



OLDMUTUAL

Beyond Emerging Risks: Innovating Resilience and Adaptation

9th Annual Actuarial Convention - November 2024



DO GREAT THINGS EVERY DAY



FROM

polycrisis

[poli-krai-sis] *noun*

the simultaneous occurrence of several catastrophic events

TO

adaptability

noun

The ability to adapt to change

see also **robustness**

An adaptable system is capable of performing by adapting to variation, shock or change

Innovation

DEFINITION OF INNOVATION

The process of translating an idea or invention into a good or service that creates a value or for which customers will pay.

In business, innovation often result when ideas are applied by the company in order to further satisfy the needs and expectations of the customers.



Redefining Resilience





UNDERSTANDING THE CURRENT TRENDS

WE ARE LIVING IN A WIDE-
WILD-WORLD

– In the 21st C, Insurers are dealing with risks risks that aren't adequately captured by historical data

- **Climate Change**
- Technology Disruptions
- **Global Health Emergencies**
- Geo-political shifts



UNDERSTANDING THE CURRENT TRENDS

WE'VE
GOT YOU
COVERED

- Building **Climate Resilience** through Insurance Solutions - *Extreme weather events, rising sea levels, shifting environmental patterns*
- Addressing **Climate Change & Sustainability** – *Insurers are incorporating ESG criteria into risk models. According to the United Nations Environment Programme (UNEP), climate-related disasters result in over \$200 billion in economic losses annually, a compelling call to action for our industry.*
- **Parametric Insurance** - *rely on pre-defined metrics—such as wind speed, rainfall, or temperature thresholds—to trigger payout*
- Catastrophe Bonds & **Resilience Financing** – *Financial instruments that allows Quick access to capital following disasters*
- **Pandemics** & Health Risks solutions - *focusing on pandemic risk coverage and developing new health insurance models that emphasize resilience*



RESILIENCE – PROACTIVE STRATEGY, NOT JUST RECOVERY

- Resilience is not just about bouncing back—it's about staying ahead. In today's world, resilience must be built proactively into every aspect of our operations, from risk modeling to customer engagement."
- Need for preemptive, data-driven strategies that allow companies to anticipate and mitigate potential disruptions before they occur
- **Resilience is about** creating structures that adapt continuously, not just responding when a crisis hits."
- **Focus must shift from merely surviving shocks to actively anticipating and shaping responses to future disruptions**



TECHNOLOGY & DATA TO DRIVE ADAPTION

- **Predictive** Analytics- Insurers can anticipate Risks better & design tailored products
- Digital **Transformation** – **Accelerated by Covid pandemic.** Digital channels have streamlined many processes, improving both accessibility and engagement.
- **Cybersecurity** & Data Privacy - risks of cyberattacks rises sharply. *OM, for example, has pioneered a cybersecurity insurance product that provides not only financial coverage for breaches but also proactive support to enhance clients' cyber defenses*





SHAPING THE FUTURE NOW...

The best way to predict the future is to invent it.

- Alan Kay

1. Investing in **Next-Gen Tech**

- AI, Blockchain & IoT

(For Complex Claims processing, Dynamic pricing, Faster responses to emerging risks)

2. Fostering Cross-Sector Collaboration – Govt & Other stakeholders

Development of disaster risk sharing framework

3. Focus on **Equity & Inclusion-**

Building resilience not only about protecting assets, About protecting people- Insurers **MUST** develop solutions that are inclusive, affordable and accessible





HOW IS OLD MUTUAL RESPONDING?

collaborate

We're working with a range of partners to find creative solutions to complex problems:

- Mainstreaming Financial Education with the **Kenya Institute of Curriculum Development** and other partners to embed the basics in schools and tertiary institutions
- Introducing **Old Mutual Thrive!** We're piloting a holistic wellness digital proposition that rewards positive behavioural change, together with some amazing partners. Watch this space!

Innovate

We are deploying innovations in the fintech & Insurtech space to enhance user experience & create shared value:

- **Motor Telematics** - A pilot that deploys technology to enhance our Risk Underwriting and Claims Management processes.
- **Telemedicine** - The ability to consult your doctor virtually and receive a diagnosis or treatment remotely was turned into a reality when we launched our Telemedicine offering as part of our Healthcare Insurance proposition.

Co-create

Living our commitment to people, planet and creating value:

- Growing our **Responsible Investment** portfolio
- Addressing the impacts of the Climate Crisis through **Environmental Conservation**.
- Honouring our commitment to all those we serve to be **a certain friend in uncertain times...**



THE TIME TO ACT FOR LEADERS IS NOW!

Beyond just managing risks, let us acknowledge the interconnectivity between the economic, social and environmental systems we operate in, acting with urgency to transform our collective growth path to be more socially inclusive and resource efficient.



The world is at a critical inflection point...



THANK YOU

Old Mutual Life Assurance Company (SA) Limited is a licensed FSP and Life Insurer.



OLDMUTUAL