

Q&A: Jeremy Leach talks promoting inclusion of the underinsured



By [Evan-Lee Courie](#)

4 Dec 2019

As much as 97% of consumers in emerging markets may not be insured and left vulnerable to risk. Addressing this insurance penetration issue, Inclusivity Solutions has seized opportunities in a digitally interacting world to offer insurance products using digital channels such as mobile phones to improve reach.



Jeremy Leach, CEO of Inclusivity Solutions

It's making insurance more accessible to low-to-middle-income consumers through simple and affordable products including simple life protection, hospital cash, personal accident, funeral, education saving and small business asset protection.

Operating in three markets currently, Inclusivity Solutions partners with mobile operators, banks and insurers – which serve as the distributors – to facilitate a fully digital customer journey.

We chat to Jeremy Leach, CEO of Inclusivity Solutions, to find out how this insurtech company is serving the wider market and fostering inclusive digital insurance.

■ **Could you tell us a bit about Inclusivity Solutions?**

Inclusivity Solutions designs, builds, operates and innovates digital insurance solutions that enable financial inclusion and address the protection gap in emerging markets. We partner with mobile operators, banks, insurance companies and other financial institutions to deliver simple and affordable insurance cover through mobile phones.

■ **When, how and why did you start Inclusivity Solutions**

Inclusivity Solutions was established in June 2015 by myself, Tyler Tappendorf, Nigel Bowman and Jody Delichte. The company was privileged to secure US\$2.5 million from Reinsurance Group of America (RGA) to support the initial company set up.

We started the company because insurance penetration in emerging markets currently only resides at 3%, leaving 97% of emerging markets consumers vulnerable to risk.

Traditional insurance models have proven inaccessible and expensive, leaving the majority of consumers unprotected. Digital insurance helps address the protection gap through the pervasiveness of mobile phones whilst simultaneously offering distribution partners such as mobile operators, banks and insurers the opportunity to attract new customers, retain existing customers and drive new revenue streams.

■ ***How does Inclusivity Solutions work?***

In terms of how the product works; if a customer of the mobile operator spends a certain threshold amount with the operator (eg. airtime) the customer automatically qualifies for hospital insurance cover for the following month. This is the loyalty cover which does not require the customer to pay a premium.

The insurance product offers the customer cash back if they spend three days or more in hospital – this is deposited into the customers mobile money account for them to use as they please.

The upsell product is offered to the customer at a small premium and allows the customer to double or triple their cash back and/or add family members.

Inclusivity Solutions designs the actual product and the technology platform that supports the product.

In terms of revenue, Inclusivity Solutions makes money by taking a small percentage of each premium paid. We currently have in excess of 600,000 registrations across all three products in Cote d'Ivoire, Kenya and Rwanda.

■ ***There's been a shift in customer behaviour and market trends have altered the traditional finance model as we know. Could you tell us some of the changes that you have seen over the years?***

Regulators play a big role in shaping the access of microinsurance in emerging markets.

We are gradually seeing positive momentum, for example, amendments made to the Insurance Regulation Act in South Africa last year allowed for microinsurance providers to offer no-life products and introduce more consumer education on insurance, which is a big issue in emerging markets.

■ ***The concept of cloud computing in insurance seems to be quite a hot topic at the moment. How will the cloud transform the way we do insurance?***

In insurance, scale is very important – the system needs to have the capability to reach a large number of customers quickly. This capability is possible with a cloud model as the elasticity of the model enables us to scale across multiple servers easily. Cloud also helps us reduce our risk by facilitating frictionless registration and policy creation

■ ***There are several cloud services available, what cloud service provider does Inclusivity Solutions use and why?***

We mainly use Amazon Web Services. Cloud computing makes it possible to manage large numbers of virtualised resources in order to, for example, gain customer insight and reduce time to market, which is very important for us as an insurance company.

We have found an excellent tool in the AWS cloud to help us execute our services. We use AWS because it is a highly advanced system and one which is ideal for our tech team, most of which have experience with it from previous jobs.

The ASPin platform, which is a software as a service platform that supports the entire insurance value chain is built on AWS, making use of AWS Elastic Beanstalk from which our core services run.

AWS Elastic Beanstalk is an easy-to-use service for deploying and scaling web applications and services. We also make use of Amazon Relational Database Service, which is an excellent option for storing structured data, like our customers' information.

Additionally, we use Amazon S3 buckets for rich media storage and Amazon Route 53 for public networking.

Essentially, a cloud platform such as AWS enables us the elasticity needed to scale our ASPin platform functionality up and down depending on our customer and partner demands. This ultimately enables us to extend insurance cover to hundreds of thousands of low-to-middle income consumers in emerging markets who previously would have been unprotected and most vulnerable to risks such as loss of income due to hospitalisation, expensive medical treatment, funeral expenses etc.

▀ ***When and how did you decide that it was time to take the business to the cloud?***

We decided from the moment our Head of Technology, Thibaut Zafack Takadong, joined the company in 2017 which coincided with the development of our ASPin platform which supports the entire insurance value chain and is built on AWS cloud.

The advent of cloud technologies has challenged companies to reimagine how they do business today. Cloud computing presents new ways of business operation, value creation for our clients, and also the growth of the business – something not possible a decade ago.

▀ ***What are the pros and cons?***

- **Pro** – investment in infrastructure is more manageable. Simplified infrastructural resource planning (eg. Server capabilities).
- **Con** – there is a degree of supplier lock-in which might have challenges at a later point in our technological evolution. As much as we try to plan for our future tech needs, as a start-up it is not always easy to anticipate.

To this end it's never a guarantee that the platform choices we make today are going to serve our needs at a more mature stage of our business."

▀ ***Would you encourage other insurance companies to take their business to the cloud? Why?***

Yes, because it allows them flexibility and reduces the need to build and resource your own in-house infrastructure capabilities which is a cost-saving.

We've recently seen an example of a large insurance company migrating to the cloud with AWS, this shows that cloud is the future for insurance companies which want to do away with legacy technologies and shift to flexible cloud technologies.

AWS provides the ability for businesses to experiment with its technology cost-effectively. This allows businesses to innovate and better the experience for the end-user.

▀ ***What advice can you offer other companies wanting to take their business to the cloud?***

Take it one step at a time in planning and implementing your migration strategy. Make sure you're comfortable, because the shift may affect your business and create unwanted downtime.

▀ ***In your opinion, what is the future of insurtech?***

Our insurtech journey has taught us that to succeed the solution needs to address a real need. We are solution-driven, not technology-driven. No one gets excited by the idea of an insurance app. So the key is matching the solution to a market need that is going to generate value for the consumer.

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