



NETWORK OF  
CONSULTING  
ACTUARIES

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# Strengthening financial resilience of the underserved

NETWORK OF CONSULTING ACTUARIES

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# Agenda

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1. Background
2. Nhaka Microinsurance
  - a) The vision
  - b) Where we are now
  - c) What we plan to do
3. Where to find out more and get involved

# Africa is not a country!

“ There's no reason the nation of Africa cannot and should not join the ranks of the world's most prosperous nations in the near term...” ”

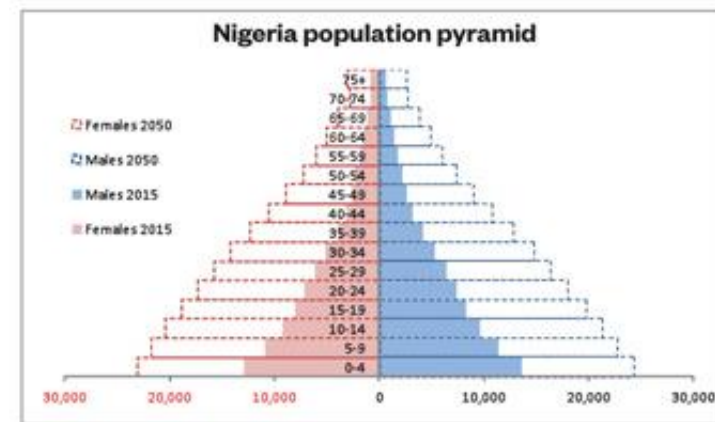
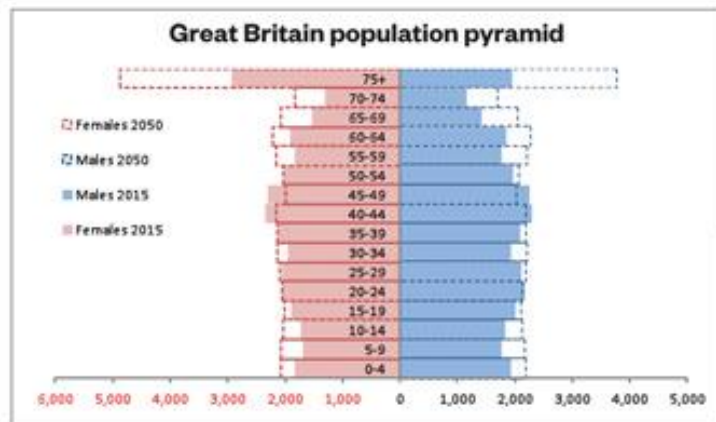
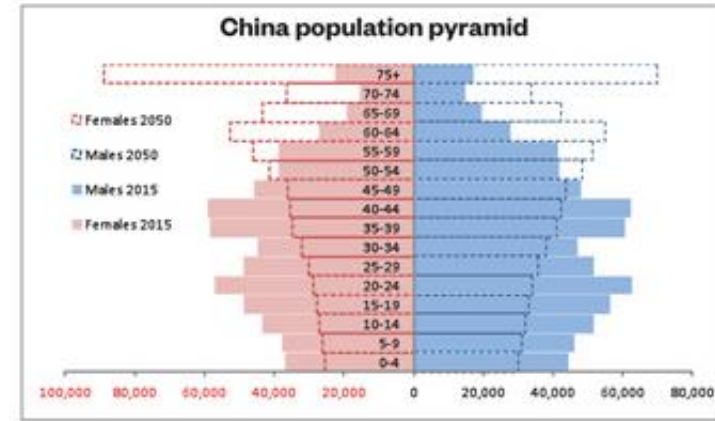
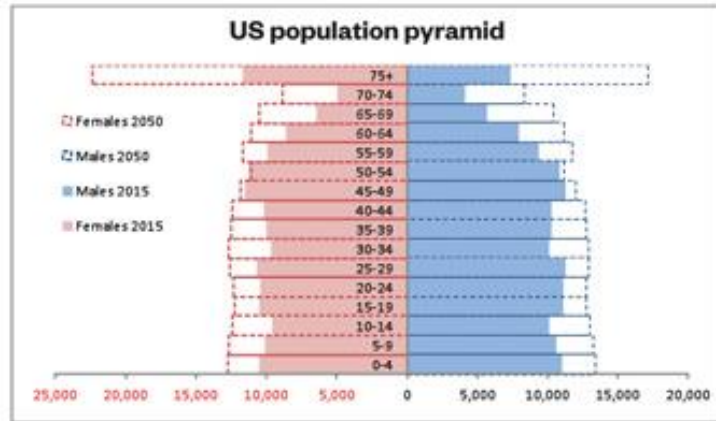
Joe Biden, former US vice president at the 2014 US-Africa Business Forum

FIGURE 1: AFRICA IS HOME TO ROUGHLY A BILLION PEOPLE IN AN AREA LARGER THAN EUROPE, INDIA, CHINA AND THE USA



Image source: Information Is Beautiful

# Demographic dividend

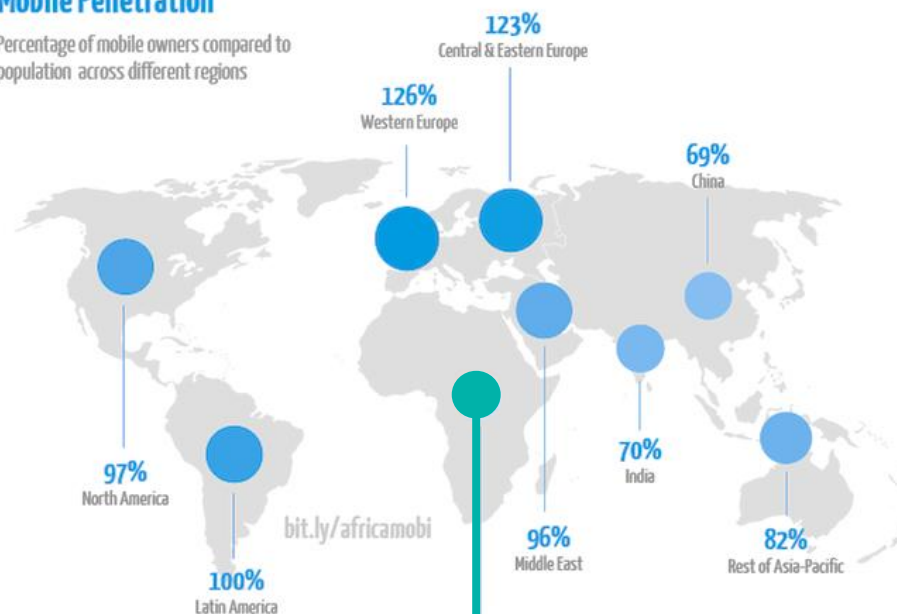


Source: The Actuary

# The opportunity

## Mobile Penetration

Percentage of mobile owners compared to population across different regions



55% mobile penetration  
in Africa...

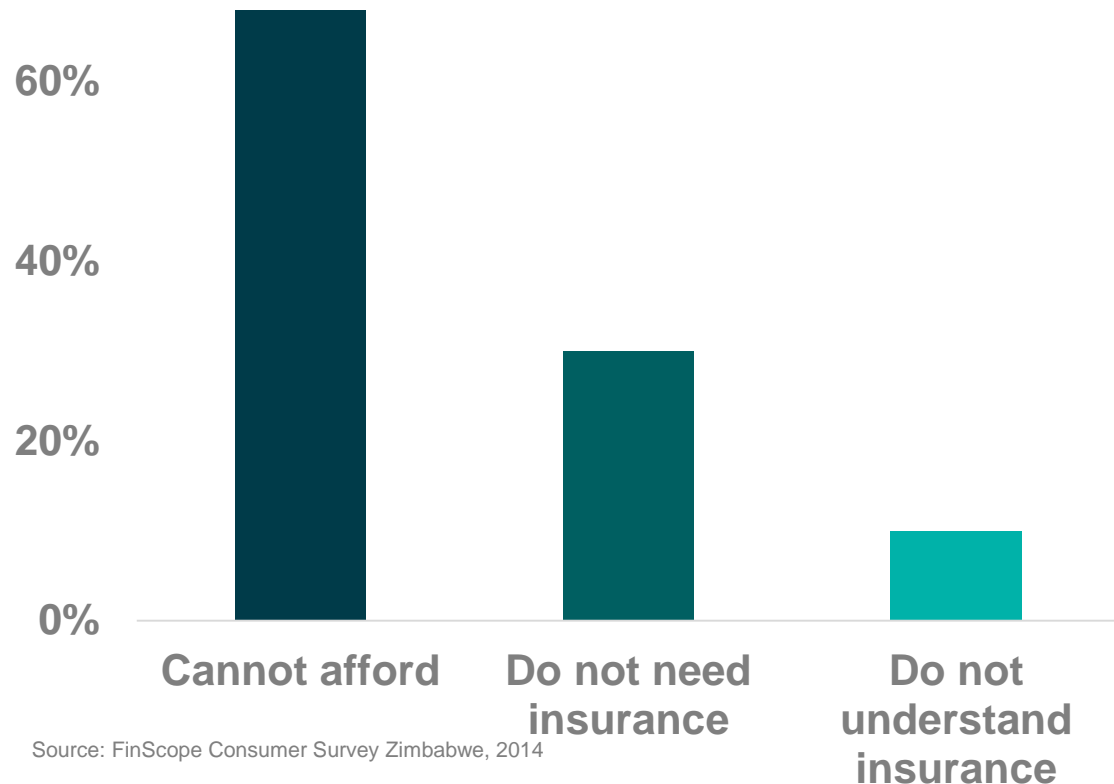
... but only 15% in  
the formal financial  
system

Source: Expat Forum, 2012; IMF survey

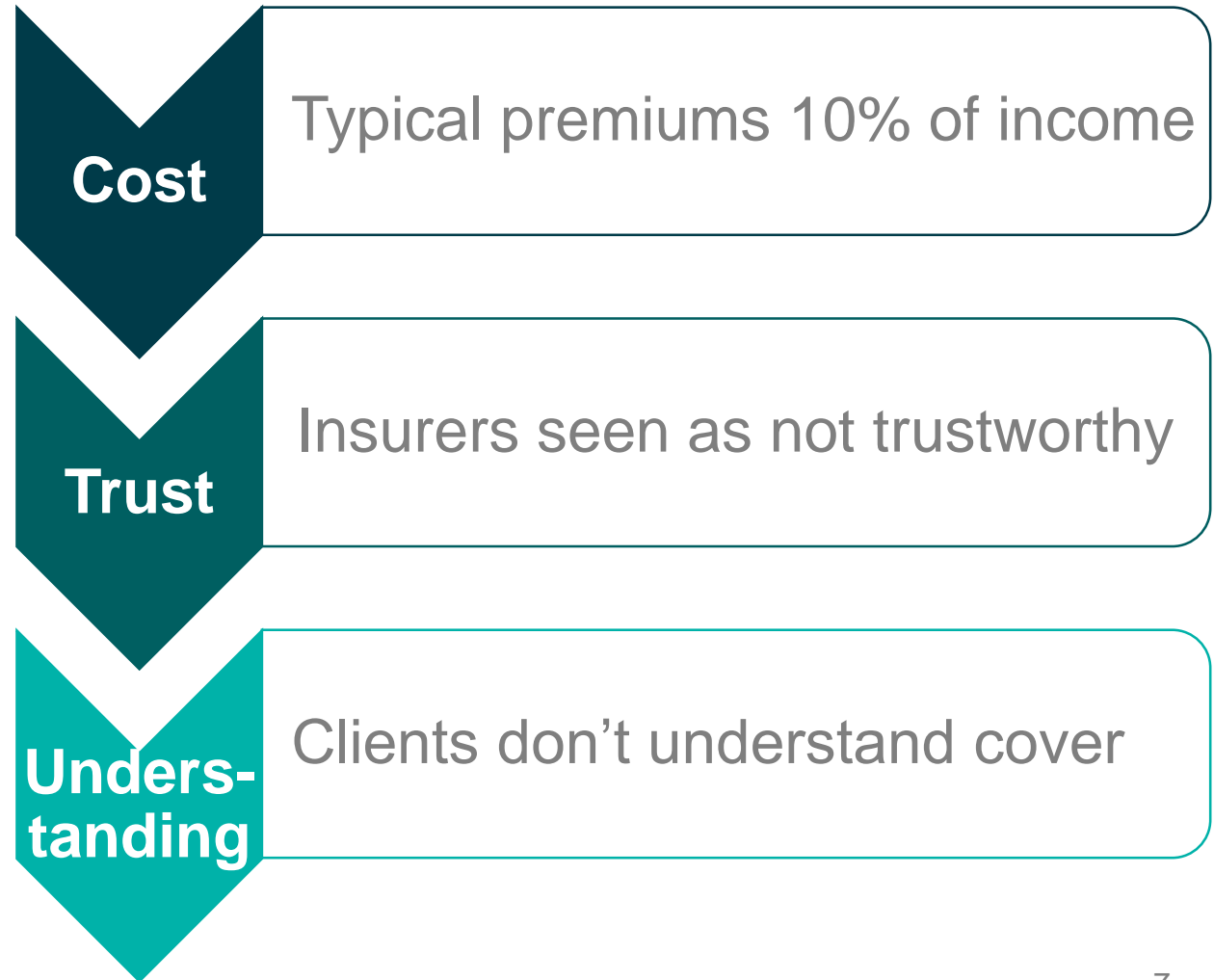
1. **Massively valuable assets will be built off the financially excluded African mass market - insurance will be one massively valuable area**
2. **The business needs technology-led distribution through retail partnerships**
3. **Great businesses can be built off this platform, starting with life insurance**

# Those who need insurance the most have no cover

Response from adults in Zimbabwe who do not have insurance (70% of respondents)



Source: FinScope Consumer Survey Zimbabwe, 2014



## What we have done so far

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- | Founded the company, and raised capital
- | Local partner to provide seed business, technology platform and a network
- | Acquired 100% of a small life company as a platform



# Positioning

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**Protect the People You Love  
Through  
the People You Already Trust**

# Positioning

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The future of simple, affordable life insurance  
for the mass market

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JOIN



TOP UP



GET BENEFIT



myNHAKA  
BALANCE



Talk to Nhaka on 0777 000 000  
or visit your branch near you

# Nhaka is Insurance Version 2.0

**Simple “free” product  
(based on desired client  
behaviour toward partner)**

- Creates a market
- Builds brand awareness

**Simple upsell product  
(client then pays for additional  
cover)**

- Generates revenue
- Accesses additional consumer segments

**Additional scaleable products**

- Maximises the opportunity
- Entrenches the brand

# Insurance Version 2.0 Leverages Partnerships



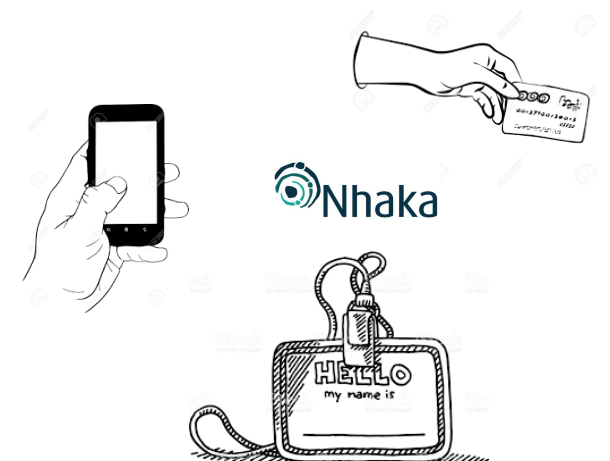
**Insurance 1.0 = Distribute offline and through employers**



**Insurance 1.5 = Distribute through mobile operator**



**Insurance 2.0 = Distribute through retail partnerships**



# Insurance Version 1.0 is Binary

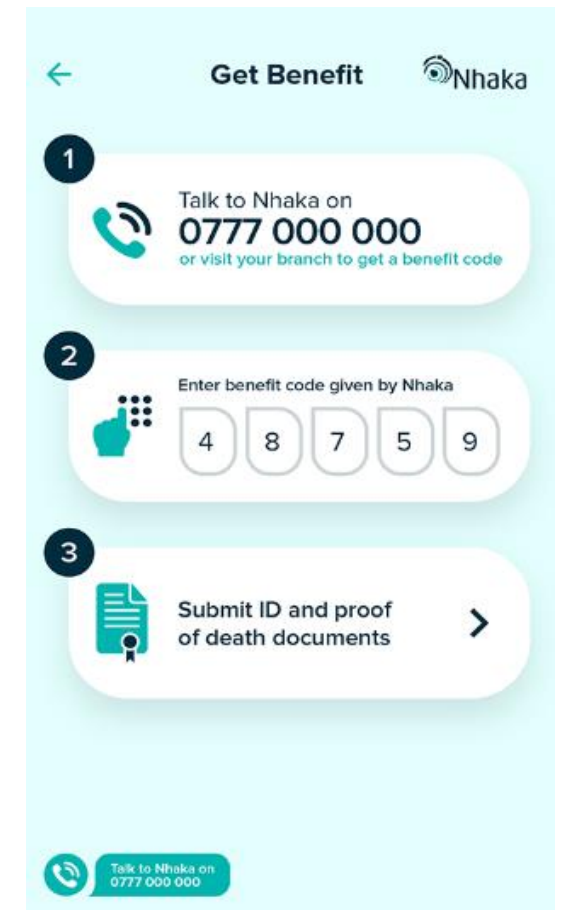
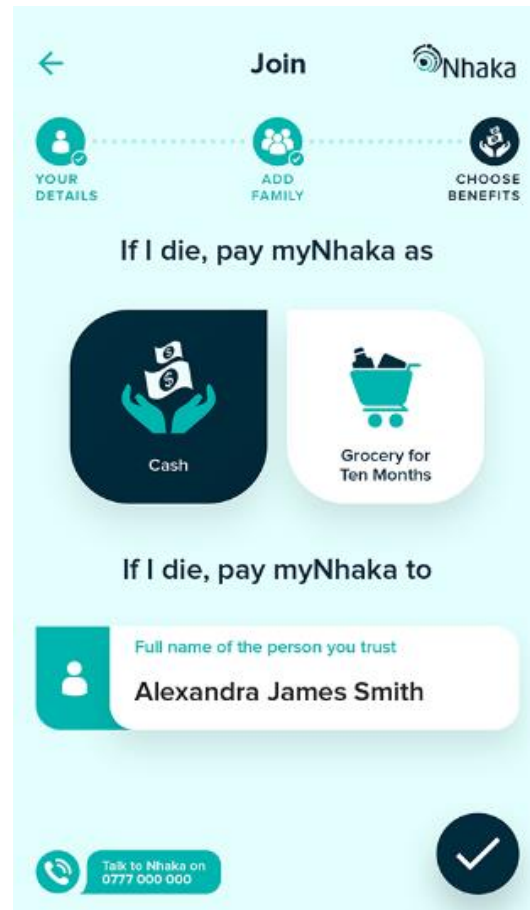
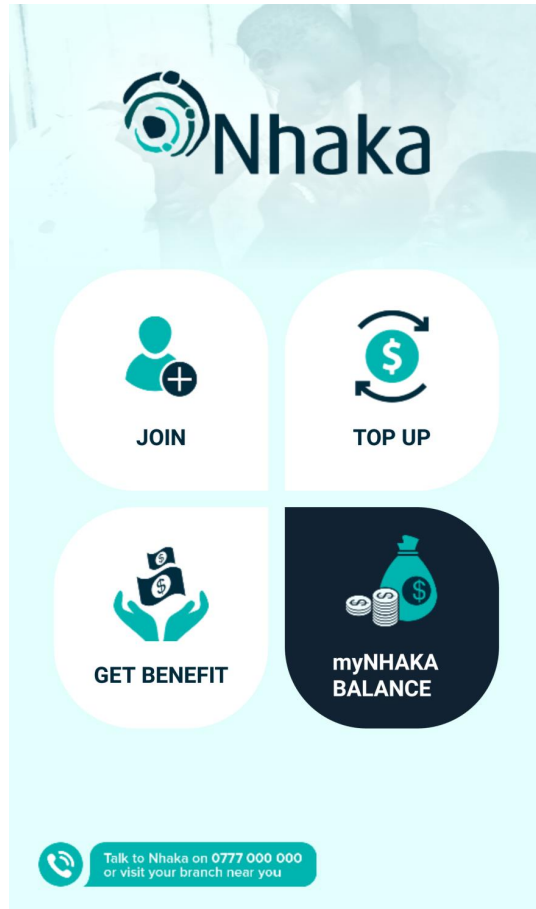
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**The Problem:** There is no appropriate way for consumers to protect their family from the risks they face

- Product design is rigid
- Insurer and client's interests are misaligned
- Benefit payment is narrow

## Insurance Version 2.0 is Flexible



# Insurance Version 2.0 is Flexible

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- ① We offer better value through “free” or low cost life insurance
- ② ... leveraging trusted retail partner brands
- ③ ... with simple products and digital access

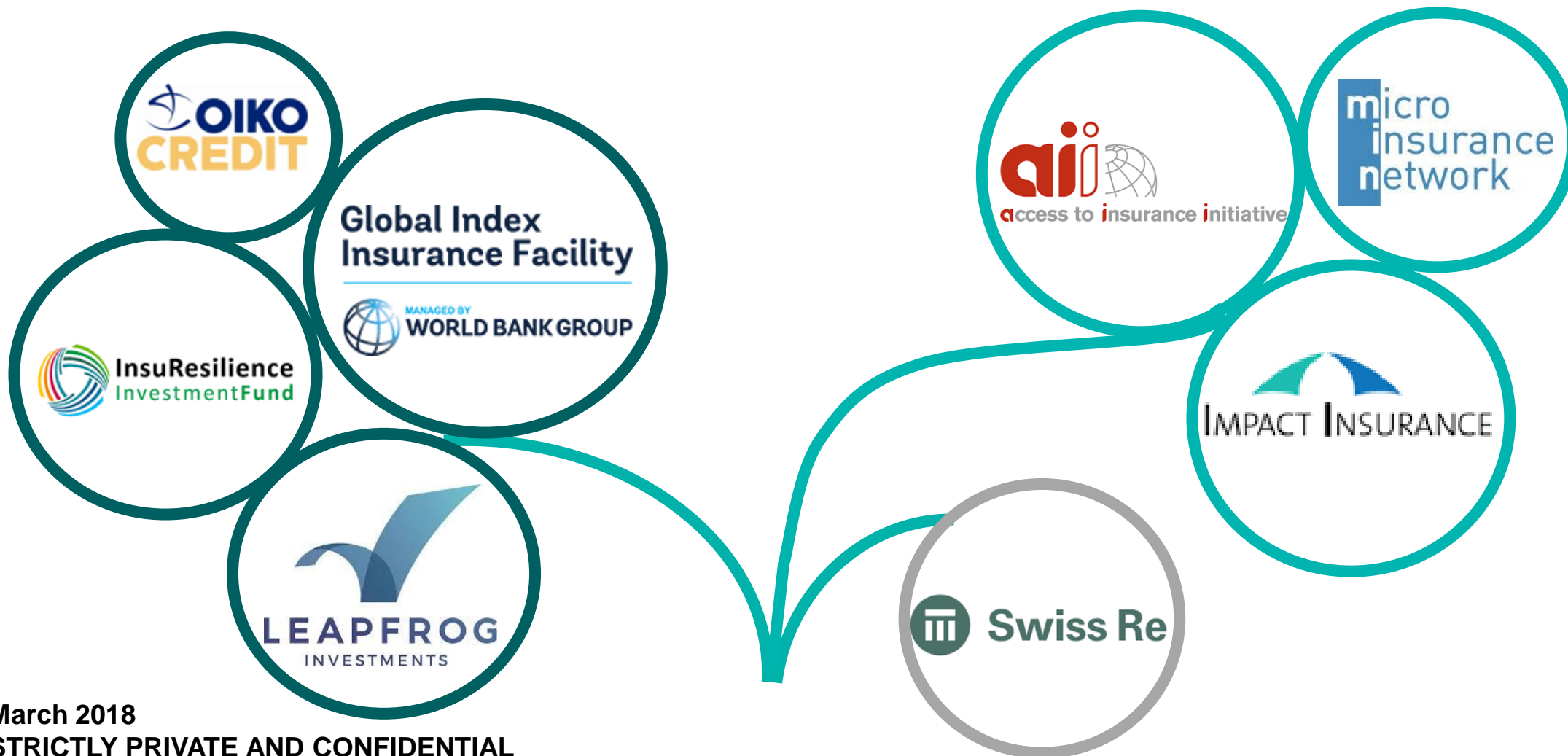
# Actuarial considerations

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1. Anti-selection
2. Pricing affordability
3. Fraud
4. Risk management
5. Asset liability management



# Microinsurance stakeholders



# Value proposition



Protect the People You Love  
Through  
the People You Already Trust

1. Massively valuable assets will be built off the financially excluded African mass market - insurance will be one massively valuable area
2. The business is simply about technology-led distribution through long-term exclusive partnerships, creating inherently defensible barriers to entry
3. Great businesses can be built off this platform, starting with life insurance

Any questions?

