

# Guardrisk to invest R50m in insurtech firms



By **SAMUEL MUNGADZE**, Senior news journalist  
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Xolani Nxanga, managing executive: micro insurance and insurtech lead at Guardrisk.

**A**rmed with a R50 million kitty, insurance company Guardrisk, a subsidiary of Momentum Metropolitan, is searching for insurtech firms to fund in the next 24 months.

Guardrisk unveiled the programme – **Launchpad** – yesterday in Sandton, saying it is looking for entrepreneurs and venture capital investors to **partner** with on its insurtech initiative.

To qualify, entrepreneurs should provide solutions that can cover areas such as customer engagement, underwriting, pricing, the claims process and payments.

Selected entrepreneurs will be provided with tailored support, including financial support through funding and non-financial support through business and technical mentorship.

The support will also include finding “the best and most effective distribution channels” to match individual venture expertise, notes the company.



Xolani Nxanga, managing executive: micro insurance and insurtech lead at Guardrisk, explains: “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.

“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.”

The opening of Launchpad, by SA’s largest provider of cell captive insurance, comes as insurtech firms are disrupting the insurance space in the country with new solutions.

In turning the sector upside-down, insurtech firms are leveraging data science and artificial intelligence (AI) to offer an improved user experience at an affordable price.

This week, AI-based insurtech start-up company Naked **raised \$17 million** (about R290 million) in Series B Funding. The start-up offers a fully-digital way for consumers to insure their cars, homes and valuables.

Local insurtech companies, such as Simply Financial Services, Pineapple and Naked, have seen strong growth in the past two years, signalling the potential of the sector.

To tap into the growing sector, Guardrisk says it is seeking to harness the power of this technology-enabled ecosystem to unlock opportunities to develop relevant solutions that will create value for customers.

“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 South Africa,” says Nxanga.

“Guardrisk is by nature an entrepreneurial business, so we understand the challenges and opportunities that entrepreneurs face in building and scaling their businesses – and are nimble



enough to help them navigate these, grow and develop products and solutions that meet client needs, while simultaneously enabling convenience, flexibility and cost-effectiveness.”

With Launchpad, the insurer says it will invest in insurtech firms with the view to create a long-term partnership between Guardrisk and the entrepreneurs.

“Selected entrepreneurs will have access to the extensive Guardrisk ecosystem, including its clients, [partners](#) and service providers across sectors, as well as the organisation’s cell captive licence, and specialist and technical expertise.”