# Promotion of inclusive insurance by a South African InsurTech company

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## DECLARATION

I, Zanele Nhlapo, declare that this research project, *Promotion of inclusive insurance by a South African InsurTech company,* submitted in partial fulfilment of the requirements for the degree of Master of Business Administration (MBA) at the Wits Business School in the University of the Witwatersrand, is my own unaided work. It has not been submitted before for any degree or examination at any other university.

**Signature:** ______________________ **Date: 29 February 2024**

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To my classmates and the members of my syndicate group, especially Thobile, I am grateful for the support and conviviality.

Lastly, I express gratitude to the InsurTech team for taking the time to help me with this research.

# DEDICATION

*To the memory of my late mother, Nompi Nhlapo*.

# ABSTRACT

This study examines the strategies an insurance technology company deployed to promote inclusivity within the insurance sector across its operational markets in South Africa, Uganda, Ghana, Zambia, Côte d'Ivoire, and Cameroon. This research focuses on the South African market within the context of a multinational corporation. The name of the company under study is concealed for ethical reasons. Employing qualitative research, this study explores how an insurance technology company utilises digital technologies to offer easily accessible and unique insurance products such as prepaid hospital, funeral and life cover. The company focuses on aiding underserved communities and promoting financial inclusion and sustainable development. Despite a generally low insurance penetration in Africa and the slow uptake of technological innovations among established insurers. This specific insurance technology company stands out as a pioneer in embracing digital solutions to meet insurance needs. The research identifies barriers to insurance adoption, analyses the use of digital technology in enhancing accessibility, and evaluates the company's strategies for improving affordability and customer satisfaction. The study finds that an insurance technology company's innovative approaches, such as mobile technology utilisation and strategic partnerships, have significantly increased insurance coverage and provided a safety net for vulnerable populations, which has implications for the scalability of similar models in comparable markets. The research contributes to the academic discourse on insurance inclusion, highlighting the role of InsurTech in achieving Sustainable Development Goals set by the United Nations and providing recommendations for further enhancing the reach and impact of insurance technology initiatives. As such, the study takes its place among other studies in the disciplines of business leadership and management.

**Keywords***:* Digital technologies, financial inclusion, inclusive insurance, InsurTech, underserved markets,

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## LIST OF ACRONYMS

| | |
|---|---|
| AI | Artificial Intelligence |
| API | Application Programming Interface |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit |
| IDT | Innovation Diffusion Theory |
| ILO | International Labour Organisation |
| IoT | Internet of Things |
| InsurTech | Insurance Technology |
| MNO | Mobile Network Operators |
| OECD | Organisation for Economic Cooperation and Development |
| PEOU | Perceived Ease of Use |
| PWA | Progressive Web App |
| PU | Perceived Usefulness |
| SMS | Short Message Service |
| StatsSA | Statistics South Africa |
| TAM | Technology Acceptance Model |
| TRA | Theory of Reasoned Action |
| TSP | Technology Service Provider |
| USSD | Unstructured Supplementary Service Data |

# CHAPTER 1: INTRODUCTION AND BACKGROUND

## 1.1 Background of the study

The study examines the impact of InsurTech firms on improving inclusivity and affordability in the insurance industry, considering Africa's low insurance penetration rate of 3% (with South Africa being an exception at 12.4 % (McKinsey & Company, 2020). Despite South Africa's well-developed market, the sluggish embrace of technology by traditional insurers is impeding the growth of the market and the ability to retain customers (World Bank, 2021). The emergence of InsurTech firms, with worldwide growth of 73% since 2017, indicates a transition towards digital solutions to address this disparity, particularly in areas such as India, South Africa, and Latin America (Esser et al., 2019). This upsurge in technological developments is likely related to the worldwide unfolding of the Fourth Industrial Revolution (4IR) and its Artificial Intelligence (IA) regimes.

The research contributes to the existing body of knowledge on inclusive insurance. There is a shortage of research on inclusive insurance in Africa. While most research has concentrated on digital financial inclusion (Esser et al, 2019), this study examines explicitly insurance inclusion. The study could identify opportunities for insurance companies to enhance their operations and showcase measures implemented by other insurers, including InsurTech and other firms, to promote greater inclusivity in insurance. Africa's under-insurance problem is being addressed by a growing number of InsurTech start-ups, but further academic research is needed in this new space.

## 1.2 Research problem

The African insurance market, including South Africa, faces significant challenges with low client retention rates, particularly among underserved communities. Traditional insurers struggle to retain clients due to rigid policies, high costs, and limited personalised services, despite the availability of numerous insurance alternatives (McKinsey & Company, 2020; Pelanda, 2021). This issue is exacerbated by relatively low levels of insurance coverage in Africa and the slow adoption of technological advancements by established insurance companies (World Bank, 2021). Clients often perceive that existing insurance products do not adequately meet their specific needs or financial circumstances (McKinsey & Company, 2020; Pelanda, 2021), leading to dissatisfaction and a tendency to switch providers or forego insurance altogether (Esser et al., 2019). Additionally, the limited availability of digital interaction options makes it difficult for clients to engage conveniently with their insurers, further contributing to low retention rates.

This problem presents a significant management challenge for insurers in South Africa and across Africa. High churn rates directly impact profitability, as the cost of acquiring new customers is substantially higher than retaining existing ones. Ineffective customer engagement and satisfaction strategies lead to diminished customer loyalty and reduced lifetime value, affecting long-term growth and sustainability. Addressing these issues requires innovative approaches that leverage digital technologies to enhance client retention by making insurance products more accessible, affordable, and tailored to the needs of underserved populations.

## 1.3 Purpose of the study

The aim of this study is to examine and evaluate how an InsurTech firm, headquartered in South Africa but operating across multiple African markets, utilises digital technology to promote inclusivity in the insurance sector. The study focuses on offering accessible and unique insurance products to underserved communities, aiming to enhance client retention.

By providing more affordable, flexible, and personalised insurance solutions, the InsurTech seeks to address the challenges of inflexibility, high costs, and lack of personalised service associated with traditional insurers. This research will explore the strategies and digital innovations that can be employed to improve client satisfaction, affordability, and retention rates (Esser, et al., 2019; Zheng & Su, 2022).

## 1.4 Research objectives

This study's main research objective is to explore how digital technologies can be leveraged to provide inclusive insurance to underserved communities. Therefore, the sub-research objectives are:

1. Identify barriers to insurance adoption about an insurance technology (InsurTech) company.
2. To analyse how an InsurTech company utilises digital technology to enhance the accessibility of insurance products for marginalised and underserved populations in South Africa and other African markets.

3. To evaluate the effectiveness of an InsurTech company's strategies in improving the affordability and customer satisfaction of insurance products across different regional markets.

## 1.5 Significance of the study

The significance of inclusive insurance extends beyond South Africa's economic growth, as it plays a crucial role in the achievement of Sustainable Development Goals (SDG). Inclusive insurance aligns with the United Nations Sustainable Development Goal 10, which seeks the reduction of inequality within and among countries (World Bank, 2018). As such, Inclusive insurance plays a crucial role in reducing disparities by providing insurance services specifically designed for underserved and impoverished populations. It promotes the resilience of vulnerable populations and supports inclusive economic growth, making a substantial contribution to the overall goals of the Sustainable Development Goals (World Bank, 2018).

The primary objective of this study is to examine the challenges that hinder the achievement of inclusive insurance and to analyse the strategies employed by InsurTech companies in utilising digital technology to overcome these barriers and provide wider insurance accessibility.

## 1.6 Delimitations of the study

This study focuses on examining the adoption of digital technology by an InsurTech company operating in South Africa and four other African countries. The objective is to explore how this adoption can enhance insurance inclusivity. This study centres on the strategies utilised to improve accessibility, affordability, and satisfaction for marginalised and underserved populations. The study solely examines the initiatives of this specific InsurTech company and does not cover the entire InsurTech industry or other unrelated financial inclusion efforts. While the findings may have broader implications, their scope is confined to this context. This qualitative study focuses on the perspectives of employees, with a deliberate exclusion of customer viewpoints and quantitative data measures

## 1.7 Definitions of terms

1) Digital technologies - the term "digital technologies" encompasses a broad array of technologies, tools, services, and applications that utilise diverse forms of hardware and software (Rice, 2003).

2) Financial Inclusion refers to the systematic effort to provide individuals and businesses, especially those who are underserved and marginalised, with affordable and beneficial financial goods and services that cater to their specific needs.
3) FinTech – the incorporation of technology into the products and services offered by providers of financial services to enhance their service offerings and how services are delivered to customers (Pelanda, 2021).
4) Inclusive insurance – It is the insurance products and services that are targeted at communities that are classified as vulnerable, underserved, and low-income (Pelanda, 2021). The intention is to ensure that everyone has access to opportunities to insure themselves against risk.
5) Insurance –is a way in which people manage risk before it happens through taking on an agreement with an insurer who will undertake to pay the insured in the event of a risk occurring. This occurs through insurance covers and policy agreements (Rejda & McNamara, 2017).
6) InsurTech – the use of technology in insurance products in a bid to provide inclusive insurance services (Zheng & Su, 2022).
7) Life insurance is long–term insurance that protects one’s burial, life, disability, and income.
8) Mobile Network Operators (MNOs) are entities that possess or manage the essential infrastructure required to deliver wireless communication services, encompassing cellular phone subscriptions, data services, and mobile internet connectivity (GSMA, 2023).
9) Short–term insurance – that protects one’s home, household goods, car, business, and travel.
10) Sustainable development Goals - refers to the process of achieving economic and social progress in a way that does not harm the ability of future generations to meet their own needs. This concept typically overlaps with inclusive finance and insurance (United Nations Development Programme [UNDP], 2023).
11) Technology service provider (TSP) - a TSP is a FinTech organisation specialising in developing, providing, and supporting technology systems for mobile services, offering solutions to customers (GSMA, 2023).
12) Traditional insurers – are insurance organisations that have been in the industry for a longer period and hold a dominant market share (Zheng & Su,2022).

## 1.8 Assumptions

The assumptions of this study as identified by the researcher at the company that is chosen for this study will be analyzed as follows:

1. **InsurTech's Role in Reshaping Insurance:** InsurTech is poised to revolutionise the insurance industry by harnessing digital advancements to offer more inclusive services, as suggested by Catlin and Lorenz (2017). The InsurTech, as a proponent of this innovation, is expected to capitalise on these technologies to democratise access to insurance products, particularly for underserved populations.
2. **Sustainability and Long-Term Viability:** In its pursuit of inclusivity, the InsurTech company is anticipated to adopt business practices that are not only economically sustainable but also contribute to the long-term well-being of its customer base and the communities it serves.
3. **Data-Driven Decision Making:** The InsurTech is presumed to leverage data analytics to refine insurance products and tailor services to meet the specific needs of different customer segments, thereby enhancing the personalisation and appeal of its offerings.

## 1.9 Chapter summary

This chapter presents the introduction to the present study. The background to the study, research problem statement, and purpose of the study are outlined. The research objectives of the study, followed by a statement of the significance of the study are presented before an outline of delimitations of the study, definition of key terms of the study, assumptions of the study and a summary of this chapter. The following chapter delves into the literature review of the study

# CHAPTER 2: LITERATURE REVIEW

## 2.1 Introduction

The literature review examines the impact of InsurTech on insurance accessibility and inclusivity in emerging economies, where traditional insurance models have struggled to adapt to the changing digital environment. This review provides a comprehensive analysis of studies that examine the use of digital technologies to create customised insurance options for marginalised and poor groups. The text emphasises the major obstacles to insurance adoption, including economic disparities, limited awareness and education, and a lack of trust in the insurance industry. The review explores various models, such as peer-to-peer sharing, on-demand insurance, and the utilisation of AI. It assesses the potential of InsurTech to make insurance services more accessible, in line with financial inclusion goals, and to tackle the specific obstacles encountered by remote and underserved communities.

## 2.2 Background discussion

Digital technologies have the potential to overcome barriers to inclusive insurance in communities facing economic vulnerability and accessibility challenges. The International Association of Insurance Supervisors (2018) supports the use of technology to develop insurance solutions for individuals with low education levels, limited trust in financial services, who live in remote areas and who experience irregular income patterns. Insurance companies can enhance the user experience and improve their services by implementing digital tools. This includes utilising data analytics to provide personalised services, resulting in cost savings and increased consumer involvement. InsurTech has revolutionised the insurance industry by adopting innovative models like peer-to-peer sharing and on-demand insurance, supported by advanced digital platforms (Bank for International Settlements (BIS), 2021) (PricewaterhouseCoopers [PWC], 2019). These innovations redefine consumer interactions and bridge the gap for individuals in remote locations who are often excluded from the financial ecosystem. Mobile technology facilitates the provision of microinsurance products, which cater to specific needs and promote broader economic participation. InsurTech's inclusive product approach aligns with the increasing trend of democratising insurance, which has the potential to promote financial inclusion and enhance resilience in emerging markets (Zheng & Su, 2022). InsurTech is not only transforming insurance for low-income individuals, but it is also fundamentally reshaping the market to promote inclusivity and fairness.

## 2.3 Economic impact on insurance adoption

South Africa's unemployment rate is 33.9% as reported by Statistics South Africa (StatsSA) (2022). Additionally, the country has a significant formal employment sector accounting for 68.3%. According to StatsSA (2022), high levels of unemployment frequently result in a decrease in the amount of disposable income available to numerous households. The decline in demand for insurance products may occur due to the perception that insurance is a discretionary expenditure when compared to more pressing needs. These factors contribute to an increased need for insurance due to amplified societal risks (Adams & Yu, 2022). The presence of high levels of crime and fraud increases the expense of insurance, thereby reducing its accessibility (MiWay, 2019).

This study examines the potential of digital innovations to disrupt the current state of the insurance industry, leading to increased inclusivity and cost-effectiveness. South Africa accounts for 70% of insurance premiums in Africa, suggesting a well-established market with extensive coverage (McKinsey & Company, 2020). However, other African markets are less advanced, presenting opportunities for future expansion (Bagus et al., 2020). This study seeks to utilise the economic growth of these markets and the increasing demand for insurance products. It recognises digital technology as a crucial factor in facilitating market penetration and expansion for entities such as the company under study.

**Insurance penetration in Africa**

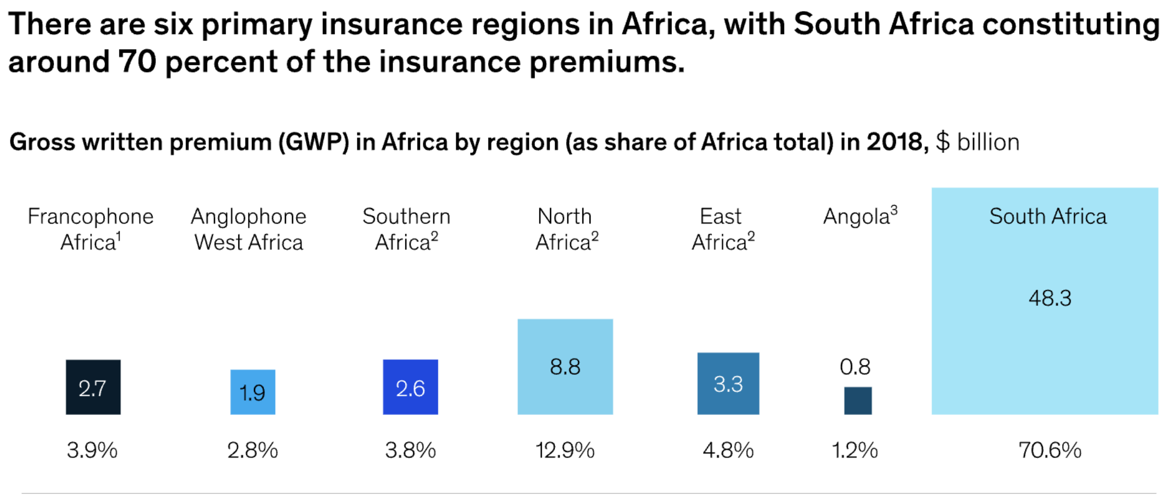


**Figure 1: Insurance penetration in Africa**

Source: McKinsey & Company (2020)

## 2.4 Income fluctuations

Cheston (2018) and the International Association of Insurance Supervisors (2018) have observed that income volatility, which is often marked by seasonal variations, poses a challenge in maintaining a consistent ability to pay insurance premiums. The current unstable financial situation compels individuals to prioritise their immediate survival needs, leading to insurance becoming a secondary consideration. This trend highlights the need for inclusive insurance models that prioritise affordability. According to Accenture (2015), 55% of policyholders changed their insurance providers to lower costs, suggesting that the insurance market is primarily influenced by financial limitations rather than customer loyalty. In addition, Deloitte's (2023) research emphasises the importance of utilising digital platforms and improving customer interactions to address the financial needs of diverse consumer segments. This approach suggests that the cost-effectiveness of insurance products plays a significant role in shaping the market.

## 2.5 Lack of awareness and low educational levels

Limited education and awareness hinder individuals' comprehension of insurance basics and the risks they encounter, thereby constraining their ability to make well-informed choices (Financial Sector Deepening Africa [FSDA] 2020; International Association of Insurance

Supervisors, 2018; Roa et al., 2019). The lack of financial literacy and awareness hinders community involvement with traditional and digital insurance services, as demonstrated by Chinelo and Oyodeji's (2023) research on female entrepreneurs in Southern Nigeria. Moreover, according to FinMark (2021), a substantial majority of businesses in South African townships lack adequate insurance coverage. This is primarily attributed to the high costs associated with insurance, leaving many enterprises vulnerable to financial losses caused by disruptive events like the 2021 riots. This situation offers a crucial chance for the private sector to develop insurance solutions that are specifically designed to meet the distinct requirements and economic circumstances of small businesses and informal sectors.

Uganda (a market where the InsurTech operates) is proactively working towards enhancing financial literacy and safeguarding consumers in its financial industry. This dedication is evident in the creation of a comprehensive strategy, entitled "Framework for Financial Literacy and Financial Consumer Protection in Uganda," which is a collaborative effort by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the Bank of Uganda. The framework seeks to enhance public comprehension of insurance products and associated risks (Mundy & Musoke, 2011). The Bank of Uganda's "National Financial Inclusion Strategy 2017-2022" aims to address financial exclusion, enhance credit and digital infrastructures, and promote the adoption of formal savings, investments, and insurance services. These steps are crucial for promoting inclusivity in the financial sector and equipping consumers with the necessary tools and knowledge to make informed financial choices (Mundy & Musoke, 2011).

## 2.6 Lack of Trust and Negative perception

Scepticism towards insurers and the insurance industry hinders the acceptance of insurance services (Pelanda, 2021). This phenomenon is closely associated with consumers' understanding of insurance concepts and mechanisms, including claims processing and risk assessment (Thuan, 2020). The definition of knowledge insurance is the ability to have an understanding and knowledge about insurance and how insurance works i.e. claims, risk, and other aspects (Thuan, 2020). In markets where insurance is not widely adopted, individuals may lack a comprehensive understanding of the risks they are exposed to. Consequently, they tend to purchase insufficient insurance coverage, as evidenced by research conducted by Thuan (2020).

The limited comprehension regarding the actual consequences of potential losses weakens the perceived importance of insurance. Insurers should enhance their communication strategies to clarify the crucial role of insurance in risk management and encourage consumers to adopt more comprehensive protection strategies. The importance of clarity in policy documents cannot be overstated. The use of complex insurance terminology often hinders comprehension, leading to customer confusion regarding their coverage specifics (Thuan, 2020). Companies can improve customer knowledge and encourage appropriate coverage levels by making insurance content more understandable and highlighting the true costs of risks.

The lack of trust and negative perception of insurance is one of the challenges affecting the acceptance of inclusive insurance in communities. Trust and perception are essential factors that influence the adoption and penetration of insurance. Insurance companies ranked poorly on a list of industries deemed most trustworthy according to The Geneva Association (2019). Insurance trust is based on policyholders' confidence in an insurer's ability to fulfil claims and protect personal information (The Geneva Association, 2019). This notion is supported by a recent survey conducted by the Financial Sector Conduct Authority in 2023. The survey reveals that the lack of trust in insurance providers is often due to concerns about claim payments. Some participants in the survey reported instances where their claims were denied (Financial Sector Conduct Authority, 2023).

**Level of trust in insurance**

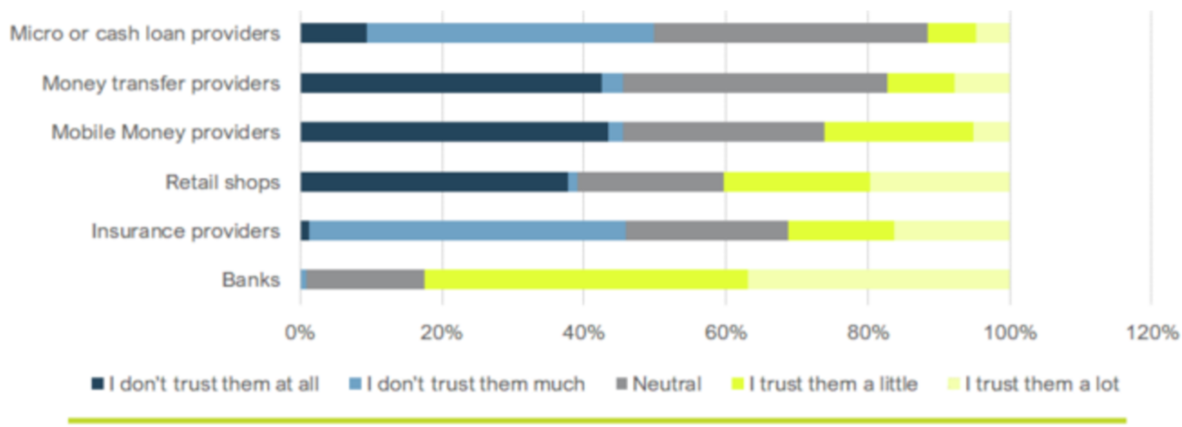


**Figure 2: Level of trust in insurance**

Source: Financial Sector Conduct Authority (2023)

## 2.7 Bridging the accessibility gap

In 2020, the rural population in South Africa accounted for 32.65% of the total population (Indexmundi, 2020). The accessibility of insurance in remote areas presents a unique challenge, as traditional models have not effectively catered to the lower-income brackets or those geographically distant from financial hubs (FinMark, 2021; Oxford Business Group, 2016). This is an important issue because traditional insurance models primarily serve middle and upper-income individuals, leaving others with limited access (Oxford Business Group, 2016). This challenge is particularly difficult for individuals residing in remote areas who frequently lack access to traditional financial services (IAIS, 2015; Pelanda, 2021). This study investigates how digital platforms can overcome geographical barriers, providing remote populations with alternative methods to obtain insurance coverage without requiring physical proximity to financial institutions (Chinelo & Oyodeji, 2023). This research focuses on the potential of digital technology to enhance access to insurance in South Africa.

Furthermore, even though technology has enhanced access to information and connectivity, its advantages are not equally distributed, resulting in a phenomenon known as the 'digital divide' (Fuchs & Horak, 2008). South Africa is experiencing a positive trend in mobile internet usage, with projections indicating that connectivity will reach over 90% by 2026 (GSMA, 2023). However, there is still a significant disparity in usage rates in rural areas. Digital exclusion, resulting from the high cost of technology and limited proficiency in digital skills, presents a significant obstacle for the insurance industry as it transitions to digital platforms (Abey, 2022). To achieve the success of inclusive insurance, companies must address the challenge of bridging the gap between digital access and insurance innovations, thereby enabling individuals without digital access to access insurance benefits.

## 2.8 Small and informal enterprises

FinMark's (2021) research reveals that a substantial proportion of township enterprises in South Africa, specifically 67% lack insurance coverage. The high costs of insurance contribute to the financial deficit, posing challenges for businesses, particularly those with variable incomes, in affording insurance premiums. Approximately 15% of individuals fall into a smaller subgroup that is deemed uninsurable based on the existing options available in the market. Only 33% of individuals possess employee benefits or business insurance. Insufficient insurance coverage had severe repercussions during the civil unrest in 2021, resulting in significant and irreversible financial losses for numerous businesses (FinMark, 2021). This highlights the urgent necessity for the insurance industry to develop innovative and cost-effective products that cater to the needs of these susceptible enterprises. This highlights the urgent requirement for the insurance industry to develop and offer cost-effective, inclusive insurance products for these susceptible enterprises.

## 2.9 Digital platforms as a bridge for insurance distribution

The Internet and mobile technologies can act as platforms for operating mobile insurance (m-insurance) which makes use of electronic insurance services. They are basic technologies through Short Message Service (SMS), Unstructured Supplementary Service Data (USSD) and Progressive Web App (PWA). that are made possible through technology-enabled partnerships between insurers and MNOs. InsurTechs, like the company under study for example, provide insurance products using mainly Unstructured Supplementary Service Data (USSD) and PWA. This innovation can ensure that everyone who has access to a mobile phone can access the insurance products. They are necessary to enable the virtual delivery of services and are the first line of defence against risk for low-income citizens.

The distribution of quality insurance services to underserved markets, such as low-income households, small enterprises, and rural communities, faces significant obstacles (GSMA, 2011). These challenges arise from the difficulty of reaching these markets cost-effectively. The agent-assisted model, exemplified by Mi-Life Insurance in Ghana, combines digital accessibility with personalised assistance. Mi-Life Insurance is an innovative mobile microinsurance product developed in Ghana by a partnership of MTN Ghana, Hollard Insurance, MicroEnsure, and MFS Africa. Trained agents utilise mobile technology to register clients on-site and provide prompt and reliable insurance services. The hybrid distribution strategy improves customer understanding and adoption, while also addressing the digital literacy gap in emerging regions, thereby promoting wider insurance inclusion (GSMA, 2011).

Figure 3 below depicts the BIMA operational process demonstrating a hybrid model of physical and digital distribution channels to enhance customer experience and scalability, from "Leveraging digital to unlock the base of the pyramid market in Africa: Waves of digital innovation in financial services (Deloitte, 2017).

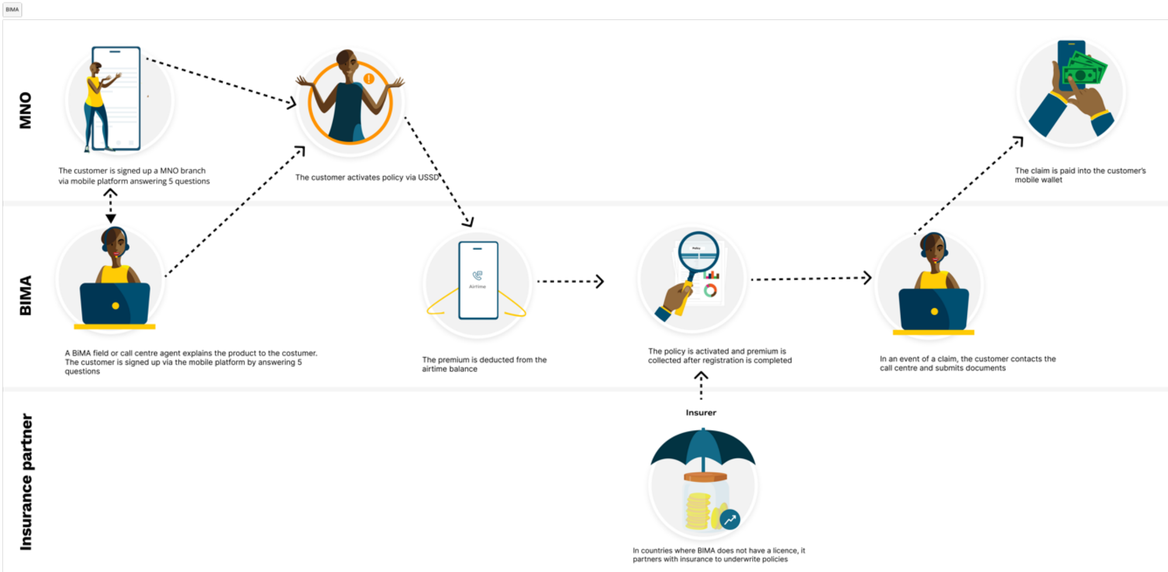


**Figure 3: Example of hybrid distribution strategy**

Source: Deloitte (2017)

BIMA utilises a hybrid approach that combines direct engagement via an agent network for distribution and education, along with digital platforms to enhance the customer experience and achieve scalability (Deloitte, 2017)

## 2.10 Strategic alliances: TSPs and MNOs

The inclusive insurance provision is influenced by the local context and conditions. Most people in developing countries fall into the "underserved" category when it comes to insurance. In emerging markets, inclusive insurance firms often form partnerships with client aggregators who have a well-established customer network and the required infrastructure to efficiently manage distribution costs. The distribution framework in these markets typically involves an intricate network of entities, such as administrators or technical service providers (TSPs), brokers or agents, client aggregators, and payment platforms (International Association of Supervisors, 2018). All these entities play a role in shaping the relationship between the customer and the insurance provider. The International Association of Insurance Supervisors (2018) highlights that these various stakeholders may have different motivations that may not necessarily align with the insurer's objectives. So, the distribution models typical for inclusive insurance are a cause for concern in the developing world.

The utilisation of digital technology, specifically Fintech, and InsurTech, is crucial in addressing challenges related to distribution, insurance accessibility, cost reduction, and business scalability in developing countries' inclusive insurance sector. Insurance in South Africa and other African countries is not inclusive; therefore, insurance companies should consider leveraging technology and new strategies to broaden their reach and make insurance more inclusive. This paper explores ways of leveraging digital technology to make insurance affordable and accessible for the unserved market.

Technology is an essential capability for competitive advantage (Whittington, 2019). Strategic partnerships with technology companies can help Insurance companies improve their chances of success. Technology-enabled partnerships (TSPs) and MNOs are well-positioned to act as innovation accelerators. MNOs have shown a growing interest in offering insurance as a service and a way to diversify their revenue and have developed partnerships with insurance companies to sell insurance to the underserved market. The mobile industry has committed to supporting the United Nations' Sustainable Development Goals (SDGs) by utilising mobile technology to improve various key areas such as poverty reduction, hunger eradication, education advancement, and innovation promotion (GSMA, 2023). The industry's increasing influence is reflected in the rise of its overall SDG impact metric, highlighting the crucial role of mobile technology in supporting socio-economic development and expanding access to digital resources (GSMA, 2023).

Partnerships in technology and integrations serve as a catalyst for growth, enabling entities to develop more customer-centric and integrated solutions at an accelerated pace. According to Makuvaza et al. (2019), the cost of providing insurance in emerging markets can be significant, and strategic partnerships with technology companies can play a vital role in reducing costs and speeding up their time to market. Makuvaza et al. (2019) highlight the importance of technology-enabled partnerships (TPS) in the InsurTech sector, with the TSP being the driving force. There are currently 130 mobile-accessible insurance services available in 28 countries. Over 50% of these services offer coverage for life and funeral expenses or health and hospitalisation services (GSMA, 2022). According to the Global System for Mobile Communications (GSMA) report (2021), 43 million policies were issued in 2020, with 29 million of them being life and health insurance policies, accounting for approximately two-thirds of the total.

MTN Group's InsurTech platform by the company under study and Sanlam are prime examples of strategic alliances promoting digital insurance and facilitating insurance access throughout Africa (Sanlam, 2022). Other companies, such as Finch Technologies, Payfast, Stitch Application Programming Interface (API), Loop, and Jumo, have also benefited from TPS. Jumo offers loans, savings, and other financial products through its platform (Jumo, 2021), while financial technologies provide personal loans through the Vodacom super app. Tech-enabled partnerships remain the most successful in terms of consumer reach (Esser et al., 2019). Digital platforms are gaining popularity, and MNOs collaborate with InsurTech to improve the number of people obtaining insurance, often through complimentary loyalty insurance products.

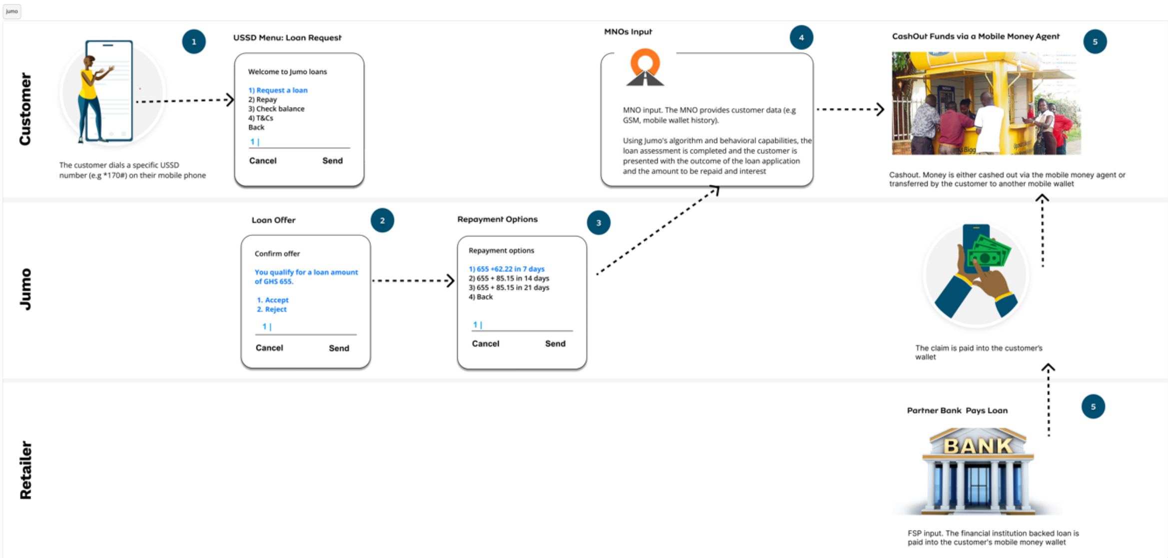


**Figure 4: An illustration of how JUMO works**

Source: Deloitte (2017)

**Note.** Jumo engages customers via USSD and fosters trust through MNO brand collaboration.

The above illustration shows how JUMO utilises USSD technology to engage with customers, capitalising on the established credibility of MNOs to cultivate confidence in their interactions (Deloitte, 2017).

## 2.11 Enhancing customer experience

A study conducted by the IBM Institute for Business Value in 2021 found that 60% of insurers admit to lacking a customer experience strategy within their organisation (IBM Institute for Business Value, 2021). This suggests that there is significant potential for improvement within the insurance industry. Bain & Company (2018) found that 50% of customers would contemplate switching from traditional insurers to non-traditional insurance providers, such as InsurTech, if the latter can offer more competitive prices and an improved customer experience.

In the past, traditional insurers prioritised selling coverage rather than focusing on customer service and consumer perception (IBM Institute for Business Value, 2021). In the digital age, customers can share information about brands, service quality, and customer service through the Internet and social media platforms. This shift in market power has elevated the significance of customer feedback in shaping the products and services provided by companies. This has led to increased emphasis on customer experience by insurance companies. The customer experience significantly impacts customer purchasing decisions.

The insurance industry heavily relies on personal interactions with clients. Therefore, incorporating mobile technology into its operations can be advantageous in terms of expanding its customer base and improving its offerings (GSMA, 2022). According to McKinsey and Company (2020), the insurance industry has traditionally depended on agents or brokers for sales. However, they argue that it is now imperative for all firms to offer an omnichannel, consistent "multi-access" experience across all touchpoints. Customers have varying preferences when it comes to purchasing insurance, with some favouring a completely digital process, while others still opt for traditional methods involving brokers or agents, or a combination of both. The number of factors influencing the complexity of insurance applications includes the type of insurance being sought by the customer.

The implementation of an integrated broker operating model, incorporating specialised technology accelerators such as the API economy, robotic automation, and AI, can facilitate the advancement of insurance businesses' operational capabilities.

## 2.12 Open architecture and integrating with third parties

Insurance companies selling insurance through retailers and integrating with third parties is another way to make insurance more accessible and inclusive to South Africans. Thyme

Bank employs open architecture to integrate third parties, such as Hollard, to sell policies through its banking platform, without incurring operational complexity or balance sheet exposure (Jenik, 2022).

There are enormous opportunities for insurance businesses to increase insurance accessibility by targeting those who lack access to technology and the internet (GSMA, 2023) and this area of research warrants further exploration. For example, Hollard sells funeral cover insurance through PEP stores, with coverage ranging from R10,000 to R40,000 per consumer (Centre for Financial Regulation and Inclusion [CENFRI], 2011). Hollard does not require customers to have a bank account and customers can pay their premiums at till points.

Furthermore, embedded insurance is a new approach to insurance that overturns the traditional method of buying insurance after the fact, which has been in use for decades. Embedded insurance provides customers with the coverage they need in real-time, quickly, and effortlessly, by offering insurance upfront at the point of sale (PYMNTS, 2020). The research of PYMNTS (2020) indicates that 58% of eCommerce consumers would be more inclined to purchase or spend more on retail products if insurance was offered at the point of sale.

## 2.13 Factors influencing the adoption and success of InsurTech Solutions

InsurTech solutions are pivotal in fostering a more inclusive insurance sector, leveraging technology to ensure equitable access to insurance products. The drive for financial inclusion in the FinTech industry is challenging the status quo of traditional insurers by delivering products with enhanced social value (Organisation for Economic Cooperation and Development [OECD], 2017). Smit et al. (2017) highlight that conventional insurance models grapple with setting premiums for the low-income demographic, a segment that presents significant variability. These efforts are in concert with broader financial inclusion and sustainability objectives.

There has been substantial growth in the InsurTech industry, with a 73% rise in the number of developing nations that have operational InsurTech companies since 2017. Africa is at the forefront in terms of the number of initiatives (Esser et al., 2019).

Emerging countries are seeing a surge in InsurTech projects due to digital adoption, increased accessibility of technology, understanding of financial concepts, regulatory changes, mobile infrastructure, and inadequate development of insurance sectors. These factors are driving market demand for digital-first insurance models, addressing unmet client needs.

## 2.14 Artificial Intelligence (AI)

The integration of peer-to-peer (P2P) models and AI in InsurTech firms like Pineapple and Naked Insurance is reshaping customer experiences in the insurance industry. P2P insurance, a concept where individuals collectively mitigate risks through online platforms, is particularly suited to markets with low insurance penetration, enhancing the understanding of formal insurance (Deloitte, 2017; OECD, 2017; World Bank, 2018). The utilisation of AI in these firms streamlines the application process and claims handling, resulting in increased customer satisfaction and profitability (Pineapple, 2024).

Naked Insurance operates on a unique model where surplus funds are donated to charity, and the use of AI and automation, including Chatbots, has drastically lowered premiums by eliminating the need for traditional sales channels (South Africa The Good News, 2022). Similarly, Pineapple's mobile app simplifies insurance through a digital wallet system, rewarding policyholders for community-beneficial behaviours (van Heerden, 2020). These AI-driven models align with the preferences of South African life insurance clients, who favour mobile and email communications over intrusive telemarketing, a significant source of spam calls in the region (Ernst & Young, 2019; Kok, 2018). This shift towards digital interaction is evidenced by the AI chatbots used by companies like Granadilla and Naked, which reduce the reliance on costly call center infrastructures and enhance customer interaction (Ashfaq et al., 2020).

## 2.15 Internet of Things (Telematics and Usage-Based Insurance)

The integration of Internet of Things (IoT) technology in the insurance industry has brought forth ground-breaking usage-based and telematics-driven models, fundamentally transforming the methods by which insurance is priced and provided. These models utilise up-to-date information to evaluate how people drive, which enables them to offer customised insurance coverage and premiums that accurately represent their actual driving habits. This approach promotes affordability, especially for drivers who have a low risk of accidents and have lower incomes (Husnjak et al., 2015).

Companies such as Naked provide services like CoverPause, which allows consumers to temporarily halt their insurance coverage when their vehicle is not being used, resulting in substantial cost reductions. Zego offers adaptable and immediate insurance solutions for individuals in the gig economy, tailoring their coverage to match their working hours and driving habits. This may be easily controlled with a smartphone application (Zego, 2024). These advancements contribute to a larger movement towards ensuring equal access to insurance through digital means. Insurance companies are utilising data-driven experiences and IoT ecosystems to expand their services to regions that have been historically underserved. This approach aims to make insurance more accessible to a wider population and promote financial inclusion (Deloitte, 2017; Zheng & Su, 2022).

## 2.16 Conclusion of literature review

This literature review chapter highlights the significance of InsurTech in leading the way for inclusive insurance solutions through digital innovation. The company under study is utilising cutting-edge technology like AI and IoT to tackle the obstacles that prevent underserved populations in various African countries from accessing insurance. The company's strategic partnerships with TSPs and MNOs, along with the implementation of AI-driven platforms and IoT applications, demonstrate novel approaches to improving accessibility, affordability, and trust in the insurance industry. These initiatives play a vital role in promoting financial inclusion and driving sustainable development in regions facing economic disparities and limited technological infrastructure. The literature reviewed in this study supports the importance and potential of InsurTech interventions, such as those the company under study, in customising insurance products to meet the specific requirements of different markets. This, in turn, helps to create a fairer and more robust financial ecosystem.

## 2.17 Conceptual framework

The conceptual framework is derived from the theoretical framework and serves as the foundation for the research problem and concentrates on one section of a theory which becomes the basis of the study (Kumar, 2019). Ravitch and Carl (2020) assert that the conceptual framework situates the study within multiple contexts and provides how to design appropriate answers to the research questions. The conceptual framework is meant to assist the researcher in understanding the research problem. It establishes the boundary of the research and forces a researcher to show what is being studied and what will be omitted from the research. In support of this, Gray (2014) asserts that a conceptual framework describes the key factors, constructs, and variables being studied and the presumed relationship between them. The study will conceptualise the leveraging of digital technology to achieve inclusive insurance in South Africa using the Technology Acceptance Model (TAM) and Innovation Diffusion Theory (IDT).

### 2.17.1 Technology Acceptance Model

The research study utilises the TAM 2 to analyse how the company under study utilises digital technology for inclusive insurance in South Africa and other African markets. TAM 2, a refined version of Davis's original TAM, considers various factors that influence perceived usefulness (PU). These factors include subjective norms, image, voluntariness, job relevance, output quality, and result demonstrability. All these aspects play a role in user adoption (Venkatesh & Davis, 2000). This study builds upon TAM 2 by considering additional factors such as awareness, trust, and affordability. These factors are believed to influence how easy and useful the system is perceived to be, which in turn affects the intention to use it. Attitudes play a role in mediating this relationship, as suggested by Al-Okaily et al. (2021), Lema (2017) and Setiawan et al. (2023).

Understanding digital financial platforms and their insurance products is crucial for building trust and increasing PU. Trust plays a crucial role in determining product adoption and customer loyalty. It is influenced by the level of awareness and has an impact on PU and attitudes (Chen & Barnes, 2007). The impact of cost-related considerations on technology adoption is reflected in affordability, which in turn influences PU and attitudes toward the technology (Mahmud et al., 2022).

The model recognises that attitudes, influenced by factors such as awareness, trust, affordability, perceived ease of use (PEOU), and PU, play a significant role in shaping the behavioural intention to use technology. This understanding is crucial for comprehending the interactions between users and digital inclusive finance (Agufa, 2014; Jeong, 2011; Lema, 2017). Through the integration of external variables into TAM 2, this study seeks to examine the relationship between employees' understanding of user perceptions and technology to improve the adoption of inclusive insurance services by the company under study. Figure 5 below depicts a conceptualised TAM 2 model.

**An adaptation of TAM 2 framework**

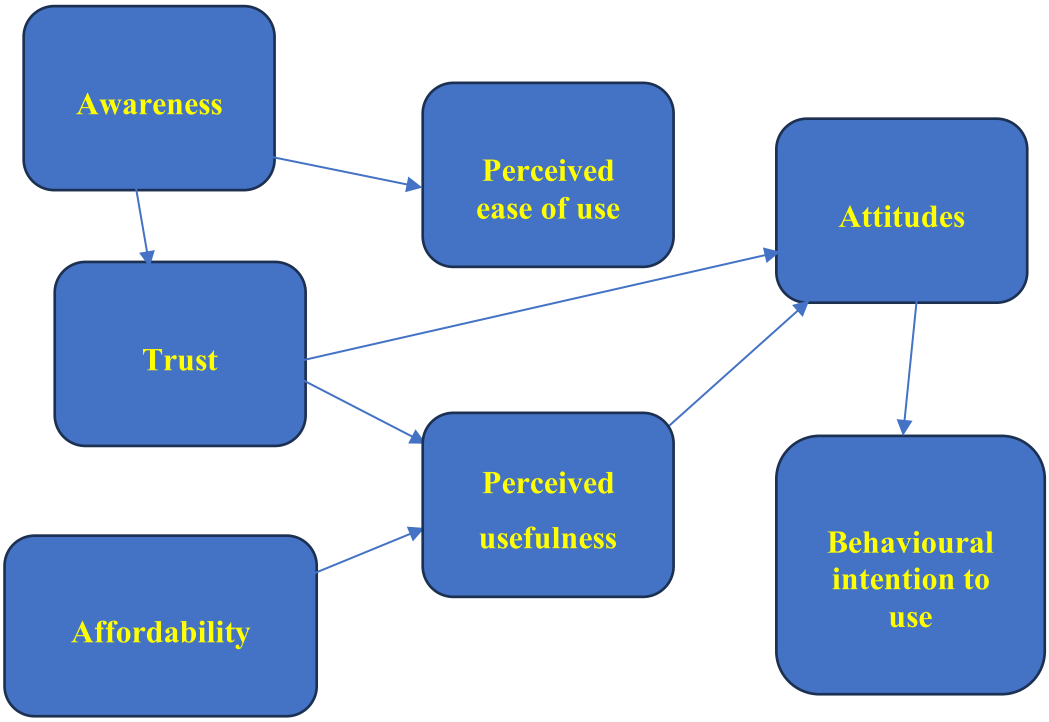


**Figure 5: Conceptualised TAM 2 model**

The modified TAM 2 framework, depicted in Figure 5, plays a crucial role in evaluating the impact of various external and internal factors on the utilisation of digital technologies for inclusive insurance. This text delves into the dynamics between users and the utility of digital financial services, shedding light on how these interactions either promote or hinder the adoption of inclusive finance technologies (Agufa, 2014; Mbengo & Phiri, 2015). This study seeks to enhance the overall comprehension of digital transformation in the insurance industry, specifically about the company under study activities in various African markets.

### 2.17.2 Innovation Diffusion Theory

The Innovation Diffusion Theory (IDT), as introduced by Rogers (2003) and further developed by Moore and Benbasat (1991), offers a comprehensive framework for analysing the adoption of new technologies and innovations within organisations. Examining this theory in the context of the company under study provides valuable insights into how the company under study utilises digital technology to improve insurance inclusivity and enhance the customer experience in different African markets.

Based on this theory, the adoption of innovations is influenced by five important characteristics: relative advantage, compatibility, complexity, trialability, and observability. These qualities are closely tied to the company under study's initiatives and offerings. As an example:

**Relative Advantage**: The extent to which an innovation is perceived as superior to its predecessor. The company under study's digital insurance products are seen as having a clear edge over traditional insurance offerings because of their convenience, cost-effectiveness, and accessibility, especially in underserved markets.

**Compatibility**: Assessing the alignment of the innovation with prevailing values, past experiences, and the needs of potential adopters. The company under study's solutions are well-suited to the increasing digital literacy and mobile phone usage in its African markets, catering to the experiences and needs of users.

**Complexity**: The degree of challenge involved in comprehending and utilising the innovation. The company under study's user-friendly digital platforms are designed to simplify the insurance experience, making it more accessible for users who may be new to insurance products.

**Experimentation**: The capacity to try out the innovation on a small scale. Offering features like pay-as-you-go insurance or the option to pause coverage, the company under study provides users with the opportunity to test out the service, which could potentially lead to higher rates of adoption.

**Visibility:** The degree to which others can perceive the outcomes of the innovation. The advantages of utilising the company under study's digital insurance services, such as the convenience of making claims and managing policies through mobile devices, are readily apparent and can inspire others to embrace them.

In addition, the revised diffusion of innovations theory incorporates extra elements like image, visibility, demonstrability, and voluntariness, all of which are relevant to the company under study's situation. The company under study's services aim to elevate the user's status by offering cutting-edge insurance solutions. By doing so, they can enhance the company's image and make its services more visible and tangible. The choice to adopt the company under study's services is in line with the theory, as users willingly opt in due to the perceived benefits they offer.

## 2.18 Theme 2: Innovation Diffusion Theory

Expanding upon the knowledge acquired from TAM 2 discussed earlier, this study now delves into the IDT as the second topic of investigation. The field of IDT offers a thorough framework for analysing the diffusion of new ideas and technologies among populations. It provides valuable insights into the adoption of digital insurance products by marginalised and underserved communities in Africa.

### 2.18.1 Innovation Diffusion Theory and its relevance to the research study

The IDT, as explained by Rogers (2003), is crucial for comprehending the process by which new ideas, behaviours, or products become widely accepted among a society. This idea is highly relevant to the current study, which examines how an InsurTech company might utilise digital technology to improve the availability of insurance products for marginalised and underserved communities in South Africa and other African markets. The theory's emphasis on the adoption process offers a comprehensive structure for examining the company's endeavours to surmount obstacles to insurance adoption, including cultural beliefs, economic limitations, and trust deficiencies

### 2.18.2 Linking Innovation Diffusion Theory to the research study

#### a) Awareness stage

Within the scope of this study, the awareness stage holds significant importance as it relates to the initial introduction of underserved people to the innovative insurance products offered by the InsurTech organisation. The company's deliberate utilisation of mobile technologies and community-driven educational efforts is in line with Rogers' focus on socio-economic attributes, personality traits, and communication patterns. By utilising these elements, the corporation may increase awareness and generate interest in its products and services (Rogers, 2003).

#### b) Persuasion stage

During the persuasion stage, efforts are made to influence and mould attitudes towards the invention. For the InsurTech company, this entails tackling cultural misunderstandings and showcasing the comparative benefits of their insurance offerings. The company's endeavours to offer customer-centric solutions, such as adaptable payment models and integration with mobile transactions, aim to cultivate a favourable impression. The company's objective is to promote positive attitudes and minimise perceived risks related to the adoption of their products by emphasising the advantages, compatibility with existing financial behaviours, and user-friendliness (Marjan, 2006; Rogers, 2003).

**c) Decision stage**

In the decision stage, prospective adopters actively search for supplementary information to aid their decision-making process. The InsurTech company's strategic measures, such as implementing trial periods for insurance products or leveraging testimonials from contented consumers, can have a significant impact. The current phase is crucial in transforming interest into tangible adoption, and the company's tactics to streamline the decision-making process can have a substantial effect on adoption rates (Marjan, 2006).

**d) Implementation stage**

The implementation stage signifies the initiation of behavioural modification as users commence utilising the insurance products. The InsurTech company's continuous assistance, easily navigable interfaces, and smooth incorporation with current financial systems help this move. Facilitating a seamless deployment process is crucial for preserving user engagement and happiness, both of which are vital for long-term adoption (Marjan, 2006).

**e) Confirmation stage**

Following the adoption, users consistently assess their decision. The company's dedication to delivering unwavering and dependable service, combined with continuous involvement and assistance, serves to strengthen favourable encounters. Promptly and honestly addressing any difficulties can prevent discontinuation and promote long-term loyalty (Marjan, 2006).

### 2.18.3 Implications of Innovation Diffusion Theory for the research study

The application of IDT to this research provides several critical insights:

a) The study provides a full understanding of the barriers to adopting digital insurance products by analysing them within the framework of the IDT. By adopting this viewpoint, the InsurTech organisation may create focused strategies to tackle certain obstacles, such as cultural opposition or financial limitations (Rogers, 2003).

b) The strategic design of the company's interventions is guided by the theory's focus on the attributes of innovations, such as their relative benefit, compatibility, complexity, trialability, and observability. Illustrating the comparative superiority of insurance products in relation to conventional financial practices might aid in altering perceptions.

Adapting items to fit with the cultural and economic environments in which they will be used can increase their likelihood of being accepted (Rogers, 2003).

c) The confirmation stage highlights the significance of continuous assessment and enhancement. In order to ensure continued user acceptance and avert discontinuation, the InsurTech company must prioritise responsiveness to customer feedback and adapt to developing needs. The continual improvement cycle is crucial for maintaining long-term performance and attaining the overarching objective of financial inclusion (Marjan, 2006).

d) The research topic is effectively addressed by the IDT, which offers a systematic method for comprehending and surmounting obstacles to the acceptance of insurance. The knowledge acquired from implementing this theory can guide the creation of tactics that not only improve accessibility but also foster trust and acceptance among marginalised people (Rogers, 2003).The IDT provides a good framework for analysing the adoption of digital insurance products in African markets. To enhance financial inclusion and enhance insurance accessibility for marginalised and underprivileged communities, the InsurTech organisation can develop effective tactics by comprehending the stages of adoption and the factors that influence each step.

# CHAPTER 3: RESEARCH METHODOLOGY

## 3.1 Introduction

In the previous chapter, a thorough examination of the scholarly background and theoretical foundations of the investigation was provided. This section outlines the methodology of the study, explaining the approaches and techniques used to gain a thorough understanding of the company under study's efforts to promote inclusivity in the insurance industry in the markets in which it operates.

In this chapter, the qualitative methodology employed in the research is examined. The research design, methods of data collection, demographic composition, and sampling techniques utilised are discussed. Additionally, an overview of the research methods, data collection protocols, and the subsequent analysis and interpretation procedures are provided. This chapter also addresses the limitations of the study, the measures taken to ensure validity and reliability, the demographic backgrounds of the participants, and the ethical considerations maintained throughout the research process

## 3.2 Research approach

The research methodology employed for this study is qualitative, aiming to explore the complexities of inclusive insurance at the company under study, an InsurTech company operating in South Africa and other African nations. This approach is well-suited for delving into the insights, understandings, and viewpoints of individuals in influential positions, like senior managers within the product teams and CEOs throughout the company under study's markets (Yin, 2018). Its goal is to uncover the intricate, personal significance of human actions and the wider societal backdrop in which they take place (Saunders & Lewis, 2012).

This study assumes certain conditions that I will outline below regarding the company under study's operations and participation to gain a comprehensive understanding. Having access to the company's environment and the collaboration of its personnel are crucial for effective data gathering. The research assumes that the employees of the company under study will offer honest and direct responses, adding credibility to the gathered data. It is also assumed that the company under study possesses advanced digital technology competencies necessary to expand insurance coverage and enhance customer experiences. The investigation suggests that the company under study's utilisation of advanced technological solutions, such as AI, greatly contributes to improving its operational efficiency—from policy procurement to claims settlement. These assumptions that have been verified for this study are crucial, as they form the basis for the study's viability and support the investigation into how technological advancements can be utilised to promote inclusivity in the field of insurance services.

### 3.3 Research design

This research utilises qualitative approaches to examine the inclusive insurance initiatives of the company under study InsurTech company in South Africa. Selected for its capacity to analyse intricate phenomena within their practical settings, the case study enables a thorough investigation of the distinct experiences of short-term and long-term insurance providers about inclusive insurance. This approach, as described by Leedy and Ormrod (2014), emphasises a thorough examination of the company under study as a limited system, simplifying the data collection process and incorporating diverse viewpoints to enhance our comprehension of the topic. Although the case study has its advantages in capturing a range of experiences and providing in-depth explanations, it does come with certain challenges. These include the inability of establishing clear cause-and-effect relationships and the potential for biases resulting from the researcher's close involvement. As a result, the findings may not apply to other companies outside of the specific context of InsurTech, the company under study.

### 3.4 Data collection methods

In line with the research approach and the research design, the study used of semi-structured interviews to collect data from the research participants. The interview method allows the collection of data from the perspectives of the participants, in their natural environment and leads to the collection of data that is rich in meaning (Connaway & Powell, 2010; Leedy & Ormrod, 2015). The interview methodology involves the collection of data through conversation with participants which leads to knowledge creation that helps in answering the research questions. Semi-structured interviews enable the researcher to get the participants comfortable and get them to express themselves freely. In this way, conversations can spill over to other areas that the researcher will not have planned for (Cohen et al., 2018). Therefore, the researcher will obtain more data which aids in understanding the research problem. There is more freedom and flexibility, and both the researcher and participants can ask for clarification. Therefore, interviews were considered a suitable data collection method for this study.

The company's product head furnished the researcher with a database of persons from various markets for the purpose of conducting interviews.

Triangulation was employed to ensure the reliability and validity of the qualitative data. This involved interviewing multiple stakeholders, including senior managers and CEOs, across different markets. By gathering diverse perspectives from various organisational levels and regional contexts, the study mitigated potential biases and provided a more comprehensive understanding of the company's strategic initiatives. This approach ensured that the findings were well-rounded and reflective of the varied experiences within the company.

Although this study does not encompass quantitative success measurements, the qualitative insights offer essential comprehension and thoroughness of the company's strategic efforts and their perceived impact. The chosen qualitative approach is in line with the study's purpose to thoroughly investigate intricate phenomena that may not be fully captured by quantitative data alone.

## 3.5 Population and sample

### 3.5.1 Population

A population represents all the total cases from which the study seeks to generate samples. Cohen et al. (2018) describe the population as the total number of cases that the researcher is interested in researching. This study's population consists of individuals in product managerial roles within one InsurTech company operating in South Africa and other African countries.

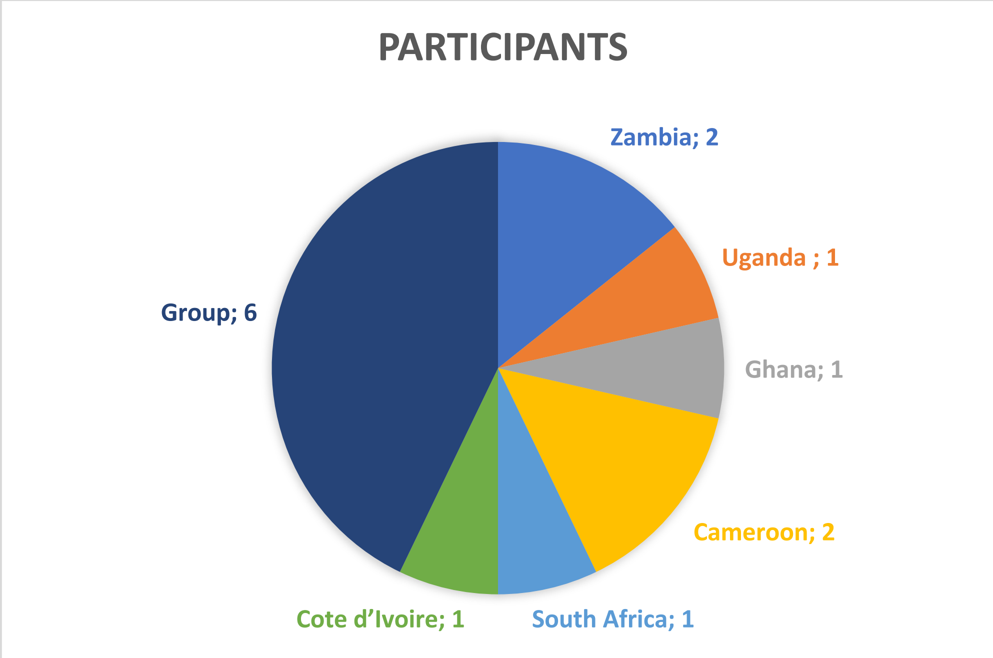


**Figure 6: Participants per market**

### 3.5.2 Sample and sampling method

The study used sampling to select the appropriate sample for the study. Sampling, according to Leedy and Ormrod (2015), is necessary as the researchers cannot reach the entire population. They will therefore focus on a small subgroup of the population which is the sample. Since the study is qualitative, the purposive sampling method will be used which does not use probability techniques when choosing the participants. Kumar (2019) defines purposive sampling as a collection of distinct methods of evaluation that a study employs in its sampling activities. Ritchie and Lewis (2012) suggest that the non-probability sampling method entails the researcher actively selecting the units that the researcher believes have characteristics unique to the population being researched. This influenced the use of purposive sampling in this study, which is described as a non-probability method also known as judgmental sampling.

According to Silverman (2016), researchers can derive conclusions based on data collected from a limited sample size, which typically does not exceed fourteen participants. Thus, the study will purposively use a sample of 15 participants from the company under study, made up of senior managers from the product team and CEOs from the various countries. The research participants had different roles within the organisation. The employees at the company had varying tenures, ranging from one to five years. The selection criteria for participants included their relevance to the study, willingness to disclose data based on product knowledge, and the ability to offer the researcher valuable and distinctive insights into their perspectives and experiences (Silverman, 2016). This informed the choice of participants in this study.

The group CEO granted permission for the research study to be conducted, and the group product head facilitated the process by emailing various teams to support the study. This proactive engagement significantly eased the researcher's efforts in reaching out to participants and requesting their participation.

### 3.6 Research instrument

The research instrument design was crucial, reflecting the complexities highlighted by Saunders and Lewis (2012), who cautions that crafting questionnaires is often more complex than anticipated, as it's crucial to gather precise data that directly addresses research questions and objectives. The interview framework was carefully designed to gather specific and detailed data aligned with the research questions and objectives. Employing semi-structured interviews, as outlined by Saunders and Lewis (2012), involves conducting thematic explorations and open-ended inquiries on InsurTech, innovation, and technological application. The interview guide was designed to encourage a dynamic and focused conversation, ensuring a thorough exploration of relevant topics while allowing for exploration of unexpected insights.

The effectiveness of this approach hinged on creating a trusting environment where participants could comfortably share sensitive information about the company's operations and strategies. The interview process was structured to prioritise confidentiality and comfort, ensuring participants that their information was safe and valued. This factor played a key role in promoting an open discussion of information, which enhanced the data with detailed insights from individuals involved in the company's innovative projects.

The semi-structured interview was specifically used as it allowed the researcher to be guided by the interview schedule when interviewing the participants (Mashuri et al., 2022). Thus, an interview schedule was prepared to guide the interview process with the selected participants in the targeted insurance firm. Predetermined open-ended questions formed the bulk of the interview questions and the researcher engaged in a dialogue with the participants. The identified participants were interviewed in person after scheduling appointments. The interviews were arranged to suit the participants' schedules and lasted between 45 minutes and an hour. These interviews were conducted in a semi-structured manner over two months via a team call. The participants were provided with the informed consent form, which outlined the study's objectives. The interview focused on asking questions related to the research objectives and on the use of technology and strategies employed by the company under study to make insurance inclusive.

### 3.7 Procedure for data collection

Data collection procedures for this study represent the ground procedures that were used by the researcher to obtain desired results. The researcher obtained permission from the management of the insurance company to conduct the study at the respective firm. The researcher obtained a university letter of introduction to request permission. Once permission was granted, interviews were conducted, and the researcher scheduled appointments with those willing to participate in the study. To observe ethical issues the participants were required to sign the informed consent form which spelled out the purpose of the study. The study utilised note-taking and recording for data collection.

### 3.8 Data analysis strategies and interpretation

The data that was collected through interviews was analysed using qualitative thematic analysis. Yin (2018) outlines that data analysis involves scrutinising, classifying, organising, and recombining evidence to address the study's initial propositions. This is done to examine the relationship between the data. Silverman (2016) describes thematic analysis as an analysis that is founded on emerging and recurring themes during a study. It involves the identification of themes from the data.

The data was first transcribed verbatim from the interviews. The transcriptions were then imported into an Excel spreadsheet, where the data was manually coded and categorised into themes. This process involved reading through the transcriptions multiple times to identify significant patterns and recurring themes that align with the research objectives. By using Excel, the researcher could systematically organise and sort the data, facilitating a thorough thematic analysis. This manual process ensured a deep engagement with the data, allowing for nuanced insights and a comprehensive understanding of the participants' perspectives.

The interpretations and conclusions drawn from the data were guided by the identified themes, which were directly linked to the research questions. This approach provided a structured framework for analysing qualitative data, ensuring that the findings were grounded in the participants' responses and the contextual nuances of the study.

By employing these methods, the research aimed to maintain a high level of accuracy and reliability in the data analysis process, ensuring that the conclusions drawn were well-supported by the empirical evidence collected.

### 3.9 Possible limitations and challenges of the study

Potential limitations of the company under study and this research study may encompass, yet are not confined to, the subsequent factors:

a) **Scope of Study**: The focus of this research is on the company under study and its operations in specific African markets. It is important to note that the findings may not apply to the broader InsurTech or insurance industry.

b) **Data Collection**: Relying solely on qualitative data from interviews with the company under study’s staff may introduce a subjective bias and restrict the applicability of the findings. The absence of customer perspectives and quantitative data may affect the comprehensiveness of the study.

c) **Sample Size**: The chosen sampling technique and the relatively small sample size of 15 participants may not fully encompass the wide range of experiences and perspectives within the company, which could potentially affect the accuracy of the findings.

d) **Technological Focus**: The study's focus on digital technology as a tool for enhancing insurance inclusivity might overlook other critical factors such as regulatory changes, market dynamics, or socio-economic conditions that can also significantly influence insurance accessibility.

e) **Regional Variability**: Various African markets present distinct challenges and cultural nuances that may not be fully addressed by a single case study, thereby impacting the applicability of the study's findings to different contexts.

f) **Company Cooperation**: It is important to consider that the staff at the company under study may not always provide honest and transparent responses due to undisclosed company policies or cultural tendencies that hinder open communication.

g) **Technological Limitations**: In markets with limited digital infrastructure or varying degrees of digital literacy, the impact of digital technology on insurance inclusivity might be constrained.

h) **Considerations of Ethics**: Adhering to ethical standards, such as ensuring participant confidentiality and obtaining informed consent, may impose certain restrictions on the extent of information disclosed by the participants. Moreover, the presence of company intellectual property in the research may limit the ability to share certain data or findings, potentially affecting the transparency and openness of the research.

i) Furthermore, the study will focus on examining how digital technology can be used by insurance firms to provide inclusive insurance. However, this may pose challenges when trying to apply the findings to other insurance providers.

## 3.10 Quality assurance

### 3.10.1 Transferability

The applicability of the findings of this study to broader contexts, akin to the concept of external validity in quantitative research, depends on transferability (Suter, 2012). This entails showcasing the applicability of the knowledge acquired from the company under study research to other insurance companies operating in comparable circumstances. The primary objective will be to attain transferability, which will be accomplished by offering comprehensive explanations of the data and contextual elements, guaranteeing that the conclusions possess applicability outside the immediate study environment.

### 3.10.2 Credibility

Credibility refers to the reliability and plausibility of the study's findings (Suter, 2012). Within the framework of the company under study, establishing credibility necessitates the precise and comprehensive presentation of data and participant viewpoints. The study did prioritise prolonged involvement with participants and data to offer a thorough and genuine portrayal of the topic matter.

### 3.10.3 Dependability

Dependability pertains to the consistency of the research findings. To ensure reliability in the company under study, there is a comprehensive record of the research process and methodology employed. This encompasses a comprehensive explanation of the data collection and analysis methods, guaranteeing that if the study were to be reproduced, it would probably provide comparable outcomes (Korstjens & Moser, 2018).

#### 3.10.4 Conformability

Conformability pertains to the impartiality and lack of bias in the research. In the company under study, there was an imperative to reduce researcher bias and guarantee that the results accurately represent the data rather than the researcher's preconceived notions (Korstjens & Moser, 2018). This required meticulous documentation and verification procedures, in which conclusions were substantiated by explicit, unbiased evidence collected during the investigation (Korstjens & Moser, 2018).

### 3.11 Ethical considerations

By the principles espoused by Cohen et al. (2018), this study will uphold the highest ethical standards throughout the research process. Ethical considerations are integral, not only as a formal protocol but as a reflection of the core values underpinning this research.

The study adhered to strict confidentiality measures, including anonymising data and securely storing information. Participants received a comprehensive informed consent document outlining the study's goals, methods, potential hazards, and advantages. They were made aware to their right to discontinue their involvement without any negative consequences. The study received official authorisation from the group CEO of company under study and the ethics committee before data collection. Ethical considerations were be maintained throughout the investigation, with researchers being alert and responsive to ethical concerns. Participants were be encouraged to express their concerns and inquiries, fostering open communication. The ethical framework ensured honesty, respect for individuals, and responsibility, while also appreciating the dignity and contributions of all involved.

### 3. 12 Methodology conclusion

This chapter explored the qualitative research approach, utilising a case study design to examine the inclusive insurance strategies at the company under study. The selected approach and design facilitate a thorough exploration of the diverse viewpoints of important stakeholders, providing comprehensive data collection to guide the research objectives. The success of the research relied on the expectation of open and honest participation from the company under study's staff, with the hope that the company's advanced digital skills would be evident, especially in efforts to enhance insurance inclusivity. Information was be collected by conducting semi-structured interviews with a carefully selected group of the company under study's managerial staff and in-country CEOs. The chapter also discusses the possible limitations and ethical considerations of the study, highlighting the significance of upholding credibility, transferability, dependability, and conformability throughout the research process. The conclusion from this methodology will offer valuable insights into the transformative potential of InsurTech in promoting a more inclusive insurance landscape in emerging markets.

# CHAPTER 4: FINDINGS

## 4.1 Introduction

This chapter delves into the presentation of the results and discussion of the study. This study investigates the use of digital technologies by InsurTech to enhance inclusive insurance services in South Africa and four other African countries. The study examines methods to enhance accessibility, affordability, and customer satisfaction, particularly for marginalised and underserved populations. The primary emphasis is placed on analysing the effects of these strategies on both financial inclusion and sustainable development. This analysis will provide a synthesis of the research findings, offering insights into the effectiveness of the InsurTech's digital approach to inclusivity in insurance services and its potential for scalability in similar markets. This diverse range of experience provided valuable insights and perspectives for the research study.

This InsurTech company was chosen for the study due to its unique strategic position and innovations in the insurance sector. Expanding from the competitive South African market into broader African territories presents a compelling story of growth and adaptability, particularly in regions with limited access to insurance services. The company's novel product bundling, combining insurance with mobile network operations, offers valuable insights into customer engagement and retention strategies. Furthermore, the company's strategy for tailoring products to regional preferences demonstrates a profound grasp of market-specific needs. The company's significant involvement in financial inclusion and openness to engaging in research offers a distinct chance to investigate the influence of InsurTech on sustainable development goals, positioning it as an ideal candidate for an in-depth case study compared to other companies.

## 4.2 Identifying barriers to insurance adoption

The first objective of the research was to gain an understanding of the barriers that hinder the adoption of insurance for the company under study.

The interviews with participants shed light on the various obstacles faced by low-income earners and underserved communities when it comes to adopting insurance. These challenges are complex and require attention to promote inclusivity in insurance services.

### 4.2.1 Cultural beliefs and misconceptions

Cultural and religious beliefs play a crucial role in shaping individuals' attitudes towards insurance adoption, especially in the African contexts examined in this study. These beliefs often present significant barriers that need to be addressed for the successful implementation of inclusive insurance strategies.

Participants highlighted the influence of cultural beliefs on the perception of insurance. **Participant 2** noted, "Cultural beliefs is the major barrier to the microinsurance industry; the communities still believe that taking up insurance shortens their life span." This view is particularly prevalent in regions where traditional beliefs and superstitions are deeply embedded in the societal fabric. **Participant 10** shared a similar observation, stating, "You find a lot of people saying that they don't need insurance because they have Jesus. In Nigeria, they are very religious."

These insights reveal that insurance is often viewed with suspicion and is perceived as unnecessary or even harmful. The association of insurance with negative outcomes, such as the belief that purchasing insurance may invite bad luck or premature death, creates a significant psychological barrier to adoption. Karlan et al. (2010) highlight that cultural myths and misunderstandings about insurance can significantly hinder uptake, while Matul et al. (2009) discuss how these misconceptions are prevalent in many developing countries and create substantial barriers to market penetration.

### 4.2.2 Education and awareness

Education and awareness emerged as critical factors influencing the adoption of insurance products among low-income and underserved populations. The study identified a significant gap in understanding the benefits and workings of insurance, which contributes to the perception of insurance as a luxury rather than a necessity.

A substantial portion of participants highlighted the lack of education and awareness as a primary barrier. **Participant 8** stated, "Lack of awareness: insurance is seen as a luxury and not a necessity, despite the fact that they often get indebted when faced with a sudden situation requiring medical attention." **Participant 14** echoed this sentiment, noting, "Insurance is viewed as a luxury item, a product terminated first for cost-saving."

The perception of insurance as a luxury is particularly prevalent among low-income earners. **Participant 6** remarked, "Insurance has always been perceived as a service for privileged people." This perception is compounded by the financial instability faced by many in these communities. **Participant 13** noted, "The lack of a stable income poses a significant challenge in making consistent insurance payments." **Participant 15** added, "Insurance is often viewed as an additional cost rather than an essential."

These findings indicate that there is a substantial communication gap between insurance providers and potential customers, particularly in terms of conveying the value and necessity of insurance. The data suggest that there is a need for more effective educational initiatives that can bridge this gap and enhance understanding among the target populations.

Furthermore, the study highlights that irregular income is a major obstacle, as many individuals struggle to keep up with insurance payments. This is reflected in **Participant 13**'s observation that, "The lack of a stable income poses a significant challenge in making consistent insurance payments." This underscores the need for insurance products that are tailored to the financial realities of low-income earners, offering flexibility and affordability.

### 4.2.3 Affordability and economic inequalities

Affordability and economic inequalities emerged as significant barriers to the adoption of insurance products among low-income and underserved populations. The study found that the high cost of traditional insurance products often renders them inaccessible to these groups, exacerbating existing economic disparities.

Participants consistently highlighted affordability as a primary challenge. **Participant 13** observed, "The main challenge in adopting insurance policies is affordability. Most low-income earners perceive insurance as expensive and tailored for regular income earners." This sentiment was echoed by several other participants who noted that insurance products are often designed with middle- to high-income individuals in mind, neglecting the financial constraints of low-income populations.

The InsurTech company's efforts to address these issues through tailored, affordable products were noted by participants. **Participant 13** commented on the impact of irregular income on individuals' ability to keep up with insurance payments: "The lack of a stable income poses a significant challenge in making consistent insurance payments." **Participant**

**15** added that insurance is often viewed as an additional cost rather than an essential, suggesting a demand for more affordable insurance options.

Several participants highlighted the innovative approaches employed by the InsurTech company to enhance affordability and accessibility. **Participant 4** mentioned, "In Ghana, insurance can be purchased and paid for using airtime or mobile money, making it more accessible to low-income individuals." **Participant 10** elaborated, "The insurance products are tailored to the irregular income earner, allowing for prepaid products that offer financial flexibility."

Additionally, the integration of insurance with mobile money and telecommunications services has significantly improved accessibility. **Participant 4** stated, "The current product offerings are tailored to the irregular income earner." This approach allows low-income individuals to purchase insurance that fits their needs and budget from anywhere, addressing the challenge of economic inequalities.

In summary, the study highlights the significant impact of affordability and economic inequalities on insurance adoption among low-income and underserved populations. The findings underscore the need for insurance products that are not only affordable but also flexible and tailored to the financial realities of these groups. The InsurTech company's innovative approaches in leveraging mobile technology and tailoring products to irregular income earners provide valuable insights into potential solutions for enhancing affordability and inclusivity in the insurance sector.

#### 4.2.4 Trust and industry perception

Trust and the perception of the insurance industry emerged as crucial factors influencing insurance adoption. Participants highlighted significant distrust and skepticism towards insurance providers, driven by negative past experiences and general industry reputation.

**Participant 3** remarked, "Distrust of insurance is prevalent; people do not trust insurances as they have experienced through the government insurance programs which have not worked, and hence they are sceptical of other insurances." This distrust is often rooted in perceived inefficiencies and failures in past insurance programs, particularly those run by government entities.

The issue of trust is compounded by perceptions of the insurance industry's reliability and transparency. **Participant 8** shared, "People do not trust that insurance will pay when you have a claim." This lack of trust in the claims process discourages many from adopting insurance products, fearing that they will not receive the promised benefits when needed.

Participants also noted the need for improved transparency and streamlined processes to build trust. **Participant 14** emphasised the industry's requirement to build trust by enhancing claim processes and transparency. **Participant 10** added, "The difficulty of onboarding and backend processes further exacerbates mistrust." These comments highlight the importance of simplifying and clarifying insurance processes to foster trust and reliability.

Additionally, the study revealed that negative perceptions of insurance are often reinforced by cultural and social factors. **Participant 15** noted, "People are sceptical of insurance because it is associated with unnecessary expenditure and distrust." This sentiment reflects a broader societal view that insurance is an unreliable or unnecessary financial product.

In response to these challenges, the InsurTech company has focused on improving transparency and customer service to build trust. **Participant 9** described efforts to enhance the customer experience through better communication and clearer policies. The use of technology to streamline claims processes and provide real-time updates has also been a critical strategy in addressing trust issues.

The insights gathered from the participants underscore the importance of trust in the insurance adoption process. Building trust requires consistent efforts to improve transparency, streamline processes, and address past negative experiences. The InsurTech's initiatives to enhance customer service and leverage technology to provide more reliable and transparent services are crucial steps in this direction. These efforts not only improve trust but also contribute to changing the overall perception of the insurance industry, making it more accessible and reliable for underserved communities.

#### 4.2.5 Accessibility challenges and digital technology as a lever for inclusion

The issue of accessibility is particularly crucial for people residing in remote regions. **Participant 4** argues that conventional insurance models do not meet the requirements of individuals in remote areas. **Participant 8** emphasised the challenges individuals in remote areas encounter when trying to access insurance services without being physically present.

"Customers had to go far to apply for insurance and sign documents. We are reaching areas that are out of the city. Technology being USSD requires a basic feature phone which requires less data" **Participant 8**.

Digital technology is acknowledged as a powerful force for change by the participants. Utilising mobile technology and digital platforms may help overcome barriers to insurance adoption, as suggested by Participant 11, who highlights the potential of tools such as PWA and USSD. Utilising technology to expand insurance coverage and offer tailored services at reduced expenses could significantly improve affordability and accessibility.

The study findings indicate that digital technology not only improves accessibility, but also tackles other significant obstacles such as cost and confidence. Through the utilisation of mobile platforms and cutting-edge digital tools, the InsurTech company is able to provide customised and economical insurance solutions that cater to the requirements of marginalised communities. This approach not only increases the extent of insurance coverage, but also promotes a fair and impartial insurance market that includes everyone.

## 4.3 Utilisation of digital technology

Research Objective 2: To analyse how an InsurTech company utilises digital technology to enhance the accessibility of insurance products for marginalised and underserved populations in South Africa and other African markets.

The data collected from various research participants offers valuable insights into how the unnamed InsurTech firm is utilising digital technology to enhance the accessibility of insurance products to marginalised and underserved populations in multiple African markets.

### 4.3.1 Affordability and flexible payment models

A significant theme that emerged is the role of affordability and flexible payment models in promoting digital accessibility and inclusion across different demographic groups. The insurance products are designed to be easily accessible regardless of employment status, promoting inclusivity. **Participant 2** stated that the company does not inquire about employment status, as long as the individual is aged between 18 and 65. **Participant 4** mentioned that in Ghana, insurance can be purchased and paid for using airtime or mobile money, highlighting the adaptability of payment methods.

- **Participant 4:** “The current product offerings are tailored to the irregular income earner.”
- **Participant 1:** “The InsurTech in Zambia has over the years provided insurance to approximately 2 million Zambians with around 70% either informally employed or irregular income earners. The subscribed number represents almost a third of the entire adult population.”

This inclusivity model also caters to individuals with irregular income by providing prepaid products for financial flexibility. **Participant 10** explained that their insurance is connected to the user's recharge behaviour, suggesting that insurance payment is intertwined with daily mobile phone usage, thus expanding its accessibility. **Participant 7** highlighted that customers can make payments without a bank account, making insurance premiums more accessible.

**Participant 8** highlighted that in Ghana, customers can choose to pay for a full year of insurance in advance, which caters to different financial circumstances and offers extended security without the need for ongoing payments. Life insurance enrolment without medical screenings facilitates easier access to insurance for historically marginalised individuals.

### 4.3.2 Automation and efficiency

This section presents the research findings related to the incorporation of automation in the insurance processes of the InsurTech company, highlighting its impact on improving efficiency and user experience.

Participants underscored the significant role of automation in enhancing operational efficiency and streamlining user interactions within the insurance process. However, the importance of maintaining a balance between automation and human oversight was a recurring theme.

- **Participant 9** stated, "Everything is automated up to the first level checks when a customer makes a claim."

This indicates that while initial claim assessments are fully automated, the subsequent stages involve human agents who conduct detailed evaluations based on the information provided by the customers. This hybrid approach ensures that complex claims receive the necessary human judgment and intervention.

- **Participant 1** emphasised the balance between automation and human oversight in the claims process, highlighting the importance of human involvement for quality control and trust maintenance.
- **Participant 2** demonstrated the company's dedication to utilising technology to streamline operations, implementing a full automation process from sign-up to claims processing.
- **Participant 15** emphasised the importance of a human element in validating claims, even with extensive automation in place, as certain use cases still require back-office approval.

This blend of automated efficiency and manual precision provides a comprehensive view of the insurance company's operations, ensuring both swift processing and high service quality. Automation facilitates quick and accurate handling of straightforward tasks, while human oversight addresses the nuances and complexities that automation alone cannot manage.

These insights collectively showcase the strategic integration of automation within the InsurTech company's processes, underlining its commitment to operational excellence and customer satisfaction.

### 4.3.3 Leveraging mobile technology and innovative distribution channels

Utilising mobile technology is crucial for extending insurance services to underprivileged communities. **Participant 4** highlights the ease with which customers can purchase short-term insurance on their mobile devices, emphasising the convenience brought by mobile platforms to the insurance sector. **Participant 8** also expressed a similar sentiment, stating that customers had to travel long distances to apply for insurance and complete paperwork. The expansion into rural regions through USSD technology, which operates on basic feature phones and consumes minimal data, demonstrates how mobile technology enables access to insurance services in remote areas with limited connectivity. **Participant 10** emphasises the inclusivity of mobile technology, noting that their insurance is tailored for individuals with irregular income due to its affordability. This demonstrates the potential of mobile platforms to accommodate diverse income levels through flexible payment models. **Participant 15** contributes to this narrative by highlighting the simplicity of utilising mobile technology: "Our products have minimal requirements. One does not require employment or a stable income," highlighting the increased accessibility of insurance through mobile technology.

The InsurTech’s strategy focuses on innovative distribution mechanisms to improve insurance accessibility. **Participant 2** highlights the strategic utilisation of MNO' channels to overcome barriers, a critical approach for entering remote markets. **Participant 10** emphasises the use of mobile money agents by InsurTech to expand insurance sales through local networks. **Participant 10** further highlights the preference for USSD and PWA over traditional mobile apps due to low smartphone penetration and limited storage on low-end smartphones in their markets. By focusing on PWAs, the InsurTech ensures accessibility to a wider audience, regardless of technological limitations.

### 4.3.4 Usage-based insurance models

The study emphasises a growing trend in the insurance sector focused on tailoring and personalising services. Participant 8 highlights the creative utilisation of customer mobile recharge data to tailor insurance premiums, demonstrating a personalised response to individual financial habits. Furthermore, the implementation of a "Pay and Drive" insurance model utilising telematics and usage-based technologies represents a noteworthy advancement in matching expenses with real vehicle usage and driving behaviours. Customised insurance options may offer cost savings and increased accessibility, making them attractive to budget-conscious customers. At present, the new product is undergoing testing in Ghana as part of an initial phase that could lead to further expansion into additional markets, contingent upon its performance and suitability for various consumer demands and infrastructure capacities.

## 4.4 Evaluating the effectiveness of the InsurTech

Objective 3 evaluates the effectiveness of an InsurTech company’s strategies in improving the affordability and customer satisfaction of insurance products across different regional markets.

Utilising TAM 2 and IDT, this study evaluated the InsurTech company's effectiveness in improving affordability and satisfaction of insurance products across diverse markets. The assessment drew from participant insights on the PEOU, usefulness, and adoption rates, offering a structured evaluation of the company's digital strategy impact on financial inclusion.

Participants noted the innovative integration of insurance with daily financial activities, such as airtime purchases and mobile money transactions. Strategic collaborations with mobile networks were crucial for broadening insurance reach, allowing convenient premium collection and coverage customisation based on user behaviour.

### 4.4.1 Integration with daily activities

Participants described embedding insurance within routine financial activities as an innovative approach. According to **Participant 1**, combining insurance with airtime purchases allows customers to easily obtain coverage. **Participant 2** elaborated on the implementation of products such as the hospital and funeral cover, which enable insurance coverage via regular mobile money transactions. **Participant 9** highlighted the importance of customising insurance coverage according to customers' mobile money usage patterns to make insurance services more accessible.

### 4.4.2 Strategic mobile network collaborations

Establishing an alliance with MNOs is crucial for broadening the reach of insurance services. **Participant 4's** remarks on the feasibility of buying insurance using mobile money in Ghana, along with **Participant 7's** statement of collecting premiums through airtime recharge, indicate deliberate attempts to utilise the existing mobile technology infrastructure for strategic purposes. These collaborations are crucial because they allow insurers to utilise the widespread influence and established credibility of mobile networks, facilitating the interaction with clients who may lack access to conventional banking services. **Participant 10** and **Participant 12** recognise the vital importance of these collaborations in attaining extensive client involvement and availability. Through collaboration with mobile networks, the InsurTech company may offer insurance solutions that are smooth and convenient, seamlessly integrating into consumers' everyday routines. This approach improves the rates at which insurance is adopted and utilised in markets that have been neglected or underserved.

### 4.4.3 Product flexibility and accessibility

Participants from various regions provided specific insights into the flexibility and accessibility of the company's insurance products. In Zambia, **Participant 1** praised the seamless integration of insurance into mobile transactions, enhancing access. In Uganda, **Participant 7** highlighted the customisation for irregular income earners. **Participant 4** from Ghana emphasised competitive pricing and mobile money payment options. **Participant 10** and **Participant 12** from Cameroon and Cote d'Ivoire noted the strategic use of mobile money for economic alignment. In South Africa, **Participant 14** commended the digital management of policies for adaptability and affordability. Group team participants (**Participants 7, 8, 10, 11, 12, 13, and 15**) reinforced the importance of mobile partnerships and simplified acquisition processes across regions.

The impact on financial inclusion was clear, with expanded coverage, enhanced accessibility via technology, and societal benefits in healthcare access. Affordability and accessibility were key, with the insurance serving as a safety net and improving living conditions, particularly for lower-income individuals. The company's inclusive strategies have led to increased accessibility for unbanked individuals, user-friendly experiences, and simplified claims processes.

## 4.5 Impact on financial inclusion: Perspectives from the InsurTech team

This section is crucial for highlighting the practical outcomes and effectiveness of the company's strategies in relation to Objective 3. Therefore, it is essential to incorporate and examine these insights within the study's framework.

### 4.5.1 Expansion of coverage

Participants have reported significant strides in expanding insurance coverage, with Participant 1 representing Zambia highlighting insurance provision to approximately 2 million individuals. Participant 2's contribution underscores the onboarding of over 5 million underserved individuals, while Participant 4 representing Ghana speaks to reaching about 25% of the Ghanaian population.

### 4.5.2 Ease of access through technology

Most of the participants highlighted the significant impact of mobile technology on enhancing accessibility. Participant 3 indicated that more than 5 million lives have been impacted, highlighting the significance of mobile phone insurance coverage. Participants 5 and 8 discussed the removal of travel and paperwork requirements, which increases convenience. Participant 5 stated that "the process to subscribe to the insurance is easy, doesn't require paperwork and is automated". Participant 8 concurred mentioning that “customers had to go far to apply for insurance and sign documents. We are reaching areas that are out of the city. Technology being USSD that requires a basic feature phone which requires less data”.

### 4.5.3 Societal advantages and healthcare access

Significant societal benefits, especially in healthcare, have been observed. Participant 6 explains how insurance has enabled individuals to obtain medical services despite financial obstacles. Participant 6 highlighted the challenge of insufficient access to high-quality healthcare in several markets and pinpointed a gap in the market. Testimonials from Participants 10 and 11 highlight the influence of insurance offerings on healthcare coverage and the enhancement of living conditions, particularly for lower-income individuals. Participant 7 highlighted the importance of insurance education in broadening market penetration and fostering growth.

### 4.5.4 Affordability and accessibility

The affordable nature of the insurance offerings has been highlighted by Participant 8, who indicates that insurance is now reachable for those who previously did not consider it. Participant 9 comments on the insurance as a financial safety net, providing protection during unforeseen events.

Participants 10 and 12 highlighted the InsurTech’s approach of providing bundled products. Participant 10 stated that, “When purchasing a recharge with care, bundled services are provided which include both life and hospital cover”.

Participants 12 and 13 emphasised the increased insurance accessibility for individuals without bank accounts or jobs. Participant 14 discusses flexible insurance options tailored to customers' financial situations when they mention, “our products focus more on the lower end segment and mostly people who are excluded by traditional insurers such as people with irregular income”.

### 4.5.5 User-friendly insurance experience

Participant 15 attests to the company's efforts in enhancing the user-friendliness and accessibility of insurance, mentioning the simplified claims settlement process. Participant 8 explicitly noted, “Everyone is on WhatsApp in South Africa; this makes it easy to sell insurance and has a bigger reach.” Moreover, Participant 13 corroborated this approach by confirming that customers are indeed able to enrol for the product and manage their claims via WhatsApp, indicating a user-friendly and widely accessible service platform

These accounts collectively showcase the company's success in expanding access to insurance and creating an inclusive environment that considers the financial and cultural contexts of each region.

## 4.6 Strategic recommendations from the participants

Participants in the study have provided a diverse array of suggestions for enhancements the InsurTech could undertake to further advance their mission of delivering inclusive insurance solutions. Each participant's direct quote lends weight to their respective points, painting a comprehensive picture of the multifaceted approach needed to enhance the delivery of inclusive insurance solutions. These suggestions cover technological agility, partnership strategies, market intelligence, and product innovation.

### 4.6.1 Technology adaptation and market intelligence

**Participant 1:** highlighted the need for agility in technology adoption to keep pace with changing usage patterns, such as the shift from voice to data as smartphones proliferate.

**Participant 3:** suggested a push for deeper business insights and market intelligence to develop customer-centric solutions.

### 4.6.2 Strategic partnerships and funding

**Participant 2:** recommended engaging with funders to subsidise premiums for low-income earners, and venturing into agriculture insurance with government support.

**Participant 5:** proposed leveraging MTN's established market presence and marketing capabilities in Cameroon.

### 4.6.3 Product diversification

**Participant 8:** called for creative expansion beyond funeral cover, suggesting digital products and personalised services.

**Participant 9:** emphasised the importance of family care coverage in Cote d'Ivoire , advocating for a system that allows direct access to funds without upfront payment.

**Participant 13 and Participant 15:** proposed using machine learning and AI to streamline claims and expanding the product range to cover more areas, such as livestock insurance.

### 4.6.4 Customer engagement and experience

**Participant 6:** discussed the importance of competing with traditional savings systems such as tontines, which are widely used by the target audience.

**Participant 7:** highlighted the need for continuous product and market development and building synergies with Fintech, including remittance products.

**Participant 10:** pointed the importance of the InsurTech in demonstrating continued value recognise the value of insurance.

**Participant 11 and Participant 12:** discussed the importance of market research and creating market-specific products rather than relying on a one-size-fits-all approach.

**Participant 14 and Participant 15**: proposed that the InsurTech focus on integrating insurance into various digital platforms. For example, expanding to additional platforms such as mobile apps and Whatsapp, and partnering with more telecommunications companies and retailers to enhance product accessibility.

Each participant's direct quote lends weight to their respective points, painting a comprehensive picture of the multifaceted approach needed to enhance the delivery of inclusive insurance solutions.

# CHAPTER 5: DISCUSSION

## 5.1 Objective 1: Barriers to insurance adoption

### 5.1.1 Overcoming cultural beliefs and misconceptions

Cultural perceptions have a substantial impact on financial inclusion, especially regarding access to insurance. This research highlights the importance of culturally specific educational initiatives that explain how insurance can help maintain financial security and reduce risks. This approach aligns with Holliday's (2019) emphasis on tailored educational outreach to address cultural barriers hindering insurance enrolment. **Participant 10** highlighted the prevalence of faith over the perceived importance of insurance, indicating the need for culturally specific awareness initiatives.

The data indicates that the InsurTech company's efforts to enhance financial inclusion require a strategy that goes beyond just technological advancements. The company must actively address cultural misconceptions through community-focused educational initiatives. Programs need to be developed to reshape the perception of insurance in community discussions, emphasising its role as a crucial financial protection rather than a negative sign. Without addressing these deep-rooted beliefs, the uptake of insurance services will remain limited, hindering financial inclusion efforts. This links directly to the research problem of low client retention rates due to cultural and economic barriers, demonstrating the need for a multifaceted approach to education and awareness.

### 5.1.2 Economic barriers

In the insurance sector, one of the most persistent challenges is expanding services to markets that are not being adequately covered (McKinsey & Company, 2020). The economic constraints identified by this study, which centred on affordability, shed light on this difficulty. Although digital technology offers the possibility of removing these obstacles, it is necessary to consider the more general economic realities that impact the acceptance of insurance.

According to Pelanda (2021), the notion of insurance as a discretionary expenditure is a significant indicator of the vast economic gaps within low-income communities. It is necessary for the InsurTech company to innovate technologically and clearly identify and express the inherent value of insurance as a fundamental, essential, and accessible service.

A holistic strategy is vital for the InsurTech's activities to effectively contribute to financial inclusion. This includes making access through digital platforms easier and ensuring that insurance benefits are effectively understood across various cultural contexts. Such efforts are necessary to promote a broader awareness of the role that insurance plays in maintaining economic stability and to encourage the development of financial empowerment. Addressing economic barriers through innovative payment solutions is critical to overcoming the inflexibility and high costs highlighted in the research problem, thereby enhancing insurance adoption among low-income populations.

### 5.1.3 Trust and industry perception

Lack of trust, exacerbated by past industry malpractices, suggests that transparency and improved claim processes must become integral to corporate practice, not just technological upgrades (The Geneva Association, 2019).

Understanding trust barriers in the insurance industry, especially in claims processing, is essential for customer relationships and industry reputation. The historical reluctance of insurance companies in South Africa to honour claims has greatly diminished trust, limiting industry growth and wider acceptance of insurance products (The Geneva Association, 2019). Trust issues often stem from common negative encounters with insurance companies, marked by unclear claims procedures and unfair claim rejections (Pelanda, 2021). To tackle these systemic issues, it is crucial to take a dual approach that emphasises improving transparency and streamlining the claims process to uphold the values of fairness and clarity.

Integrating digital technologies into claims processing offers a chance to restore trust. Through the utilisation of digital platforms, insurance firms can provide immediate updates on claim progress, enhancing customer engagement (Zheng & Su, 2022). Nevertheless, this technological progress should be supported by a corporate culture rooted in ethical practices, especially in the fair evaluation and compensation of claims. The feedback from participants indicates a significant enhancement in the claims process of the InsurTech company. The average time to settle claims has decreased from 15 days in 2020 to just hours in 2023, showcasing the company's dedication to efficiency and customer contentment.

In the future, the InsurTech company needs to implement a comprehensive strategy to overcome trust issues. Regularly reviewing claims processes is essential to maintain consistency and fairness (McKinsey & Company, 2020). Efforts should be increased to improve customers' comprehension of their policies and simplify the claims process, leading to increased transparency and trust (Holliday, 2019). Moreover, it is crucial to train claims agents to manage claims with empathy and integrity, as these interactions greatly influence customer perceptions of the company (Roth et al., 2018).

To restore confidence in the insurance industry, it is essential to combine advanced digital technologies with a strong dedication to ethical and transparent behaviours. The InsurTech company's success hinges on both the effectiveness of its technology and its capacity to cultivate authentic trust and fairness with customers. Ethical practices and transparency are as crucial as technological innovations in rebuilding trust. This aligns with the research problem's focus on improving client retention by addressing trust and transparency issues within the insurance industry.

### 5.1.4 Accessibility and affordability

Integrating mobile technology into insurance access through channels like USSD and PWA, in addition to mobile money agents, is a notable advancement in addressing geographical and economic obstacles in insurance service provision. This approach aligns with the principles highlighted by the World Bank (2021), emphasising the crucial importance of digital financial services in reaching marginalised populations. The InsurTech company expands its reach and provides an accessible entry point for individuals in remote areas, a solution endorsed by Zheng and Su (2022) for its transformative impact on financial inclusion.

Payment flexibility, such as paying premiums through airtime or upfront annually, effectively tackles concerns about affordability. Corroborating the International Association of Insurance Supervisors (2018), it emphasises the importance of adaptable payment options for individuals with varying incomes. The company's strategy aligns with the recommendations of the Consultative Group to Assist the Poor (CGAP) (2017), emphasising customer-centric payment solutions in insurance to accommodate consumers' diverse economic capacities.

In Ghana, the decision to enable the payment of a full year's insurance premium in advance addresses the unique financial habits of the market, demonstrating a keen understanding of the irregular income patterns common in the region. Illustrating the company's dedication to financial inclusivity, this strategic decision aligns with findings from the Centre for Financial

Inclusion (2011) emphasising the significance of comprehending and catering to the financial circumstances of low-income clients.

The company enhances the accessibility and affordability of its products by integrating insurance services into customers' daily lives through mobile transactions. The operational model is supported by the Financial Sector Deepening Africa (FSDA, 2020) report, demonstrating that these integrations can result in higher insurance adoption rates and ongoing financial inclusion.

The initiative by the InsurTech company embodies a combination of strategic foresight, technological innovation, and a strong dedication to inclusivity. The company is strategically positioning itself to contribute significantly to the availability of insurance services by aligning its offerings with the literature's emphasis on economic inclusivity and utilising technology for outreach.

## 5.2 Objective 2 Utilisation of digital technology

**Objective 2**: To analyse how an InsurTech company utilises digital technology to enhance the accessibility of insurance products for marginalised and underserved populations in South Africa and other African markets

### 5.2.1 Affordable and flexible payment models

Mobile technology and flexible payment models are key components of the InsurTech company's strategy to enhance insurance accessibility. This method tackles significant affordability obstacles highlighted in research, especially for low-income individuals who view insurance as an optional service (Accenture, 2015). By allowing premiums to be paid through airtime purchases, the company's initiatives help customers incorporate insurance costs into their daily mobile phone usage, ultimately lessening the financial strain. According to Accenture (2015), integrating insurance payments with habitual transactions can greatly increase policy uptake among populations with variable incomes.

It is important to recognise that not all underserved markets may possess the required infrastructure or be familiar with such technology, despite the innovative nature of integrating insurance with mobile transactions. Therefore, although these models hold potential, their effectiveness may vary in diverse African markets unless accompanied by tailored education and technology initiatives. Flexible payment models can significantly improve insurance uptake but must be adapted to local contexts.

### 5.2.2 Leveraging mobile technology for broader reach

The company's strategic utilisation of mobile technology, specifically USSD and PWA, is in line with contemporary discussions on financial inclusion, highlighting the significance of mobile networks in accessing unbanked populations (GSMA, 2020). The participants' reports emphasise the effective use of MNOs' channels to access remote markets, a strategy endorsed by McKinsey & Company (2020) and the GSMA (2020). USSD technology, in particular, remains crucial as it enables transactions on basic feature phones, addressing the digital divide in regions where smartphone penetration is low. The study raises concerns regarding the scalability and sustainability of these new channels, especially in areas with limited mobile technology adoption.

Furthermore, the InsurTech's novel distribution strategies, like utilising mobile money agents, signify a departure from conventional insurance approaches that struggle to access remote and marginalised communities. USSD technology is particularly significant, as it allows transactions on basic feature phones, ensuring that insurance services are accessible to a wider population.

While leveraging mobile technology is crucial, there must be an emphasis on ensuring these technologies are accessible and reliable across all target markets to maintain scalability and effectiveness.

### 5.2.3 Enhancing claims processing through automation and efficiency

Participants observed the company's focus on automating insurance processes to improve efficiency and user experience. However, it is important to note that the company is not leveraging AI to speed up claims and detect fraud; the process remains manual. While automation can enhance efficiency and speed in claims processing, human involvement is essential for trust and accuracy, as highlighted by The Geneva Association (2019). The company must carefully balance utilising technology while also maintaining human oversight to uphold ethical and fair practices in claims handling.

The need for a balanced approach where technology enhances efficiency, but human oversight ensures fairness and trust in the claims process, remains crucial.

### 5.2.4 Usage-based models

Participants observed the company's focus on automating insurance processes to improve efficiency and user experience. However, it is important to note that the company is not leveraging AI to speed up claims and detect fraud; the process remains manual. This observation is particularly significant given that the company is a technology firm, and there is an expectation that its technology would be advanced and aligned with other FinTechs. The lack of AI integration raises concerns about the company's commitment to leveraging cutting-edge technologies to enhance operational efficiency. While automation can enhance efficiency and speed in claims processing, the reliance on manual processes for critical functions such as fraud detection may undermine these benefits.

The company's failure to fully embrace AI in its claims processing suggests a gap between its technological capabilities and industry best practices. According to The Geneva Association (2019), integrating AI in claims processing can significantly reduce processing times and improve accuracy, thereby increasing customer satisfaction. The company's current approach not only slows down the claims process but also risks missing fraudulent activities that AI systems are particularly adept at identifying.

Moreover, the absence of AI in claims processing may reflect broader issues within the company's innovation strategy. In the rapidly evolving InsurTech landscape, staying competitive requires continuous adoption and integration of advanced technologies. By not leveraging AI, the company may fall behind competitors who are already benefiting from the efficiencies and improved customer experiences that AI can provide (McKinsey & Company, 2020).

The need for a balanced approach where technology enhances efficiency, but human oversight ensures fairness and trust in the claims process, remains crucial. However, the company's reliance on manual processes where advanced technology could be employed suggests a reluctance to fully embrace digital transformation. This could impede the company's ability to scale effectively and maintain a competitive edge in the market. Therefore, it is imperative for the company to reassess its technology strategy and consider integrating AI into its claims processing to meet industry standards and customer expectations.

# CHAPTER 6: CONCLUSION

## 6.1 Conclusion

This study provides an overview of an InsurTech company's efforts to enhance insurance accessibility in diverse African markets. By integrating the TAM 2 and the IDT, the study explores the relationship between digital strategies and barriers to insurance adoption, such as cultural beliefs, economic constraints, and trust deficits.

The research highlights the company's achievement in overcoming financial exclusion through its operations across various African markets. While based in South Africa, the company's successful expansion into other regions demonstrates its commitment to increasing insurance accessibility and tackling the challenges of financial exclusion beyond its home country. Furthermore, the study underscores the significant impact of digital technology on breaking down barriers and changing consumer views on insurance. The InsurTech company's region-specific initiatives, focused on transparency, have restored trust and provided insurance products that are accessible and in line with customers' financial situations.

By addressing the identified barriers—cultural beliefs, economic constraints, and trust deficits—the study directly ties back to the research problem. Traditional insurers have struggled with low client retention due to rigid policies, high costs, and limited personalised service. This study's findings illustrate that these issues can be mitigated through strategic digital innovations, thereby enhancing financial inclusion.

The study delves into internal corporate perspectives, revealing that while technological advancements are critical, addressing cultural, economic, and trust-related barriers is equally important. It acknowledges the need for further research on the long-term consumer impact of digital strategies. The findings emphasise the importance of a balanced approach where technology enhances efficiency, but human oversight ensures fairness and trust in the claims process.

Overall, this study highlights the impact of InsurTech on promoting inclusivity and affordability in the insurance industry, with broader implications for discussions on financial inclusion and technological advancements in developing economies. The research findings provide a basis for further investigation into the scalability of InsurTech initiatives and their wider socioeconomic effects, enriching academic discussions and providing valuable insights for industry professionals and policymakers.

## 6.2 Limitations

The study's constraints mainly revolve around its scope and methodology. Focusing on one InsurTech company in specific African markets potentially limits the applicability of the results to the wider InsurTech sector or diverse socio-economic settings. The data's qualitative nature, obtained from interviews with a specific group of the company's employees, may introduce biases and overlook customer viewpoints. Relying on a limited, similar sample might not capture the full range of experiences and viewpoints across the organisation. Additionally, the focus on the impact of digital technology on enhancing insurance accessibility overlooks significant factors like regulatory policies, market dynamics, and cultural differences among regions. These identified limitations highlight the necessity for extensive empirical research involving a variety of participant viewpoints, encompassing both internal company perspectives and those of its customers. This will lead to a more thorough comprehension of the digital strategies utilised to promote inclusivity in insurance.

## 6.3 Recommendations

The recommendations proposed for the InsurTech company under study are forward-thinking and address several critical aspects to potentially enhance the company's market-specific strategies and customer engagement in African insurance markets:

### 6.3.1 Market-specific products

To develop market-specific products, the company should implement comprehensive market research to understand the unique needs and preferences of different market segments. Based on the research findings, insurance products should be specifically tailored to each market, with feedback loops established to continuously gather customer input and make necessary adjustments. This approach aligns with the theory of market segmentation and customization, which posits that consumer satisfaction is higher when products align with local needs and preferences (Porter, 1985). The anticipated outcomes include increased customer satisfaction and higher adoption rates. However, the high costs of market research and product development pose potential challenges, which can be mitigated by leveraging partnerships with local firms to share costs and gather insights efficiently.

### 6.3.2 Diversifying for the middle class

Targeting the growing middle-class segment in Africa with a broader range of insurance products can tap into a more diverse revenue stream and meet the nuanced needs of different consumer segments. This can be achieved through marketing campaigns specifically designed to appeal to the middle-class demographic, developing affordable premium plans that cater to their financial capabilities, and engaging this demographic through various channels. Research on market diversification suggests that catering to varied customer segments can enhance overall market penetration (Kotler & Keller, 2016). While this strategy aims to expand the customer base and increase revenue streams, challenges may arise in effectively reaching and engaging the middle-class segment. Utilizing data analytics to identify and target middle-class customers more effectively can help mitigate these challenges.

### 6.3.3 Enhanced customer engagement

Enhanced customer engagement is crucial for building stronger relationships and trust with customers. Implementing a multi-channel customer engagement strategy, including social media, mobile apps, and personalized email campaigns, can significantly improve customer satisfaction and loyalty. Utilizing data analytics to personalize customer interactions and predict customer needs, along with establishing a dedicated customer support team, aligns with contemporary customer relationship management (CRM) strategies that advocate for multi-channel engagement (Peppers & Rogers, 2016). However, managing and integrating multiple engagement channels may present challenges, which can be addressed by investing in CRM software that can handle multi-channel interactions seamlessly.

### 6.3.4 Claims process and AI

Leveraging artificial intelligence (AI) to automate the claims process and detect fraud can significantly enhance operational efficiency and customer satisfaction. This involves investing in AI technologies, training staff on their use, and integrating these tools into the existing claims processing system. Continuous monitoring and evaluation of AI performance in claims processing are essential to ensure continuous improvement. This strategy aligns with technological innovation trends in insurance (Bughin et al., 2017). While high initial investment costs and potential resistance from staff are potential challenges, implementing change management strategies can facilitate the adoption of AI technologies

### 6.3.5 Education and awareness campaigns

Investing in market-specific educational and awareness campaigns can address the low levels of insurance uptake due to misinformation and mistrust. Developing and implementing these campaigns through various platforms such as social media, community events, and partnerships with local organizations can effectively disseminate information about the benefits of insurance. Evaluating the effectiveness of these campaigns and refining them based on feedback and measurable outcomes is crucial. Communication theories underscore the importance of targeted messaging to address low levels of insurance uptake (McCombs & Shaw, 1972). Challenges in reaching diverse and dispersed audiences can be mitigated by utilizing digital platforms and local influencers to broaden reach and impact

These recommendations are based on solid foundations and show a strategic grasp of the challenges and opportunities in the InsurTech sector in Africa. It is crucial to take into account the potential implementation challenges, including the requirement for significant investments in technology and market research to comprehend the distinct requirements of different regions. Furthermore, regulatory compliance and the necessity to develop or modify technological infrastructure to facilitate AI and other digital tools could present obstacles. The company's successful implementation of these suggestions will hinge on its resource allocation, technological capabilities, and management practices.

The action plan to implement these recommendations involves establishing clear goals and timelines, assigning responsibilities to specific teams, and regularly monitoring progress. Key performance indicators (KPIs) should be defined to measure the success of each recommendation, and adjustments should be made based on ongoing feedback and results. Ensuring strong leadership support and fostering a culture of innovation and customer focus within the company are also essential for the successful implementation of these recommendations. This comprehensive approach will enhance the company's market-specific strategies and customer engagement, aligning with the research literature, findings, and research problems identified in the study.

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# APPENDICES

## APPENDIX A: RESEARCH INSTRUMENT

**Research questionnaire**

1. What are the main barriers you have identified to insurance adoption among low-income earners and underserved communities within the countries the company under study operates in?

2. Does the company under study's insurance require individuals to have employment status to be eligible for insurance coverage?

3. Does the company under study have a specific evaluation process for individuals who do not have formal employment or a consistent source of income, considering that most life insurance companies require employment verification and income proof?

4. Do the company under study's insurance products cater to individuals with irregular income or those who are currently employed?

5. How does the company under study utilise digital technology to overcome these barriers and enhance the accessibility of insurance products.

6. How much of your insurance processes are automated?

7. Does the company under study employ any usage-based insurance models that correlate insurance premiums with customer behavior patterns to improve the accessibility and affordability of their insurance services?

8. Does the company under study utilise any automated customer service technologies such as chatbots or messaging platforms in your company for customer engagements or support?

9. Do you think the company under study is utilising digital technology effectively to enhance its products and services?

10. Can you provide examples of strategies the company under study has implemented that
have successfully improved affordability with insurance products in the different regions?

11. Could you elaborate on the distinctive strategies and practices that the company under study has adopted to set itself apart from other insurance providers in the market?

12. Would you say that the company under study has had an impact on financial inclusion? If yes, please elaborate.

13. In your experience, what have been the key factors influencing the adoption and success of InsurTech-based insurance solutions in the markets that the company under study operates in?

14. What enhancements can the company under study undertake to further advance its mission of delivering inclusive insurance solutions?

# APPENDIX B: GATEKEEPER'S LETTER AYO HOLDNGS

**aYo Holdings**
Constantia Office Park,
Building No 9,
Fountain View House,
Vlakhaas Road,
Constantia Kloof,
South Africa
(Tel) +27 10 506 0700
www.ayo4u.com

Because you care.

Date: 25 July 2023

Dear Marius Botha

**RE: Requesting permission to conduct research at your aYo**

The name is Zanele Nhlapo. I am a student pursuing an MBA degree (2610780) at the University of the Witwatersrand, Johannesburg. This study investigates the potential of digital technology to enhance inclusivity in the insurance. Title: How insurtechs are leveraging technology to make insurance Inclusive: An aYo Case Study

I would like to invite you to participate in the interview designed to collect data on the topic of the research. If you decide to participate, the online interview will last between 45 and 60 minutes and will take place online. The interview will focus on the products and services offered to customers by aYo, as well as the digital technologies employed by the business.

Sensitive personal information, date of birth or ID number and contact details, is not requested, or gathered from individuals. Participation in the study is voluntary and participants are free to withdraw at any time. Participation in the study does not entail any direct benefits or financial remuneration and incurs no costs. I kindly seek approval to obtain company data pertaining to product information.

Participation in the study poses no risks to you or your business, and no emotionally sensitive questions will be asked. If you find certain questions to be inappropriate, you are entitled to decline answering them without hesitation. The study does not entail any risks to the participant or their business, and it does not involve any emotionally sensitive inquiries. You have the right to refuse to answer questions you deem inappropriate without delay.

Once the study is finished, it will be turned into a research paper and posted on the University of Witwatersrand's library. I will provide an overview of the study once it has undergone university review and approval.

If you have any questions during or afterwards about this research study, feel free to contact me or my supervisor on the details listed below.

## APPENDIX B: GATEKEEPER'S LETTER AYO HOLDNGS continued

**aYo Holdings**
Constantia Office Park,
Building No 9,
Fountain View House,
Vlakhaas Road,
Constantia Kloof,
South Africa
(Tel) +27 10 506 0700
www.ayo4u.com

Because you care.

Kind regards

Zanele Nhlapo

**Researcher:** Zanele Nhlapo

Zanele.nhlapo@mtn.com or

2610780@students.wits.ac.za

071 343 0934

**Supervisor: Dr Jacques Totowa**

Jacques.totowa@wits.ac.za

011 717 4853

**Permission granted by**

**Name of the company:** aYo Holdings Limited

**Name of the signatory:** Marius Botha

**Designation:** Group CEO

**Email address:** marius.botha@ayo4u.com

# APPENDIX C: ETHICAL CLEARANCE

**Graduate School of Business Administration**
**University of the Witwatersrand, Johannesburg**

**Wits Business School Ethics Committee**
Constituted under the University Human Research Ethics Committee (Non-Medical)

## Ethics Clearance Certificate

**Ethics protocol number:** WBS/BA2610780/851

*This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below)*

| | |
|---|---|
| **Project title** | Promotion of inclusive insurance by a South African insurtech company |
| **Investigator / Researcher** | Ms Zanele Nhlapo |
| **Nature of Project** | MBA (Research Article) |
| **Decision of the Committee** | Approved, provided stakeholders and participants are guaranteed confidentialty. |
| **Issue Date of Certificate** | 2023/09/15 |
| **Expiry date** | Date of submission of the project / research report |
| **Chairperson** | Dr Pius Oba<br>☎ +27 11 717 3976<br>+27 82 733 6587<br>pius.oba@wits.ac.za |

**Declaration by Researcher**

*One copy must be signed by the Researcher and returned to the Chairperson of the Wits Business School Ethics Committee.*

I fully understand the conditions under which I am authorized to carry out the abovementioned research and I guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I undertake to resubmit the protocol to the Committee.

Signature

18 September 2023
Date:

UNIVERSITY OF THE WITWATERSRAND, JOHANNESBURG

Private Bag 3 Wits, 2050
Fax:
Tel:

Reference: Ms Jennifer Mgolodela
E-mail: jennifer.mgolodela@wits.ac.za

26 February 2024
Person No: 2610780
TAA

Ms ZC Nhlapo
408 Elgin Avenue
Ferndale
Ferndale Uit 4
2194
South Africa

Dear Ms Zanele Nhlapo

**Master of Business Administration: Change of title of research**

I am pleased to inform you that the following change in the title of your Research Report for the degree of **Master of Business Administration** has been approved:

| | |
|---|---|
| From: | **Exploring ways of leveraging digital technology to avail inclusive insurance in South Africa** |
| To: | **Promotion of inclusive insurance by a South African insurtech company** |

Yours sincerely

Mrs Marike Bosman
Faculty Registrar
Faculty of Commerce, Law and Management

# APPENDIX D: CONSENT FORM

**Appendix 4: Consent Form**

***Promotion of inclusive insurance by a South African InsurTech Company***

/

***Company studied: XXXXXXX***

**Name of researcher: Zanele Nhlapo**

I, ………………………………………., agree to participate in this research project.

I agree to the following:

**(Please circle the relevant options below)**

| | | |
|---|---|---|
| The research study was explained to me. I understand what this study is about. | YES | NO |
| I understand that I can volunteer to take part in the study | YES | NO |
| I agree that the interview/focus group/other activity may be audio recorded. | YES | NO |
| I agree that direct quotations from my interview/focus group/other activity may be used by the researcher in their research report/ manuscript/book chapter. | YES | NO |
| I agree that my participation will remain anonymous (my name or other identifying data will not be used by the researcher in their research report/manuscript/book chapter) | YES | NO |
| I agree that other researchers may use the information I provide in my interview/focus group/other activity (depending on their own ethics clearance being obtained) but my name and any personal information will not be used or passed on. | YES | NO |
| I consent to the disclosure of company information during the course of this interview. Product-related data and not sensitive information | YES | NO |

Signature:
Name of the research participant:
Designation:
Date:

# APPENDIX E: PROPOSAL APPROVAL LETTER

**Date: 12 June 2023**

**A Research Proposal Panel Evaluation Report 2023**

| Student name: ZN<br>Student number: | Title: Exploring ways of leveraging digital technology to avail inclusive insurance in South Africa |
|---|---|
| **Assessment Criteria** | **Feedback** |
| Research title accurately reflects study.<br>The research gap and problem (theoretical and practical) are stipulated.<br>The research purpose, objectives, and questions are formulated.<br>Relevant theories are presented in the context of the study.<br>The theory section reflects current research.<br>Study contributions are clearly articulated. | The motivation should focus on the industry in SA but not Africa. Though the insurance penetration in Africa is low, South Africa has the highest penetration rate at 12%. You should rather address the challenges in the insurance industry in SA.<br><br>How can one leverage technology since inclusive insurance is focused more on low-income and the poor who have less knowledge in ICT? More so, the insurance industry is always using technology, so what difference will this study make?<br><br>The research objectives should include:<br>To explore how the insurance industry can promote inclusiveness.<br><br>Also, the study could also explore the effectiveness of Insurtech in improving inclusive insurance due to the foreseeable challenge of getting data from the traditional insurance industry. This should be discussed with the supervisor. |
| Criterion-referenced assessment: - | |
| Sufficiently referenced, scholarly, integrated literatures review.<br>Focused literature sourced from leading journals.<br>Consolidating tables required to indicate major theory underpinning hypotheses.<br>Literature review is critical evaluation and not a summary.<br>A clear conceptual framework is required. | The study should look at the supply side of inclusive insurance.<br><br>The conceptual framework should use the TAM2/UTUAT framework |
| Criterion-referenced assessment: - | |

| | |
|---|---|
| Hypotheses/research questions which arise directly from the literature review and are clearly related to the applicable study objective.<br>Testable hypotheses are formulated that are linked to past theory and/or empirical work. | N/A |
| Criterion-referenced assessment:- | |
| Research design: Rationale and argue the choice of an appropriate research paradigm and methodology; methodological rigour evident for empirical work and hypotheses testing.<br>Include sections on: population, sampling frame and sample, data collection methods; instrument(s) with variables identified and tabulated in terms of sources and items used; data analysis and quality checks; ethical concerns addressed comprehensively (refer and attach to ethics form and requirements as per research pack) . | Who are the key respondents? How many companies are you hoping to engage in? This needs to be discussed.<br><br>The research instruments need to be addressed. |
| Criterion-referenced assessment :- | |
| Data analysis: Relevant technique(s) employed sufficient rigour to test hypotheses, validity and reliability issues addressed, match tests with data type, use of multivariate techniques. | The methodology should discuss how data will be analysed. Validity and reliability issues need to be addressed. |
| Criterion-referenced assessment :- | |
| Referencing formatted as per WBS req. Must include in-text references and be aligned with bibliography. Majority recent journal and scholarly references. | The study should be consistent with the referencing style. A comprehensive literature review with more recent papers should be discussed. |
| Criterion-referenced assessment :- | |

| | |
|---|---|
| Literary style including formatting, grammar and spelling – appropriate level of formality, academic style and consistency. | Proofreading required |
| Criterion-referenced assessment :- | |

| | |
|---|---|
| Adheres to exemplary ethical standards, and ethical clearance form is comprehensively completed in terms of:<br><br>• Does data collection include human participants? YES/NO<br>• Are there any ethical risks associated with the study? YES/NO<br>• Are there potential unintended consequences of the study? YES/NO<br>• Are there any actual or potential conflicts of interest? YES/NO<br>• Is formal permission required from any stakeholders? YES/NO<br><br>If the answer to ALL of the above questions is NO, then the following questions do NOT need to be answered. If the answer to ANY of the above questions is YES, please answer the following questions:<br><br>Please categorise the level of risk associated with the study: Minimal / Low / Medium / High<br><br>Have all risks, unintended consequences, and conflicts of interest been adequately mitigated? YES/NO If NO, please specify what mitigation measures are required.<br><br>Are any amendments required to the research instrument, the participant information sheet, or consent arrangements? YES/NO If YES, please specify. | • Does data collection include human participants? YES<br>• Are there any ethical risks associated with the study? No<br>• Are there potential unintended consequences of the study? NO<br>• Are there any actual or potential conflicts of interest? NO<br>• Is formal permission required from any stakeholders? NO<br><br>If the answer to ALL of the above questions is NO, then the following questions do NOT need to be answered. If the answer to ANY of the above questions is YES, please answer the following questions:<br><br>Please categorise the level of risk associated with the study: Minimal<br><br>Have all risks, unintended consequences, and conflicts of interest been adequately mitigated? YES<br><br>Are any amendments required to the research instrument, the participant information sheet, or consent arrangements? NO |

| | |
|---|---|
| Please note: An ethics clearance certificate cannot be issued if the level of risk is medium or high, if risks, unintended consequences, and conflicts of interest have not been adequately mitigated, or if amendments are required to the research instrument, the participant information sheet, or consent arrangements. | |

| Descriptor | Explanation |
|---|---|
| Unsatisfactory | Flaws in all aspects of the research or major flaws in some aspects. Minimal understanding of the principles of research. Inappropriate or inadequate communication and analytical skills. No meaningful or practical research outcomes. |
| Sufficient to pass | Covers the assessment criteria adequately. Work would tend to be more descriptive and would not demonstrate critical insight, analytical depth or evidence of original thought. |
| Generally good | Demonstrating a competent understanding of the principles of research and their application, but meriting some criticisms in respect of the assessment criteria. Adequate communication and analytical skills. Some evidence of original thought. |
| Very good | Demonstrating a comprehensive understanding of the principles of research and their application. Good communication and analytical skills. Good level of critical analysis. Good evidence of original thought. |
| Excellent | No material criticisms in respect of the assessment criteria. Demonstrating a comprehensive understanding of the principles of research and their application. Evidence of originality and independence of thought, intellectual curiosity and initiative. Excellent communication and analytical skills. Little or no irrelevant material presented. |

**DECISION AWARDED**

**APPROVED BY PRG. DIRECTOR/PANEL CHAIR/MEMBERS**

| | |
|---|---|
| Proceed with Supervisor | x |
| Revise and re-submit | |

## APPENDIX F: GRAMMARIAN LETTER

22 Krag Street
Napier
7270
Western Cape

30 May 2024

WITS Business School

University of the Witwatersrand

JOHANNESBURG

**LANGUAGE & TECHNICAL EDITING**

**Cheryl M. Thomson**

---

**Promotion of inclusive insurance by a South African InsurTech company**

**Supervisor: Dr Jacques Totowa**

This is to confirm that I, Cheryl Thomson, executed the language and technical editing of the above-titled Masters dissertation of **Zanele Nhlapo, Student Number: 2610780**, at the WITS BUSINESS SCHOOL, in preparation for submission of this document for assessment.

Yours faithfully

CHERYL M. THOMSON

Email: cherylthomson2@gmail.com

Cell: 0826859545