

RISK AND UNDERWRITING INNOVATION

Guardrisk woos insurtech start-ups with new platform

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Guardrisk, the cell captive insurance provider owned by Momentum Metropolitan Holdings, has started an incubation platform to lure insurtech entrepreneurs, a move it hopes will drive innovation in the risk and underwriting sector.

The platform, dubbed LAUNCHPAD, seeks to partner with venture capital investors to jointly in and support entrepreneurial insurtech companies, in particular those that have the potential to be scaled up.

The platform will also work with insurtech start-ups, provided their solution is sufficiently innovative to make for a tangible business proposition.

"The digital economy and the business landscape of today is constantly changing, making it essential for organisations in a fast-paced and competitive sector like insurance to evolve to stay relevant," said Xolani Nxanga, Guardrisk's managing executive for micro-insurance and the company's insurtech lead.

"This means adapting to specific business and industry challenges and changing customer needs. Technology – and insurtech solutions, in particular – increasingly provide the ability

to transform one's business and address client challenges."

SA's traditional financial services providers – mainly banks and insurance companies – are experiencing a wave of disruption from smaller, nimbler competitors that are using the latest technology to upend the traditional business model.

Naked Insurance announced on Wednesday that it had secured more than R300m in funding from two development finance institutions to expand its artificial intelligence-backed (AI) offering, while TymeBank has racked up more than 6.2-million customers since its founding in 2015.

With LAUNCHPAD Guardrisk aims to provide financial support for entrepreneurs through funding as well as nonfinancial support through business and technical

mentorship that will include identifying the most effective distribution channels for a particular venture.

The selected entrepreneurs will get access to the Guardrisk ecosystem, including its clients, partners and service providers, as well as its cell captive licence and sector expertise.

To access the benefits of the LAUNCHPAD platform, Guardrisk wants entrepreneurs to be able to demonstrate that there is a real need for their product or service, with solutions relating to customer engagement, product development and innovative technology being preferred.

These can cover areas including underwriting, pricing, processing claims and payments.

"Guardrisk is by nature an entrepreneurial business, so we understand the challenges and opportunities that entrepreneurs face in building and scaling their businesses," says Nxanga.

"We are excited about the opportunity to partner and collaborate with entrepreneurs and venture capital investors to build a robust insurtech ecosystem that pushes beyond industry boundaries and uses innovation to solve real customer and business challenges in SA."

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