



# Digital distribution for inclusivity and penetration

Principles & Practice

Going digital  
does not automatically translate into  
increased insurance uptake.

**True or False**

# Why does digital distribution of insurance matter?

Insurance sector is largely exclusive

Low margins make direct sales or agent based models expensive

Viable Distribution Channels lack insurance experience

Agreeing on appropriate incentives for distributors is difficult

Unserved clients usually have low knowledge of insurance

Majority of unserved market segments are in remote rural areas

Viable non-traditional distribution channels can undertake several functions in the value chain

Insurers normally have a reputation tag of delayed payouts or misinformation

# Why distribution partnerships matter

Scale

Trust

Reputational  
risk

Comparative  
advantage

Proximity to  
target clients

Cost of  
distribution and  
administration

Client  
education

Provision of  
value added  
services

Technology consideration

How can digital enhance insurance distribution?

# Technology considerations

**Technology can boost the capacity of front-line staff to carry out a broader range of functions.**

For example:

- Equipping sales staff to enter client information remotely through **mobile phones** or point of **sales devices** removes the need to manually process that information
- **Photographs** taken on mobile phones allow front-line staff to record damage to support claims assessment
- **Communications** and **payments** through mobile network operators allow clients to enrol directly on their own mobile phones
- **Value added services** can be provided through information flow to clients though bulky messaging.

# What is the cutting edge advantage for insurtechs in insurance business?

## Disruption

“ the way insurance is sold and bought”

## Cost of client acquisition

“ the cost of enrolling clients”

## Value addition

“ improve tangibility”

## Premium collection

“ the way clients pay for insurance”

## Claims experience

“ the way claims are paid”

## Customer experience

“ the way clients is served”