# Lack of ICT infrastructure holds insurance market back

African insurers are advised to address the looming technology challenge that is holding the African insurance market back. The additional challenge of getting legacy systems to provide improved risk management and mobile services, is reportedly forcing insurers to rethink their systems strategy.



Rhys Collins

Rhys Collins, head of African Operations for SSP, a provider of insurance technology to insurers across the continent, says modern technology overcomes these challenges, and this is increasingly drawing new players into the African insurance market.

## Eyeing other opportunities

Both Hollard and Sanlam, for example, have had good success in Ghana, Kenya, Tanzania, Zambia, Botswana and Nigeria and are believed to be eyeing other opportunities across the continent.

"The tighter regulatory and governance requirements are good for the industry but, the flipside for insurers is that many will need to make major changes to their administration systems," says Collins

As well as regulatory changes, SSP says the growth in mobile is the other key trend to watch in the African insurance market. Unlike other markets, the African consumer is by-passing the desktop internet connection and going directly to hand-held devices," says Collins. "With the likes of M-Pesa and Fundamo now household names processing billions of dollars in transactions every year, and mobile use in Africa continuing to grow at a rapid pace, insurers need to raise their game."



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## Need a strong ICT infrastructure

He believes that to deliver insurance products and services effectively on the ground, insurers and managing agents need a strong core insurance system and ICT infrastructure in place.

"There's no denying that Africa has entered the age of mobile. Insurers and managing agents need to consider and embrace this and use the many advantages it offers to enhance their offering, or stand the risk of being left behind. To do this they need a modern, flexible insurance solution. Obviously this is easier for new start-ups, but for firms with existing legacy solutions, complex and risky transformation projects are not always popular in boardrooms. However, by adopting a gradual approach to legacy modernisation, such as SSP's Enhance and Evolve approach, insurers can address their most urgent business priorities proactively. They can extend the life of their existing systems and only replace when the time is right, in line with their long-term strategic priorities," concludes Collins.

For more, download the Enhance and Evolve White paper.

Source: APO