption and use cases in risk management, service operations optimisation, and product and service development.

The technology is already showing its value for businesses: the report showed that 67 percent of business leaders have reported a revenue increase, and 79 percent have reported a decrease in costs. Financial services businesses have also seen the potential benefits of applied AI in supporting risk management such as detecting fraud, as well as predicting and suggesting products relevant to a customer's interests based on their existing data.



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Embracing Applied AI's power to augment the human experience

Adopting and implementing applied AI has broader, long-term implications for insurance and insurtechs in rethinking pricing, underwriting, product development, the claims process and customer engagement. There are already service providers globally and in South Africa who have embraced this technology to transform how they do business in these areas, and increasingly will begin to use applied AI capabilities to differentiate themselves and create a competitive advantage.

Pricing and claims are two of the areas applied AI offers the greatest opportunities. It offers the potential to replace traditional linear pricing models – where people are grouped according to factors such as age, gender and credit score – and enable dynamic pricing and price optimisation by using machine learning to process client data and extract valuable insights based on individual risk factors.

Using insights from data will also allow insurers to enhance the underwriting experience and provide continuous underwriting based on the customer's unique and changing profile. Health insurance, and the use of wearables, have illustrated the ability to help underwrite in a more intelligent way. Wearables allow the constant tracking of health measures and behaviour, so enable tailored policies.

Both insurers and clients can also benefit when it comes to claims, with applied AI able to process and assess claims using historic data as well as detect and prevent fraudulent claims. It can also speed up the process by more fully automating the claims process. Applied AI advances will not only drive down costs for insurers and customers, but they will also improve the customer experience, free up time for insurers to focus on customer engagement and developing relevant products. AI and machine learning will in turn be able to recommend the best policies and products according to customer needs.

To unlock the full value of applied AI for businesses and customers, technological and human capabilities will need to go together. The intensive investment in technologies like AI and machine learning, the technical skills need to be matched with human qualities like empathy and connection needed to understand and apply the insights behind the data. Ultimately, success will come from putting the client at the centre and finding new ways to use AI and machine learning to understand and meet their needs more seamlessly.

The ability to marry the power of technology and human connection is just the beginning for insurance and insurtech in South Africa. Guardrisk's insurtech initiative LAUNCHPAD is designed to take advantage of these technologies. Guardrisk is taking the lead in partnering with innovative entrepreneurs to co create solutions that will enhance the customer experience now and into the future. www.grluanchpad.com



IMPROVE YOUR CUSTOMER SERVICE BY IMPROVING YOUR CLAIMS PROCESS

All insurers are continuously looking to improve customer service and financial performance. A more efficient claims process can materially help both these goals.

The question is what is the best way to do this? A key initial step is to fully commit to doing so. An additional important step is to identify how you would ideally like your claims process and claims outcomes to work. Thereafter, you need to identify the redesigned processes, enabling technologies and implementation steps to move you from your current state to your defined desired state.

Technology holds some of the power. Speaking on a panel at Cover Magazine TechFest 2023, Paul Donnelly, FINEOS executive vice president, EMEA, noted that one sure way to improve customer service is to automate processes. Progressive global insurers have been using workflows and integrations between their various systems to speed up and improve service in managing claims. They use customer portals to improve personalisation and enhance the customer experience. Claims that satisfy predetermined criteria can be auto-adjudicated and paid out to the claimant much more quickly than with manual approaches. Artificial Intelligence (AI) predicts how to best handle a claim based on historical claims experience, and how best to communicate with the claimant. The required actions can then be automated, resulting in quicker customer service and efficiencies.

A recent [PwC African Insurance Survey](#) identified that insurance executives believe that technological change is the No. 1 global trend that will affect the local insurance industry. The executives indicated that they must progressively decommission legacy systems and achieve greater system integration, and that the benefits of introducing automation include cost savings, improved control, enhanced quality, scalability, and real-time servicing. A [2022 Deloitte survey](#) of 500 senior cloud decision makers in the US found that, “organisations are increasingly using cloud investments to boost business performance.” Modern claims processing software providers like FINEOS can enable your digital transformation by putting the customer at the centre of the system design. Seamless integration of people, processes, and technology deliver streamlined operations that provide optimum customer service.



Michal Nejthardt, Munich Re of Africa Head of Digital Solutions; Paul Donnelly, FINEOS Executive VP EMEA; Nthabiseng Masilo, Capitec Senior Business Analyst & ex FINEOS; John Murphy, FINEOS Business Development Manager South Africa; Xolani Nxanga, Managing Executive Guardrisk LAUNCHPAD, all attending the Cover Magazine Insurance TechFest 2023 Conference Networking Cocktail event on 17 May 2023 in Johannesburg.

Enabling technologies such as imaging, easily configurable workflow, rules engines and cloud underpin the solution. Analytics and AI capabilities add additional value by, for example, helping to identify which claims can be paid automatically or which claims have the highest propensity for fraud. Most importantly, unlike legacy systems, modern claims software is never out of date. Instead, systems like FINEOS Claims have their core software updated frequently with little or no interruption to the insurer. The system never becomes legacy.

John Murphy, FINEOS Business Development Manager South Africa, is based in Johannesburg, and will gladly engage with you about how FINEOS can assist your organization. John.murphy@fineos.com +27833080718.

FINEOS is a leading provider of core systems for life, accident and health insurers globally with 7 of the 10 largest employee benefits insurers in the U.S. as well as a 70% market share of group insurance in Australia. With employees and offices throughout the world, FINEOS continues to work with innovative, progressive insurers in North America, EMEA, and Asia Pacific.

NAVIGATING THE DYNAMIC LANDSCAPE OF INSURANCE TECHNOLOGY

Insights from Gary Tessendorf



In the fast-paced world of insurance technology, staying ahead of the curve is essential for success.

At the AIE (African Insurance Exchange) 2023 conference, Tony van Niekerk of COVER had the opportunity to sit down with Gary Tessendorf, the regional director for Sapiens, to discuss the vital role of collaboration, the challenges of navigating an ever-changing landscape, and the exciting potential of embedded insurance.

Collaboration: The Key to Innovation

In the insurance industry, collaboration is not just a buzzword – it is a fundamental driver of innovation. Gary Tessendorf emphasised that no organisation is an island, and success is rooted in the collective efforts of various players within the ecosystem. As the regional director for Sapiens, a leading policy administration platform, he recognised the crucial role his company plays in the wider industry landscape.

Sapiens leverages the solutions of other entities, collaborates with customers, and prospects, and engages with industry executives to guide their product evolution. Collaboration is not a one-time event but an ongoing process.

Tessendorf highlighted the importance of continuous engagement with customers both locally and internationally. This feedback loop ensures that the core product remains aligned with the ever-evolving needs of the market.

Sapien's commitment to delivering cutting-edge solutions for the insurance industry has been underscored by its latest achievement. The company's Sapiens CoreSuite for Life & Pensions has been honoured with Celent's 2023 XCelent award in the Breadth of Functionality category in the EMEA region.

This recognition reflects Sapiens' dedication to providing innovative and comprehensive tools that empower clients to excel in the rapidly evolving digital landscape.

Embedded Insurance: The Power of Connection

Embedded insurance is on the rise, and it is changing the way insurers engage with customers. Tessendorf explained that the success of embedded insurance hinges on creating seamless connections – connections between internal systems and the outside world, and personal connections with customers. With the digital transformation sweeping through the industry, the way insurers engage is fundamentally shifting. This evolution extends from seamless onboarding experiences to frictionless claims processes. Tessendorf emphasised the significance of personalisation. Embedded insurance allows insurers to modify the engagement journey based on the customer's profile and needs. It is a dynamic way of approaching insurance that holds tremendous potential for the future.

The Ever-Evolving Journey of Technology and Insurance

Navigating the dynamic landscape of technology and insurance is not without its challenges. Tessendorf compared it to a never-ending journey without a fixed destination. However, he revealed the key to successful navigation: partnering with the right technology provider. The rate of change is rapid, and insurers need a partner who can adapt and evolve alongside them. The days of choosing a platform only to find it obsolete years down the line are outdated. Tessendorf urged insurers to invest the time and effort in finding a partner that demonstrates cultural alignment, product evolution, and financial stability. This strategic choice ensures that insurers are not left behind as the industry continues to transform.

Planning Ahead: The Three-Year Vision

While the future of insurance technology is uncertain, having a vision is crucial. Tessendorf revealed that Sapiens plans three years ahead based on market feedback. By understanding where the market is headed and where customer demands are shifting, Sapiens' specialised team of insurance experts ensures that their product evolves in sync with the changing landscape. This proactive approach to research and development allows them to stay ahead of the curve and deliver solutions that meet future needs.

Constant Evolution and Customer-Centricity

Tessendorf's closing remarks echoed the sentiment that success in this ever-changing landscape requires a relentless commitment to pushing clients forward. He emphasised that every second counts, highlighting Sapiens' dedication to their customers. Senior strategists regularly engage with clients, bringing both international and local expertise to the table. These sessions are a two-way street, where customers provide valuable feedback that guides Sapiens' evolution. In this era of constant innovation, the journey is never boring. Tessendorf and his team find excitement in the challenges and opportunities presented by the evolving landscape of insurance technology.

Take outs

The interview with Gary Tessendorf offers a glimpse into the intricate world of insurance technology and its rapid evolution. Collaboration, seamless connections, strategic partnerships, and continuous evolution emerge as the cornerstones of success in this dynamic industry. As insurers embrace these principles, they position themselves to thrive in an ever-changing landscape, harnessing the power of technology to meet the needs of a rapidly evolving market.

