

INSURANCE – GENERAL

Collaboration, innovation and technologies redefine the broker channel

AXA Gulf's Mr Ricardo Arroyo talks about how the P&C broking channel will evolve as it adapts to the post-COVID world.



As insurance markets recalibrate from the impacts of COVID-19 on consumer behaviour and risk, P&C insurance broking in the MENA region is facing a period of historic disruption. For those prepared to embrace the spirit of cross-industry collaboration and challenge their operating models the broker channel has a bright and innovative future.

New products for new opportunities

Like all industries adapting to the post-pandemic digital transformation, the broking profession needs to flex, embrace disruption and create new avenues for growth. The SME sector – completely transformed by the rapid COVID-19-related digital transformation – is a case in point, providing opportunities to innovate products that reflect the new needs of a digitally-native SME generation.

Start-ups still need basic products like public liability insurance – but by bolting on COVID-19 cover for business travel or employees working remotely, the sector can offer SMEs a suite of products and services that

are relevant to the needs of today's growing businesses. There are new opportunities to take advantage of the work-from-home model to distribute and service clients digitally, in new markets and across borders. Looking ahead, this will be an important differentiator for those willing to rise to the challenge.

Creating differentiation is all the more crucial for brokers in the MENA region where the P&C market is both competitive and relatively slow-growing. These dynamics make it near impossible not to compete on price. But smart brokerages can innovate with new services and price structures in a way that offer value for money alongside exciting new products.

Improving insurance penetration

Creating new products for existing customers is, however, just part of the process. With low maturity insurance markets such as those in MENA, there are opportunities for the broker channel to take advantage of low penetration to raise awareness of the importance of insurance, incentivise the adoption of insurance products



and build the size of the market.

Our region has an enormous opportunity to nurture an insurance culture to help people protect their assets, their businesses and their employees – because right now, less than 10% of homes across the region are insured. Furthermore, taking the example of Oman – more than 40% of the property premises are uninsured.

If the broker channel can reach potential new markets and customers through digital channels, it has an opportunity to shift those statistics significantly. One such opportunity is the banking-as-a-service ecosystem, which provides untold opportunities for insurance firms to partner with financial institutions looking to diversify their products and add value to their customer base.

Within such an ecosystem, there

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are opportunities to dig deep into the mechanics of the new digital workplace and develop products that reflect a new risk landscape. Examples include cyber products that have come into the market due to companies' growing exposure to cyber crime as they integrate their operations into ever more complex global digital supply chains.

D&O products can insure a company against bad decisions made by its directors and board members. It should be possible for companies to manage their vehicle fleet insurance 100% digitally: A self-service model that allows businesses to flex in real-time, with premiums that adjust accordingly.

Evolving to adapt

What this all adds up to is a much more nuanced and digitally native broker channel that understands the new and

emerging risks that companies face in the post-COVID world.

Underpinning that is the need for broker channels to adapt, skill up and change how they interface with and sell to customers – because the days of in-person, face-to-face selling are well and truly numbered. Insurers must adapt and enhance their digital skills to ensure that they can align their work with wider economic visions. Additionally, the shift towards greater creativity is being enriched through the employment of a diverse workforce that is gender-balanced and culturally diverse.

The great news is that all of these adaptations point towards a more effective, flexible, creative and efficient broker channel that saves time and resources. And of course, that provides scope for brokers to bring in new business from

abroad – opening up a new world of opportunity for international business across and outside of the MENA region.

Efficiencies also leave room to spend time building relationships across the industry and with regulators. AXA Gulf has partnered with MOTORI, an InsurTech firm, on a new UAE-based project that allows insurers to quickly evaluate the risk of new clients, including detailed data on their claims history, car values and accident history. This extra information allows us to detect possible fraudsters as well as exaggerated or bogus auto claims. The sharing of data in this way is commonplace in more mature markets – it is unquestionably the key to unlocking better customer outcomes in the MENA region. [M](#)

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