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MANAGING INTO THE FUTURE

CONTENT

EDITOR'S NOTE

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Africa is currently rated the second fastest-growing insurance market in the world, trailing behind Latin America: Prior to the COVID-19 pandemic, the market was expected to grow at seven per cent per annum from 2020 to 2025. Though COVID-19 has thrown everyone a little off course, the insurance industry is robust and it should be able to survive the resultant negative effects of the pandemic. Nevertheless, the industry must brace itself for several realities in the offing to remain afloat and sail on.

For sustainability, insurers will no doubt have to double down on their efforts to add value and ensure that customers do not move away when premiums rise. The companies that take feedback on-board and use it to develop innovative new products that maximise customer retention rates will win—even in a tough market.

Though Insurance has always been data-driven, new technology demands that insurers utilise big data to their advantage. More data means that insurance policies can be customised to individuals, and that insurers can minimise risk and improve the accuracy of their calculations by considering more metrics during the underwriting process. Henceforward, insurers need to incorporate new data points into their risk assessment and premium calculations. This is because low-risk customers can enjoy lower premiums and only truly high-risk customers will be required to pay steeper rates. As insurers rely more heavily on new technologies, cloud services will be more essential than ever before

Artificial Intelligence and machine learning technologies dictate that many aspects of insurance can now be automated, freeing up insurers and underwriters for more important tasks while improving accuracy and efficiency. AI should be used to automate parts of underwriting, risk assessment and fraud identification processes. The more data your AI software has to analyse, the more new emerging patterns it will pick up and incorporate into its algorithms.

A key point to fathom is that millennials are now mature enough in their careers to be holding decision-making powers, usually bringing their consumer mindset and expectations to their companies: Bring their aspirations to the fore.

In this issue you will find well-researched articles on emerging insurance besides other obtaining issues with the industry and life in general. Principally, all aspects of insurance considered, insurers now need to look inwards and rethink their paradigms to compete in the embryonic breakneck financial practicality race.

THE SIGNIFICANCE OF SUSTAINABLE INSURANCE PRACTICES

By Dr. Caesar Mwangi

> "The Principles for Sustainable Insurance provide a global roadmap to develop and expand the innovative risk management and insurance solutions that we need to promote renewable energy, clean water, food security, sustainable cities and disaster-resilient communities."
>
> *Ban Ki-Moon, Former Secretary General United Nations,*

The above statement was made in June 2012 during the launch of the United Nations Environmental Program Principles for Sustainable Insurance (UNEP PSI) in Rio De Janeiro, Brazil.

As insurers, we may be asking ourselves why the idea of sustainable insurance should matter to us. Is this just part of a new fad that is meant to colour the world of insurance, as we know it?

UNEP PSI defines Sustainable Insurance as "a strategic approach where all activities in the insurance value chain—including interactions with stakeholders—are done in a responsible and forward-looking way by identifying, assessing, managing and monitoring risks and opportunities associated with environmental, social and governance issues".

The key to understanding sustainable insurance lies in understanding environmental, social and governance (ESG) challenges that impact risk in all its dimensions. It is an acknowledged fact that ESG challenges have been on the rise in the modern world resulting in diverse, interconnected and complex risks that we need to understand and manage as they are becoming increasingly material to the viability of the insurance industry. Through sustainable insurance practices, the industry will be in a better position to develop innovative solutions, reduce the risks, improve business performance and contribute to environmental, social and economic sustainability.

If indeed, sustainable insurance is important for insurers' long-term viability, what should we be doing differently to build the resilient insurance industry that we all aspire for?

The answer lies in applying the four Principles for Sustainable Insurance. These are essential in helping the industry to adopt holistic and far-sighted risk management practices in which we pedantically understand and consider ESG issues.

The first Principle requires that we embed in our decision-making environmental, social and governance issues relevant to our insurance business. The second requires that we work together with our clients and business partners to raise awareness on environmental, social and governance issues, manage risk and develop solutions. The third Principle calls on insurers to work together with Governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues. The fourth obliges us to demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

The Nairobi Declaration

On April 22, 2021, the implementation of these principles came closer home. UNEP PSI, FSD Africa and African Risk Capacity in collaboration with ICEA LION Group hosted the fourth PSI Africa Market event.

The event brought together key players in the African Insurance industry where those in attendance thrashed out issues of sustainable insurance linked to the sustainable development goals (SDGs) and deliberated ways of incorporating it in their business processes. Africa joined the rest of the world in the march to a better world by signing the Nairobi Declaration, where the industry committed to take the following actions.

1. Risk management

- Advance the assessment, management and disclosure of climate change-related risks and opportunities, building on the PSI's project to pilot the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD)

- Advance the assessment, management and disclosure of environmental, social and governance (ESG) risks and opportunities across all lines of business (non-life, life & health, pensions), building on the PSI's ESG guide for non-life insurance business and other PSI guidance on specific sustainability issues (e.g. illegal, unreported and unregulated fishing; plastic pollution, tobacco risks, UNESCO World Heritage Sites)

2. Insurance

- Support the Insurance Sustainable Development Goals (Insurance SDGs) being developed by the PSI to harness insurance products and solutions to help achieve the SDGs

- Close the insurance protection gap by actively developing and promoting inclusive and innovative insurance solutions (including through insurtech and nature-based solutions) for households, businesses and governments in order to build resilient cities and communities as well as sustainable food and agriculture systems, among others

- Support the transition to a resilient, net-zero emissions economy, building on the work of the PSI to establish a Net-Zero Insurance Alliance

3. Investment

- Support the transition to a resilient, net-zero emissions economy, building on the work of the UN-convened Net-Zero Asset Owner Alliance

4. Policy, regulatory and industry engagement

- Engage with policymakers, regulators and industry associations on key sustainability issues for the African insurance industry, including through the work of the Sustainable Insurance Forum (SIF), International Association of Insurance Supervisors (IAIS), and Vulnerable Twenty Group of Ministers of Finance (V20)

5. Sustainable insurance thinking and practices

- Promote the adoption and implementation of the four Principles for Sustainable Insurance across African insurance markets

- Enhance the knowledge and capacity of the African insurance industry on sustainable insurance

- Shape the sustainable insurance agenda in Africa and strengthen the global effort of insuring for sustainable development

Let us take the step to embrace sustainable insurance practices today for a better tomorrow. We call on all insurers who have not committed to this important initiative to consider joining in this transformational journey for better, sustainable and resilient communities.

The writer is the Chief Executive Officer at ICEA LION Insurance Holdings Ltd and a Board Member at UNEP PSI

DATA PROTECTION; THE CONSUMER CONSENT CONUNDRUM

By Lynn Obwanda

Data protection has become an area of great interest globally. In the past decade, there has been an increase of digitisation of economies and accelerated uptake of the digital technology. At the centre of this digitisation, is the consumer.

Companies are all scrambling to obtain consumers' personal data to increase profitability through marketing and research. This has led to the question of how best to protect the individual's personal data. Personal data protection stems from consumer protection. This consumer protection has evolved over the years especially at the onset of the digital age where the consumers' personal data has become the 'product' and has led to the need to protect it. The enactment of data protection laws across the globe is seen to be a mitigating factor to the widespread cases of personal data breaches witnessed on various technology platforms.

Data protection laws vary across the globe, but the principles cut across with little or no variation and the core is the protection of the individual's personal data and their right to decide how it will be used.

This ability of an individual to give or deny consent, or to opt out from a transaction where their personal data is being used without consent, is crucial for the protection of the individual's personal data.

In the Data Protection Act, 2019 (DPA) consent is defined as, 'any manifestation of express , unequivocal , free, specific and informed indication of the data subjects wishes by a statement or by clear affirmative action signifying agreement to the processing of personal data relating to the data subjects'. Personal data can only be used for the purpose defined in the law and for the use it was collected for. Any use outside the definition of the law or additional use would require consent from the individual without which, it would attract a penalty.

In the recent past, regulatory authorities and courts have meted out heavy fines on institutions that have contravened data protection laws, especially use of personal data without the consent of the data subjects. Countries in the European Union have issued high fines on financial institutions that have contravened the General Data Protection Regulations (GDPR).

Africa, has also followed the international best practice of having data protection legislations. Currently, 24 countries in Africa have enacted data protection laws. African countries still have a long way to go because though some have enacted the laws, some are yet to have substantive bodies to implement them.

In Kenya, DPA, 2019 was assented to and commenced in November 2019. The Act has been modelled greatly on the European Union's GDPR. The DPA Act emanates from Article 31 of the constitution on the right to privacy. The objective of the Act is to make provision for the regulation of the processing of personal data, provide for the rights of data subjects and obligations of data controllers and processors.

Pursuant to the Act, the Office of the Data Protection Commissioner (ODPC) was established in 2020. In 2021, the ODPC came up with three draft regulations: The Draft Data Protection (General) Regulations 2021, the Draft Data Protection (Compliance & Enforcement) Regulations 2021, and the Draft Data Protection (Registration of Data Controllers and Data Processing) Regulation 2021. These draft regulations are still going through public participation.

The DPA, 2019 applies to any person that is; established or ordinarily resident in Kenya and processes personal data while in the country or not established or ordinarily established in Kenya, but processes personal data of the subjects located in the country. This therefore means, the DPA has extra-territorial effect in instances where a data controller or processor based abroad is processing personal data or data subjects located in Kenya.

Through the DPA and its draft regulations, companies processing personal data of Kenyan subjects are now expected to comply as far as dealing with consumers' personal data is concerned. The issue of consent is a key principle in the DPA and it is not to be implied but expressly obtained. However, the assumption that all consumers/data subjects specifically in Kenya are able to recognise and assert their right to consent and understand exactly what they are consenting to is farfetched. There are a number of occasions where companies—after obtaining personal data from the consumers for a contractual obligation for a specific product—would use the same data for marketing other products that are separate from the original contractual obligation without the consent of the customers. While it is a clear violation of the customer data, the consumer is likely to assume that the use of their personal data though without consent is legitimate because of their previous/current transaction with the company. The ODPC will require to do rigorous public awareness campaigns so that the consumer is aware of their rights in the DPA.

The consumer is also at a disadvantage where transactions are technologically driven and the requirement to consent or opt out comes in wordy statements with legal terms that are not easy for the average consumer to understand. The consumer may end up consenting to their personal data being used in other aspects that are far reaching than what they would ordinarily accept because of lack of understanding.

The adequacy of consent by data subjects is one that has proven to be a thorn in the flesh for data protection laws. Consumers are given an option to consent to the use of their personal data yet in most cases they have no choice because to consume certain services—especially in the technology space—consent must be granted before one can use the service or buy the goods. Consent, though it may have its gaps, is still a necessity in the protection of the consumer's data.

The other issue worth noting is the cross border transfer of personal data out of Kenya. The principle in the DPA is that no data should be transferred out of Kenya without ensuring certain factors such as appropriate safeguards with respect to the security and protection of the personal data and consent of the data subjects. The data subject should also be informed of the security measures in place to safeguard their personal data. The question would be how a consumer would be sure that security measures have been put in place to protect their data. They would definitely have to rely on the information received from the company that their data would be safe.

Though it is debatable whether consent is enough for the protection of the consumer in the use of their personal data, it is also a principle that must be applied and consumer educated on it for it to have its desired effect.

The writer is the Legal and Statutory Affairs Manager at the Association of Kenya Insurers

BUSINESS TODAY; Kenya's CEOs speak

By Hazel King'ori

Most Kenyan CEOs are optimistic about growth prospects in the next 12 months for their companies, sectors and the global economy. This optimism is attributed to the post COVID-19 bounce back, increased digitisation in businesses, and anticipated increase in exports following improved relations within the East African Community (EAC). At the same time, a section of CEOs (37%) are less optimistic in the growth prospects over the next 12 months citing the continued effects of the pandemic, reduced purchasing power of consumers, increasing commodity prices as well as the possibility of tax increases that could further erode consumers' purchasing power.

These sentiments were captured in a CEO's survey carried out by the Central Bank of Kenya (CBK) between 7 and 14 May, 2021. This was the second survey following the inaugural edition in March 2021. The survey targeted CEOs of key private sector organisations in agriculture, finance and insurance, manufacturing, wholesale and retail trade, hotels and restaurants, information and communications technology (ICT), transport and storage, real estate, pharmaceuticals, building and construction, and mining and energy. These sectors account for over 74 per cent of Kenya's GDP.

The Survey sought CEOs' views on selected indicators including business confidence/optimism, previous quarter business activity and outlook for business activity in the near term. The survey also sought to establish the key internal and external factors that could influence the business outlook and strategic priorities over the medium-term.

CEOs are most concerned with the challenging business and regulatory environment and the country's economic performance. Compared to March 2021, there is also increased concern over the COVID-19 pandemic with fears over the possibility of a fourth wave with the probability of new variants which could lead to more lockdowns and dampen investor confidence.

Majority of firms reported higher demand/orders and growth in sales, production volumes remained the same for most firms. However, CEOs reported higher prices of goods and services purchased—particularly of commodity and fuel prices—and they also expressed concern over delayed Government payments.

Majority of businesses were optimistic about higher business activity for Q3, 2021 compared to Q2, 2021. Respondents reported an expected increase in all the analysed business activity indicators—except for the number of employees which was expected to remain at the same levels for most businesses.

Across all sectors, respondents cited the business environment (high prices of raw materials and low prices of manufactured goods; rising fuel prices); COVID-19 related concerns (another wave/variants which would cause more lockdowns and dampen investor confidence); business financing (including cost of credit, liquidity constraints, delays in Government disbursements) and taxation (high taxes, delays in processing refunds) as the key factors that could constrain growth over the next 12 months.

Despite the constraints, businesses are leveraging on internal strengths to support business expansion. These factors include improved efficiency and innovation and skills retention/talent development.

Externally, businesses anticipate that an improved regulatory environment, a stable economic environment and easing the cost of doing business will support their growth over the next 12 months. Key issues that respondents would like addressed in the regulatory environment include: A more predictable tax regime, pro-growth taxation policy and faster processing of tax refunds. On the economic front, respondents would like to see controlled inflation; increased sectoral lending based on priority sectors identified by the government, stability of the Kenya shilling and reduced lending rates.

To address the challenges and concerns identified in their sectors, most companies plan to: manage costs/risks, lobby with relevant stakeholders and digitise/innovate.

Firms proposed other solutions such as ramping up sales and increased digital marketing efforts to counteract low demand; identifying new sales strategies to boost orders and embracing Kaizen (continuous improvement).

A sector analysis of the proposed solutions by respondents revealed that in the services sector, lobbying with relevant stakeholders is a key priority mainly to address the cost of doing business. Managing costs and risks was a key solution especially for the manufacturing and agriculture sectors.

The Survey concluded by asking respondents to indicate their strategic priorities over the next three years. Businesses plan to expand into new markets, develop new products and improve efficiency. Market expansion and digital transformation/innovation were important strategies especially for respondents in the services sector. For the manufacturing sector, brand value proposition is key while in the agriculture sector, cost optimisation ranks highest.

The CBK conducts the CEO's survey bimonthly. The May 2021 report is available for download from the CBK Website

THE UNFOLDING ESSENCE OF TRAVEL INSURANCE

By David Kuria

Travel and tourism is one of the largest economic sectors contributing $8.9 trillion (Ksh.890 trillion) or 10.3 per cent to global GDP, according to the World Tourism and Travel Council (WTTC).

Travel is an enriching personal experience that allows us to connect with different people and cultures, escape from daily routine, create unforgettable memories and discover the world around us. People travel for business, leisure, education, religious, cultural, social and health reasons. However, travel is fraught with risks hence the need for insurance to protect oneself and loved ones from unforeseen challenges while travelling. Travel insurance caters for risks like trip cancellations, flight delays, lost luggage and emergency medical treatment.

Like every other economic and human activity, the travel industry has been devastated by the COVID-19 pandemic. The declaration of the pandemic by the World Health Organization early last year abruptly sent the global travel and tourism industry into forced shutdown. More than 200 countries and territories have since imposed stringent travel restrictions leading to reduced demand for travel, trip cancellations and less destinations to visit.

The UN World Tourism Organization forecasted a 58 per cent drop in tourist arrivals last year compared to 2019. WTTC estimates travel and tourism GDP will decline by $2.7 trillion with 100 million jobs lost last year. According to IATA (International Air Travel Association) passenger revenue for airlines was estimated to contract by US$ 315 billion or 55 per cent in 2020 compared to 2019.

The catastrophic impact of the virus on the global travel and tourism market will certainly be felt for years to come. Travel insurance providers have not been spared. Even here in Kenya, insurers have been grappling with reduced demand for travel insurance since the first case of COVID-19 was reported in March 2020.

Though this downward trend was somewhat reversed with easing of restrictions in July last year—including lifting of a ban on international passenger flights—a resurgence of the virus in many countries is frustrating the anticipated recovery.

While renewed restrictions will likely continue to dampen demand in the near term, opportunities for growth still exist. That said, insurance companies have also had to review travel insurance policies to factor in the new reality of restrictions on movement. Pre-COVID, most travel insurance covers had general exclusions for pandemics and epidemics. But with heightened risks due to the virus, insurers have adopted a tighter approach based on known event exclusions.

Increased demand for travel insurance

Many countries now require a negative COVID-19 test before visitors depart their country of origin. Further, it is now mandatory for travellers to many countries to have insurance as part of revised air travel and visa protocols. With these requirements, it has increasingly become necessary and mandatory for insurers to include the COVID-19 cover on their travel insurance product. The cover has however been embedded with clearly defined benefit limits such as medical expenses, repatriation journey cancellation and curtailments. We are therefore likely to see an increased demand for travel insurance in the coming months.

Following gradual easing of travel restrictions in many countries, tourism recovery especially on the domestic front is also expected to drive uptake of travel insurance. Locally, there is already a visible uptake in domestic travel for business and leisure, translating into a window to grow this insurance segment.

People are now more conscious of their health and COVID-19 has elevated risks associated with travel. Increased awareness of safe travel will amplify the need for travel insurance and this will progressively be part of the new normal.

Outside of the COVID-19 pandemic, travel insurance is critical in protecting oneself against unforeseen risks like illness or accidents while embarking on a journey. In the event of such mishaps, the insured is able to access quality medical care where they are or even evacuated back home by the insurer.

Without travel insurance one is exposed to grave financial risk of footing costly medical bills if they fall sick or suffer injury. In addition, loss of luggage or cancellation of a business trip or holiday can lead to significant financial losses hence the need to hedge against such eventualities.

As travel insurance becomes essential, underwriters will have to be innovative in response to emerging trends in the unfolding shifts in global travel. Specifically, technology and digital-enabled travel insurance solutions will be crucial in surmounting sustained restrictions on physical human contact.

The writer is the Group Managing Director, Insurance Business, UAP Old Mutual.

KEEPING UP WITH INSURANCE TRENDS 2021

By Peter Wanjohi

The current uncertainties and changing expectations have led many companies to adopt an agile culture in managing change. This has resulted in unprecedented changes like remote working, remote learning, online purchases and increased digital media consumption as prolonged lockdowns and social distancing catalyses the universal adoption of virtual engagement.

Today, the insurance industry is undergoing a period of radical change mainly driven by exponential digital acceleration, evolving risk landscape, business dynamics and changing customer preferences. Insurers are reimagining the entire customer journey in the digital environment with new tools and technologies to provide the best experience possible to their customers.
Key insurance trends to watch in 2021 include:

Customer Engagement

The current insurance consumers are more tech-savvy. They start their research online and make purchase decisions independently through digital channels. The key trends in customer engagement today include:

• AI-powered channels:
Insurers are enhancing customer interactions through AI-powered channels like chatbots which are available full-time, provide quick resolutions to customer queries and provide a personalised experience to each customer. This leaves customer support agents to deal with more complex issues.

• Omnichannel customer engagement:
Insurers are leveraging on multiple communication channels to provide a unified experience from the first to last point of contact across all their channels (email, phone, live chat, social media)

• Visual engagement:
Audio visual content is the most consumed world over. Insurers are now increasingly using a variety of interactive video types to engage customers. These include videos explaining insurance products, FAQs, product promotions, testimonials, and company culture. The videos empower consumers to make informed purchases.

Digital Technology

Digital technologies are enablers of operational efficiency across the insurance value chain. Insurers are implementing these digital technologies and their capabilities to transform processes and promote new business models. Some key trends in digital technologies include:

• InsurTech Explosion:
The industry's need for digital solutions has become a necessity. Insuretech companies have stepped in to provide solutions and we have witnessed an upsurge in investment both in funding and number of transactions. According to data from CB Insights, global insurtech activity reached an all-time high in Q1 2021 raising US$2.55 billion across 146 deals. This is a 180 per cent growth compared to Q1 2020.

• Cloud-Based Services:
Insurers are increasingly adopting cloud-based services to expand their technological capabilities. Cloud-based services are more effective and specialised with compliance, upgrades and maintenance issues managed by the provider saving insurers the burden and costs of developing and maintaining physical servers.

•Big data Analytics, artificial intelligence and automation:
Data is a key resource from digital technologies. Insurers are leveraging on data to gain a competitive edge and remain

relevant by analysing valuable customer information to make decisions. Sensors, telematics and other Internet of Things (IoT) devices are contributing to personalised services and tailored policies and rewards based on behavioural patterns.

Artificial intelligence and automation, through machine learning and blockchain technology, help in improving performance and forecasting customer behaviour including fraud detection and prevention.

- **Remote working:**
  Technology has enabled remote access environments for the workforce in insurance companies that has led to increased productivity and reduced costs. Insurers have adopted more virtual meetings, online customer communications and online industry events.

Regulations

In this digital era, regulators are balancing between oversight of the industry and enabling innovation and at the same time developing policies and regulations for evolving risks.

Regulators are also putting up demands on better risk and capital management by introduction of regimes such as Solvency II and International Financial Reporting Standards (IFRS) to enhance customer protection.

Data protection regulatory compliance is also a key trend as regulators move to protect customers' personal information. Data breaches may result in loss of customer loyalty and attract considerable fines which ultimately jeopardises business.

Many jurisdictions have introduced innovation hubs and regulatory sandboxes to provide guidance and enable innovation.

Distribution

The digital age demands an omni-channel distribution model that ensures efficient and wide reach at optimal cost while maintaining good customer service. According to the World Insurance Report 2021 by Capgemini; convenience, advice and reach can maximise distribution channel value in today's fast-evolving business environment.
Insurers are rethinking their distribution models in a bid to offer uninterrupted and personalised customer experience and a seamless purchasing experience through different channels.

Evolving risks

Environmental, technological, social and business factors such as: Natural disasters due to climate change effects including floods, fires, strong winds, droughts; customers living longer but with new medical and health concerns; evolving customer social and demographic trends; business interruptions and changing business environments and cyber risks due to technological advancements are significantly changing the risk landscape.
In line with the evolving risks, insurers are providing real-time value-added services of risk assessment and prevention.

In this era of uncertainty and digital transformation, insurers should strive to improve customer experience, enhance efficiency, increase informed decision making, innovate and transform their business model by continually digitising existing products and services and implementing digital solutions.

The writer is a Research Officer at the Association of Kenya Insurers

COVID-19; CHANGING REALITIES OF WORK

By Dr. Emma Otieno

At the beginning of April 2020, the implications of COVID-19 were apparent, taking the shape of both a health crisis and an economic threat. Organisations began feeling the heat of the pandemic and immediately come to terms with this unprecedented reality. The long-treaded path of workplaces accommodating their usual full employee's capacities suddenly become impracticable. This resulted into the quick adoption of 'Working From Home' (WFH).

Global research on the future of work by several researchers including McKinsey Global Institute have explored the views of organisation executives, workers, consumers of services and the place of technology in this age of WHF. Findings have indicated that despite the current crisis, forward-looking organisations have detected a silver lining in their collective struggle to adapt to the pandemic. Such organisations have adopted a robust automation strategy, integrated hybrid- working models and re-invented work processes to support the drastic changes affecting the management of work to maintain a motivated workforce.

Leadership

The role of leaders to determine organisational outcomes has become clearer during this crisis. Research shows that successful leaders during this era are those who have up-skilled themselves to make the right and informed decisions on behalf of their organisations. Such leaders have managed to re-focus their vision and uphold a symbolic state of affairs with which their organisations have held on to through this crisis.

To lead successful organisations during this pandemic, effective leaders will be required to; clearly state their values that will guide institutional actions; understand and openly discuss with their teams the challenges and hopes of their organisations; clearly and constantly communicate the direction that the organisation is heading toward and, demonstrate confidence that strategic goals can still be achieved. The top executive teams must therefore invest in modern-times professional development as the 'mantle bearers'.

Rethink work

It is apparent that the immediate need of millions of workers to commence WFH accelerated the automation and connectivity need. This also called for organizations to re-think means of executing jobs and tasks while intensively understanding the critical drivers of productivity.

Research undertaken by the Future-of-Workgroup established that different jobs and tasks require different implementation approaches in this age of WFH. This is because jobs are driven by different components that require a balance between the components of 'Place' and 'Time'. For instance, it was established that work relating to planning required minimal disturbance and takes longer hours and focus to execute, making the issue of place less critical and time more critical. Place was however determined as being critical for workers involved in product innovations. Cooperation, team-work and face-to-face contact were critical drivers among product innovators making a shared location such as an office or creative hub a critical component to enhance productivity. Other roles—such as marketing—make use of both time and place and require sustained energy. Such tasks can be performed from anywhere.

Balancing employee needs and work

Organisations must understand their employees and as much as practical, accommodate employees' preferences. Organisations have employees who are at diverse stages of their careers thus such needs ought to dictate their needs in the suitability of their working locations.

Organisations must devise means to successfully coordinate workflows in this complex era. One of the strategies that can assist them is boosting the use of technology to coordinate activities as employees move to more flexible work arrangements. Organisations must re-think their investments in automation and virtual technologies and invest in the state-of-the-art video and digital tools. For instance, the use of Artificial Intelligence robotic controlled devices, Big-data analytics and other Over-the-top platforms such as Zoom, Webex, Google, Teams and many others have become handy in facilitating business continuity.

The shift to WFH cannot seamlessly accommodate the previous working arrangements. Work must therefore be re-designed while taking advantage of the increasingly innovative digital technologies. Organisations must invest further in providing their employees with digital devices and broadband allowances—noting that internet connectivity is now a critical working tool.

The good, the bad, the ugly

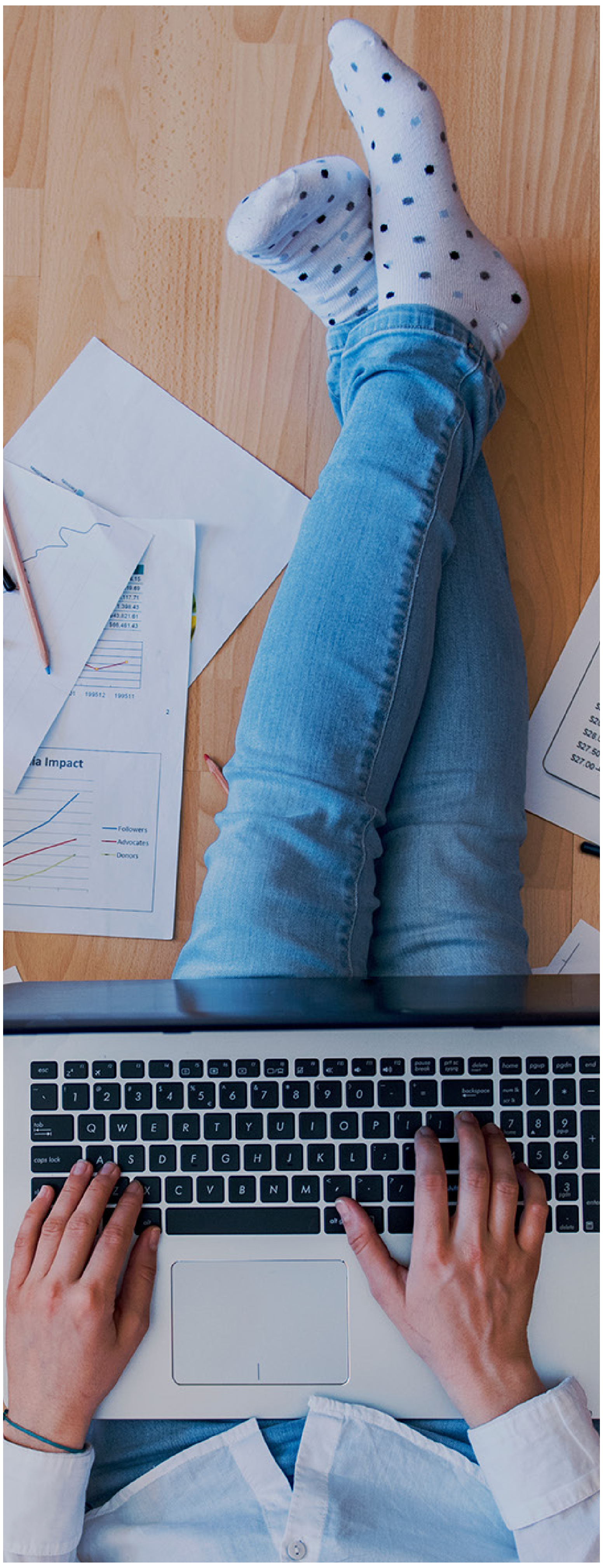
It has been noted that many people find WFH energising because they are freed from the long commutes, they can take time out during the day to exercise, they eat more healthy foods and are able to spend time with their families.

Employees have also cited issues such as the difficulty in maintaining boundaries or transitioning from work and non-work tasks; and not having adequate space at home to allow them to focus on work as being key challenges when WFH. Though energising, many employees have reported that they feel isolated in a way that cooperation and team-spirit is getting negatively impacted.

With the abrupt adoption of the WFH concept, it is expected that most organisations are already deploying novel technological models of employee monitoring. These virtual sight-lines will soon become a major threat and stressor to employees especially because they will feel their privacy is being invaded. The result will most likely be the dampening of creativity and loss of initiative among employees—more so workers in the lower cadres.

To effectively implement the best model of employees WFH, organisations must incorporate employees' views. This can be done through tools such as surveys, interviews and focus group discussions to inform the design of an acceptable implementation framework.

Leaders must today effectively provide oversight over the implementation of all the new adopted systems, work processes and policies. The ever present question ought to be; is the implemented change better supporting the foundations for the future of the organisation and that of every individual to enhance the achievement of the organisation's purpose?



The writer is a specialist in strategic management, human resource and quality management systems. She currently serves as a Manager at the Universal Service Fund, at the Communications Authority of Kenya (CA)

EMBEDDING DATA ANALYTICS IN INSURANCE OPERATIONS

By Dennis Kiplangat

One of Peter Drucker's most quoted business management nuggets is 'If you cannot measure it, you cannot improve it'. Simply put, what gets measured, gets managed. It is from this precept that data, its analysis and consumption in decision making is leveraged. Lean Six Sigma, the business operational methodology gold standard, lays emphasis on DMAIC (define, measure, analyse, improve and control).

Before any improvement, measurement and analysis is the overlying condition, in which data is the Holy Grail. Data analytics entails a review of your data to garner insights and thus align your business operating model into the strategic imperatives. This is a process that involves inspection, transformation and modelling of unstructured data into a proper structure. This is particularly vital for the insurance industry as a risk-based rialto. Data and analytics are quite literally becoming fundamental business functions within insurance. However, despite the clear benefits of engagement with data and analytics, insurance companies have been laggards compared to their financial services counterparts. This tide is however slowly turning with the increased focus on business transformation, innovation and technology. Operational efficiencies in areas like claims and underwriting are clearly evident and tapped as low-hanging fruits.

The current data age has provided useful trends that need to be understood and captured to realise value for any insurer that values business longevity. Customer centricity—and particularly member centricity for health business—is data reliant to model proper product offerings that speak to the client need. The current conversation is around value as opposed to cost. A prudent company will invest in both internal and external information to ensure the landscape is well understood and opportunities captured. This is where predictive analytics comes in; a subset of analytics that imbues forward looking models upon unknown future events. This application of analytics, artificial intelligence, behavioural science and machine learning extends the ability to foster innovation and growth. This just might be the engine to move the insurance penetration from the current 2.3 per cent through the provision of value-based insurance.

A quick review of the benefits of data analytics provides a trove of values as yet unexplored, particularly in Africa. Fraud prevention through diagnostic fraud indicators would augur well for all stakeholders ensuring legitimate claims are paid with the correct efficiency. Risk assessment and rating at on-boarding also ensures proper risk management. Under the precepts of lean management, internal processes can be greatly improved through insights on operational data leading to efficient turnaround times, robotic process automations and controls improvement. Straight processing through value stream mapping is a further possibility through proper, concerted analytics.

Analytics investment should be at the forefront in strategic planning and investment for each insurer. This is still at an early maturity stage in the industry but will soon mushroom into an imperative for a flourishing business. To use a common apocryphal anecdote, this will be the industry Sword of Damocles. The future calls for proper resource planning and investment, from training to scaling further capabilities in our institutions or in-house capacity building. A paradigm shift from traditional tools which are more hands-on to automated analytics tools is key to proper value realisation. Further, development of these should not be managed as IT projects, but should be owned by the operations/management end of the business. Whether an insurer begins a process transformation with small-scale experiments or dives in on a larger scale, the deployment of advanced analytics in a decision process is a complex undertaking demanding a thoughtful approach in several dimensions. With the Data Protection Act in place, regulatory compliance also needs to be at the back of our minds on how data is acquired and handled.

Pretty soon data driven solutions will become the norm rather than the exception.

The writer is the Head of Operational Excellence and Analytics at UAP Old Mutual. He holds ASQ CSSBB-Black Belt certification

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IS LEADERSHIP A POSITION?

"Great leaders know that leadership is not about authority or a title. It is about influence, nothing more and nothing less."

John C. Maxwell, American author, speaker and pastor

By Ruth N. Kimeu

Imagine you are enjoying your lunch by the poolside. The swimming pool has this notice by the side, "Life Guard on Duty". This gives you comfort because you are a lousy swimmer. Amid the tranquillity, you hear screams: A two-year old child has accidently fallen into the deep end of the pool and the lifeguard is not by the poolside. What do you do?

a) Run to look for the lifeguard
b) Ask someone else who can swim to help
c) Call for an ambulance
d) Jump into the pull to try save the child even though you don't know how to swim well
e) Do nothing.

Whatever choice you make does not matter in this illustration. This indicates we all have choices in every circumstance. The outcome of our lives is a result of our choices and these choices make leaders standout from the crowd.

Therefore, leadership is a choice. We all have an opportunity to choose to be leaders. American educator, Stephen Covey opines that, "We all have the ultimate human freedom; the power to choose, to respond, to change." Responsibility, the educator notes is the ability to choose your response. Leadership is a decision. A decision to take responsibility.

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Responsibility = Response + Ability.

Circumstances do not define us; what we choose to do, does. Leaders are neither born nor made. Leaders choose to be leaders.

Whenever we visit or interact with an organisation, forget the CEO, it is the frontline team that is our first point of contact. What makes customers come back or refer others, depends on how they felt during the initial interaction. Did they get a solution for their need/problem? A customer leaving your organisation should feel that their problem was resolved, not responded to. That is leadership. Therefore, every employee at every level has the option to choose to be a leader.

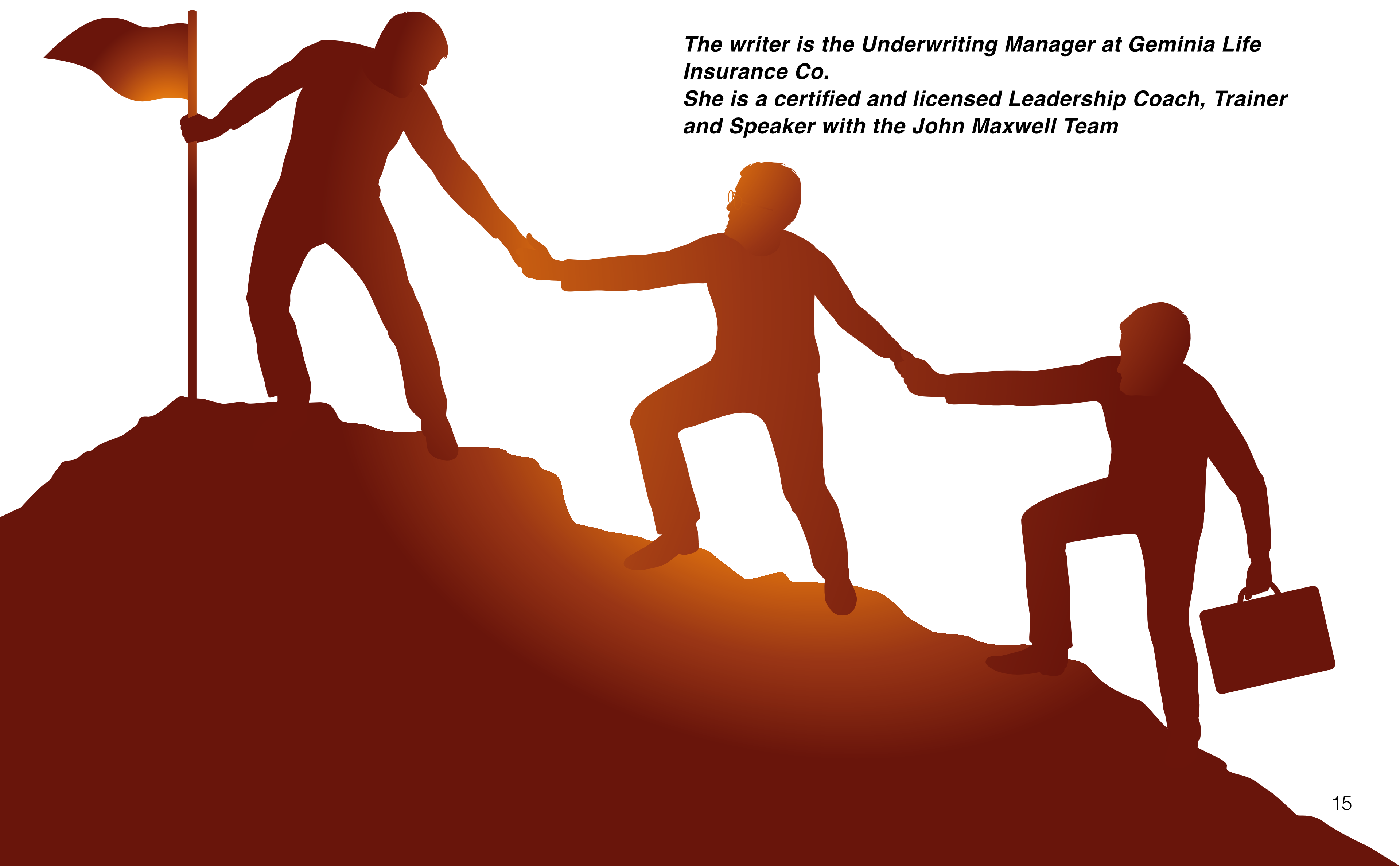
Leadership is not a position, everyone has the potential to be a leader. To become a leader at any level make the choice, earn influence and grow the following;

- Competence: Be good at what you do. Be a performer, excellent at your core skills and set high standards for yourself.
- Character: Develop a strong character full of values. Character is who you are when no one is watching. "What you are, speaks so loudly, that I can't hear what you say." Ralph Waldo Emerson.
- Connect with others: Invest in relationships and be genuinely interested in others. Touch people's hearts before you ask for their hand.
- Serve: Help others get what they want. Be a fountain of ideas. Be a people lifter not a leaner. "You can have everything you want in life if you help enough people get what they want out of life." Jim Rohn.

Many people assume that leadership is about titles, positions, money, and fame. However, leadership is not an actual position or title. In fact, it is about the action you take and the example you set for others. Leadership is the ability to influence others; it is about the impact you have on others.

John C. Maxwell further observes that, "True leadership cannot be awarded, appointed, or assigned. It comes only from influence, and that cannot be mandated. It must be earned."

The writer is the Underwriting Manager at Geminia Life Insurance Co.
She is a certified and licensed Leadership Coach, Trainer and Speaker with the John Maxwell Team



TAKING INSURANCE TO GEN-Y

By Simon Gichane

Millennials or Gen Y (those born between 1980 and 1997) are often accused of being lazy, temperamental and lacking patience, loyalty or even satisfaction at work. Despite these negative connotations, there are lots of positives with this 'Me generation', and if well harnessed could generate revenue for any commercial entity.

Millennials describe themselves as smart kids who want to have an impact. After all, they are educated, tech-savvy and achievement-oriented. There are some tips that the insurance industry can adopt in positioning themselves in the minds of this unique generation.

Go digital – Millennial's are digital to the core, they love the internet, mobile phones and social media. They read and ask for reviews before making any purchase. Insurance companies must find ways of attracting more people to their websites and social media portals. The highest converting landing pages have captivating visuals, are informative and engaging.

Don't just offer a service, create an experience - The world today is moving from service to experience. Millennials want to feel good when they patronise your shop, they are not just looking for risk management products, but they want more than insurance. They want to feel like part of the strategy, and they are contributing to the overall achievement of the organisation's goals. Underwriting companies must clearly convey other benefits that accrue through buying insurance products. For example, when you buy insurance you are supporting a particular corporate social responsibility initiative, or a portion of all underwriting profits are channelled to environmental conservation and educational scholarships.

Simplify your products - Millennials only buy products which they fully understand. Offer simple but effective solutions that address the risks they face. Shorten and make contracts easy to read.

KISS (Keep it super simple) - Simplify your customer on boarding procedures, create products that are easy to understand and ensure that claims are seamless.

Take advantage of WOMAN (Word-Of-Mouth Advertising Network) – Millennials love to give and ask for reviews, they buy products based on recommendations from friends. Hunter Thompson once said that “Good news is rare these days, and every glittering ounce of it should be cherished and hoarded and worshiped and fondled like a priceless diamond”. Make your product the good news.

Understand what they value -The insurance solutions that you offer must resonate with the aspirations of the customers. While education policies might have been the best way of marketing endowment plans to the Generation X (those born between 1965 and 1979), millennials don’t have the same aspirations and therefore is not a priority. They are more interested in investment, raising capital for starting a business, traveling to various destinations around the world, having a grand wedding.

Does your company offer special insurance packages for gadgets? Start shouting about it, their gadgets are their lives. Millennials are passionate about their pass times; they love to invest in technology or equipment that supports their hobbies. Insurance companies need to provide cover for gadgets such as drones, tablets, phones and high-end cameras. Some of these equipment costs a fortune and loss could financially setback the owner a great deal.

Gen Y wants to eat life with a big spoon and insurance policies should speak to these aspirations.

Add value - the financial landscape is every changing and continuous education for your customers through financial literacy seminars will add to their knowledge and decision making. Provide rewards schemes that enable policyholders to benefit from unutilised premiums. Develop self-service portals that provide access to statements, claims benefits levels e.t.c.

Customer as a co-creator- Today‘s customers have become co-creators of value. Through various technology platforms, their feedback on products and services is instant and direct. Underwriters should purposefully engage and listen to customer feedback and use this in product improvement and innovation.

FOMO Factor- Insurance companies must learn to create the FOMO (Fear of Missing out) factor where someone develops a fear of missing out on products that their friends or contacts may currently be enjoying. Create products that appeal to a sense of ‘I must have it.’

The writer is the Bancassurance Training Manager at KCB Insurance Agency, KCB Bank

CAREER VS JOB; THE DISTINCTION

By Jane Mutisya

Career and job are terms often used interchangeably but they are, in essence, different. The purpose of a job is to pay your bills, it is just work. A career on the other hand, is about long-term aspiration in which you plan every step towards achieving the goals you have set.

Both jobs and careers are good. A job is a good starting point, however, if you do not invest in your skills, it might just remain a job. A career is progressive, it is a lifelong evolution where you build up your skills and proficiency. The career journey is influenced by many factors including the roles you play in your work life.

How to manage your career

Career management is deliberately putting plans in place to ensure you grow in pay and responsibility. Manage your career like a project; always ask yourself that dreaded interview question of 'where do you see yourself five years from now?' Go further and imagine your 40 years after college and imagine how your future of work will look like. Prepare for that future now by carrying out a skills and competencies gap analysis and put in place plans to close the gap. Use real vacancies to see what skills the market is looking for. Seek career coaching if need be. Get yourself a mentor. Don't bunk on luck, take charge and be deliberate about your career growth so that opportunities find you ready. Don't stagnate in a job feeling helpless, the world is your stage, sharpen your axe and keep knocking on doors.

Working smart or hard is not enough, you need both the performance currency and the relationship currency to go up in your career. Give your 'A' game in everything that you do and sell your brand. Let people, and not just your direct boss, know what your brand is all about and the value you bring to the table. Deliberately prepare well for meetings so as to contribute meaningfully. Volunteer in strategic committees and purpose to build your social capital outside your department and organisation.

Be very intentional on your personal development; don't delegate this to your employer. Your employer is happy with your skills as they are in your current job, if you don't up-skill and keep ahead of the game, they will hire from outside instead of promoting you when an opportunity arises and if they let you go, you will struggle to get another placement. Always scan the environment, your industry, be on the look out to know the trends and align yourself. If you don't shape up they will have you ship out.

Networking is also key and very important for your success. Deliberately network both within and outside the organisation. Networking should not start when you are already jobless, networking is not about helping yourself 'net-eating' or 'net-taking', it is about genuine relationships that mutually benefit both parties. Start building those professional networks today; they form a big part of your career ladder.

Remember, the burden is on you to take control of your career development. It is your responsibility.

The writer is the Managing Director at Career Management Centre Limited

PATIENT-LED CHRONIC ILLNESS MANAGEMENT

By Aram Kaboro

On the onset, shock, disbelieve, panic and denial take a hefty toll on those involved. When the reality unfolds, the implications become vivid. The medical appointments, bills to settle, the caregivers to engage and sometimes uncalled-for stigma from the society. The sum total of the situation manifests in the conduct of the kin and kindred.

A chronic illness is a journey no one wants to encounter. Broadly described as conditions that last a year or more—and require ongoing medical attention, limit activities of daily living, or both—chronic diseases such as heart disease, cancer, high blood pressure and diabetes are on the increase in Kenya. Seldom will you meet somebody who has not been affected in some way. Many of us 'have been there, experienced that'. So what to do?

The first step in the management of chronic illness is the perception of the condition. This takes a medical practitioner to expound. For instance, in the case of cancer, a medical doctor will—after the requisite tests—unravel the stage the ailment is at and advise on the steps to be taken; the medication and if surgery is required immediately or later on. This is the commencement of the 'journey'.

If you or yours is affected, build a team to handle the situation. The doctor becomes the team leader (partner) and will work with the other members such as on-call nurses, a dietician and close relatives who can be reached with ease. The team will provide not only the medical, but also psychological care whenever needed. Care is better coordinated if all team the members talk to each other directly and regularly, this helps them to gain a more holistic view of the necessary steps to take.

At the centre of this 'journey' is the patient. Chronic illness care requires two things; a team of involved participants to support the patient and an actively involved patient. This model of care can be described using various terms—empowerment, informed choice, patient centered—but they all have the same underlying concept; the patient is at the centre and is actively involved in his or her own health care. Most chronic illness care is not an exclusive entitlement of physicians and other health care professionals. It is estimated that between 95 and 99 per cent of chronic illness care is undertaken by person who has the illness. On a day-to-day basis, the patient is in charge of his or her own health, and the daily decisions they make have a huge impact on patient outcomes and quality of life.

Patients with chronic diseases need to understand that:

Their illness is serious. There are some patients, who once diagnosed with a chronic illness, who believe they have the "not-so-serious kind of condition." If they do not believe it is a problem, they will never make changes to improve their health.

Their condition is essentially self-managed. Every decision patients make throughout the day, from what they eat to whether they walk, drive or ride the bus, has an influence on their health. The patient is the most critical in managing their illness.

They have options. There is rarely one perfect way to treat a chronic condition. Patients need to understand the different treatment options available and should be encouraged to look at the personal costs and benefits of each. Only the patient can decide if the benefits are greater than the costs.

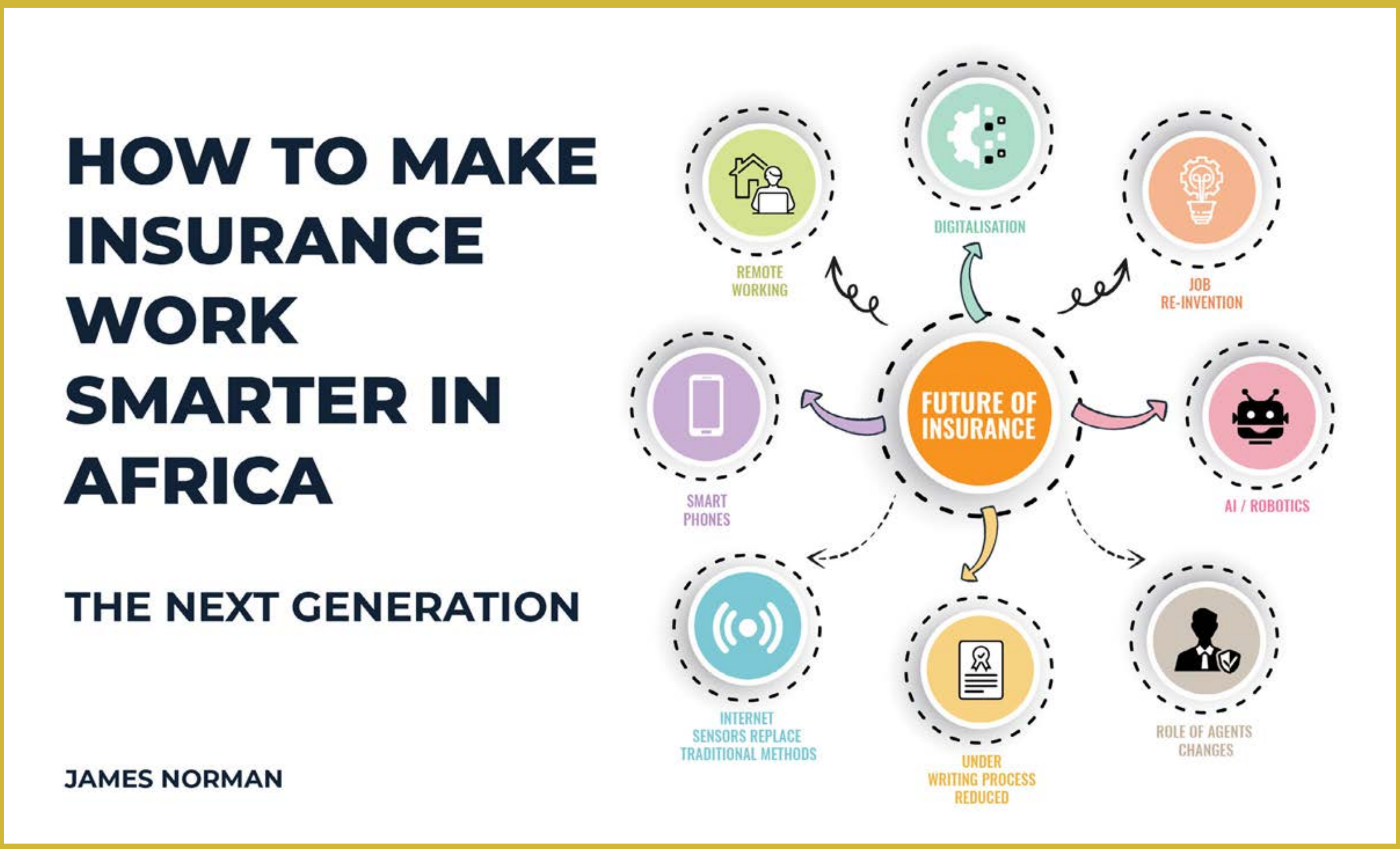
They can change their behaviour. Rarely do patients leave the doctor's office and immediately enact whatever change was recommended. The reality is that it often has to be spread out into a series of steps. Significant behavioural changes can be made by setting goals, taking that first step and figuring out what you learn about yourself along the way.

The challenging element of chronic illness is the bills to be settled—in the long and short term—and they are financially draining. Resources will come in handy here; medical insurance and the goodwill from 'your' people take a critical role in this journey. Family is the centre stage in this function, keep them close.

The writer is the consulting editor of this journal

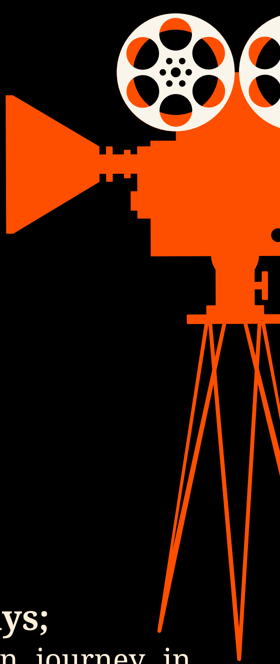
Ref:
• https://www.cdc.gov/chronicdisease/about
• https://www.aafp.org/fpm
• https://powerfulpatients.org/

BOOK REVIEW



By Hazel King'ori

''If insurance was a blockbuster movie with a Hollywood budget, stars, locations and production crew it would likely be portrayed as story with some Sci-Fi technology, some horror stories in customer service, a bit of crime and thriller in fraud and some drama with the day-to-day claims scenarios that can seem like fiction. There may be the occasional rom-com moment after a great piece of service and there would be plenty of comedy from the day-to-day people who make up this sector.''



This is the opening scene in this book about insurance and it sets the stage for the next chapter which takes you through the journey the insurance industry has walked since the early human society in pre formalised monetary societies to where it is today.

The next few chapters are information packed and thought provoking as the writer succinctly captures the uniqueness of the African market and the challenges and opportunities that exist; the industry trends and how to leverage on them as well as who the customer is and what do they want. It wraps up by looking at the threat that is COVID-19 but at the same time an opportunity for the industry to pivot by developing agile strategies and building resilient businesses.

Though tackling a complex subject, the writer uses his unique style of light and humorous writing to draw you in to the intricacies of the insurance industry and to convey his thoughts compellingly. The humorous and colourful illustrations add to the flavour of this book.

This book is a great read for anyone who wants to better understand the insurance industry.

It is a must read for insurance business leaders insurance as they steer their organisations through the turbulent waters of the insurance industry.

On why he wrote the book, James says;

"This book is the combination of my own journey in the insurance sector across 21 years and a personal and professional relationship with Africa which started in 2010.

Having been privileged to work as the Head of Insurance for KPMG East Africa from 2014-2018, I was able to work in over 10 Africa countries, and interact with all parts of the insurance value chain from universities and academia, professional bodies and regulators, intermediaries, local, regional and global insurers and re-insurers, start-ups, insure-techs and NGOs. I worked on some really large transformational projects and also believed in driving positive disruption, innovation and transformation to the sector and do it in a sustainable way that built capacity.

When I left to take up a new global professional services role, I wanted to keep the agenda burning for Africa and to give something back which is why I started to write the book.

I want it to be not just a book but a guide, a compass, a source of challenge, insights and to show the art of what is possible. The book reflects my style- it is different, authentic and from the heart, and I hope it is used to help interaction and growth. The real driver though is my passion for Africa and the belief in its unquestionable potential".

The book is available at https://jamesnorman.org/

INSURANCE
JKES

HOW TO START A FLOOD

A lawyer and an engineer were fishing in the Caribbean. The lawyer said, “I’m here because my house burned down, and everything I owned was destroyed by the fire. The insurance company paid for everything.”
“That’s quite a coincidence,” said the engineer. “I’m here because my house and all my belongings were destroyed by a flood, and my insurance company also paid for everything.”
The puzzled lawyer asked, “How do you start a flood?”

HAVING HUNDREDS OF CLIENTS

An insurance agent said to a customer, “Thank you, Mr. Barricks, for your patronage. I wish I had 20 clients like you.”
“Gosh, it’s nice to hear that, but I’m kind of surprised,” admitted Mr. Barricks. “You know that I file many claims and always pay my premiums late.”
The insurance agent said, “I’d still like 20 clients like you. The problem is, I have 200 like you.”

ACTUARIES, UNDERWRITERS AND SALESPEOPLE

An actuary, an underwriter and an insurance salesperson are riding in a car. The salesperson has his foot on the gas, the underwriter has his foot on the brake, and the actuary is looking out the back window telling them where to go.

FREQUENTLY ASKED QUESTIONS ON COVID-19 AND INSURANCE IN KENYA

The COVID-19 pandemic has been with us for over a year now. From the look of things, the virus is here for a long period, and so we need to adjust our lives around that fact.
For insurance, many things have had to change over the last year. We have put together responses to some of the most commonly asked questions regarding COVID-19 and insurance in Kenya.

1. Does my medical insurance cover COVID-19 testing?
This differs from one insurer to another. Read you policy or speak with you insurer/agent/broker to establish whether your policy covers testing.

2. Does my medical insurance cover COVID-19 treatment?
Some medical insurers cover treatment for COVID-19 while others do not.
Be sure to read your insurance policy to clearly understand whether you are covered or not and what your limits of coverage are.

3. Does my medical insurance cover COVID-19 Vaccine?
No. The Covid-19 vaccine is being provided by the Government, through the Ministry of Health (MoH), for free.

4. Does my life insurance cover COVID-19?
Yes. If the insured passes on from COVID-19 the insurance claim is payable to their beneficiaries.

5. If I get an accident after curfew hours, can my motor insurance claim be denied?
Any motor insurance claim that arises during curfew hours cannot be dismissed on the basis of the time of accident. If you violate curfew hours, then the Police will charge you with that violation.
However, should there be other circumstances that are excluded from the motor insurance policy the claim can be denied on those circumstances.

6. Does WIBA cover treatment for COVID-19?
Yes. WIBA covers COVID-19 treatment.

You can share further questions via info@akinsure.com

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Did you enjoy the articles in this edition? What would you like to see more of/ less of?

We appreciate your feedback.

If you would like to contribute to the next edition write to hazel.kingori@akinsure.com

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