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AIO| Africa Infrastructure and Claims- Oct 23

Good morning!

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- *International business development director*

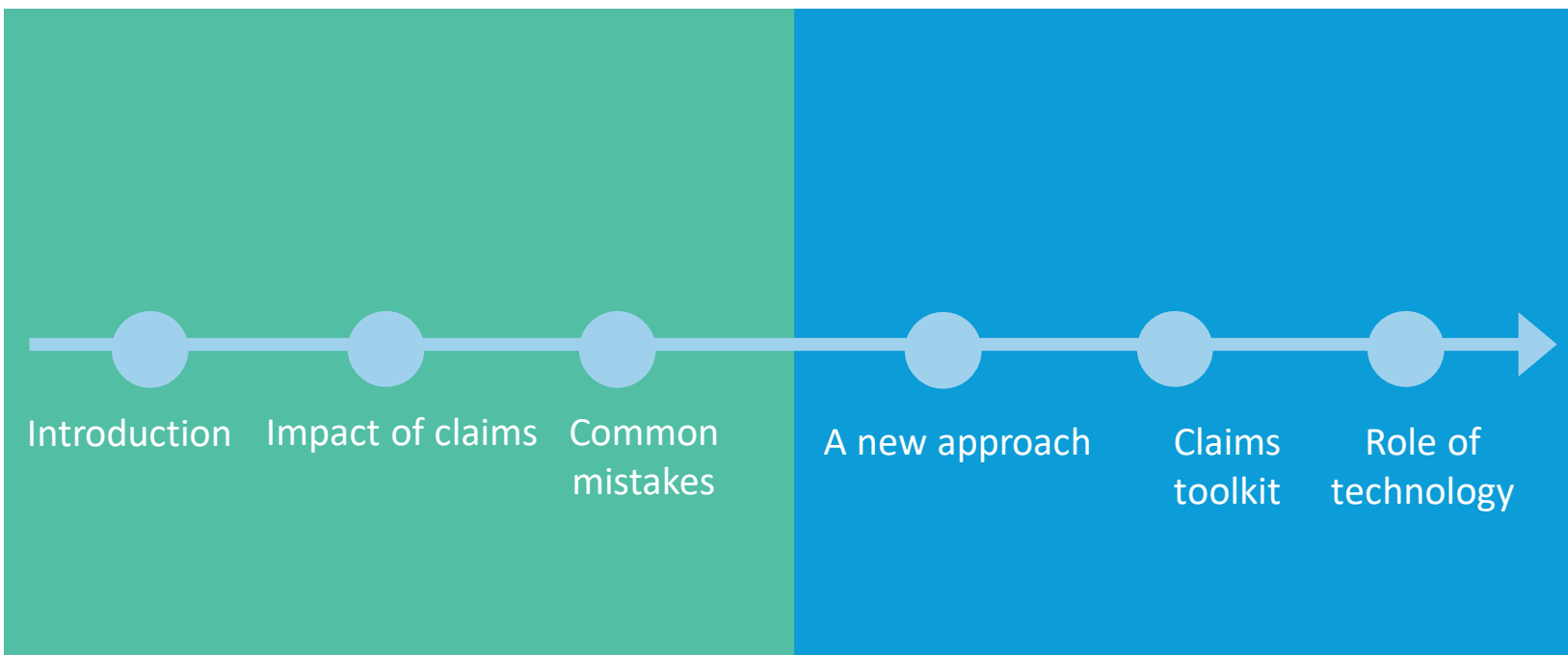- Sedgwick International

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Agenda

Current issues

Moving ahead

Introduction   Impact of claims   Common mistakes   A new approach   Claims toolkit   Role of technology

Sedgwick at a glance

STABILITY
$4B
in revenue

SCALABILITY
31K
colleagues

DELIVERY
98%
retention rate

GROWTH
56%
of new business comes
from existing clients

EXPERIENCE
10M
new claims annually

PARTNERSHIP
10K
clients

TECHNOLOGY
2,000+
dedicated IT resources
and data scientists

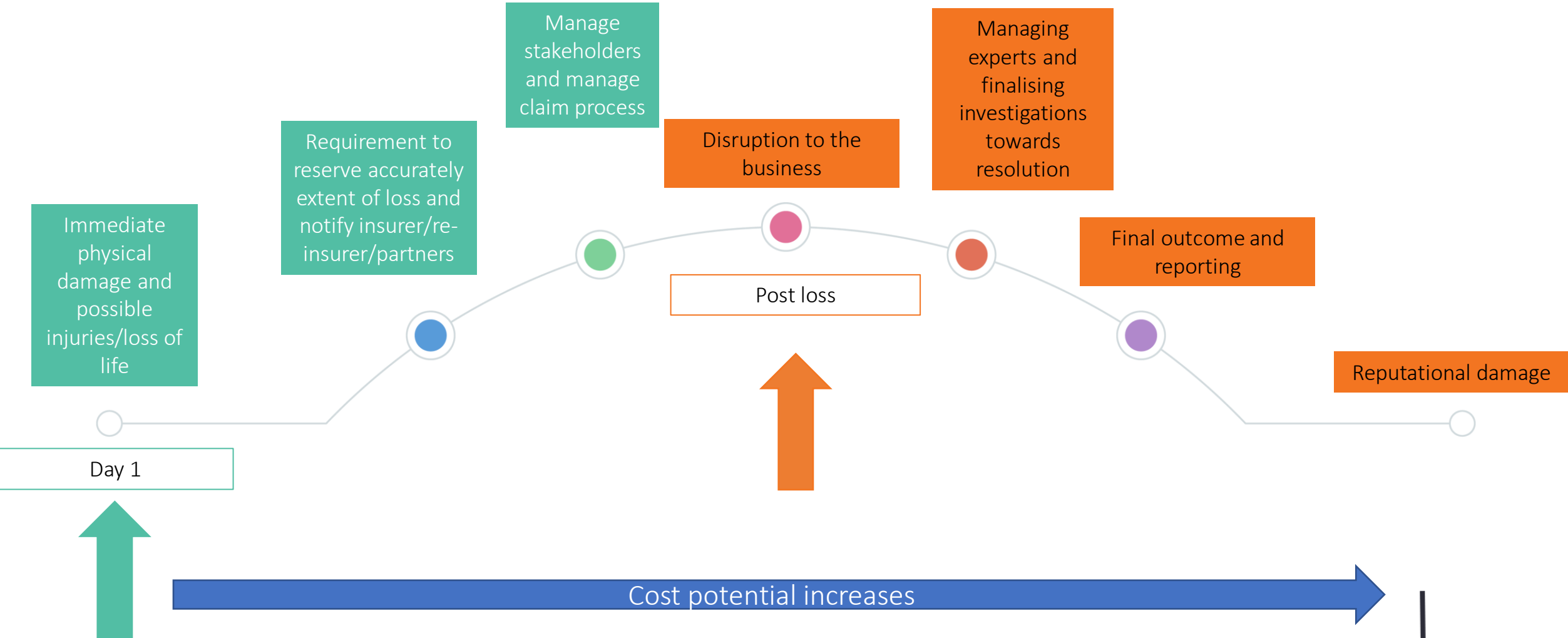**INNOVATION**
$500M
annual tech spend

Introduction

- Africa remains an attractive investment opportunity for mega projects at both regional/local level

- Local insurance markets are developing at different levels of maturity with push and pull factors for investors that attract/detract:

  - Africa is a complex, fragmented market with varying regulation, tech investment, penetration, capacity, re-insurance ceding

  - Basic insurance frameworks need to be in place to make it easier to attract FDI/partnerships/investment e.g. political risk, terrorism, K & R, fidelity, liability, property, business interruption, D & O, cyber, cargo, motor

  - Capacity will come both locally and internationally via re-insurer/London Market, but more confidence and trust will unlock that capacity faster

- Infra-structure projects from railways to dams to smart cities have high claims exposures and need pre-defined claims solutions as Lifecycles can last years

Impact of claims- bottom line costs

Manage stakeholders and manage claim process

Requirement to reserve accurately extent of loss and notify insurer/re-insurer/partners

Managing experts and finalising investigations towards resolution

Disruption to the business

Immediate physical damage and possible injuries/loss of life

Final outcome and reporting

Post loss

Reputational damage

Day 1

Cost potential increases

Common claims strategy mistakes

Insurance is often not strategic within investment/projects

Impact of claims not factored when setting up insurance programme

Deductible too low or too high

Choose the cheapest partners

Don't communicate- don't collaborate

Not managing stakeholders competing expectations

Lack of strategy, process or plan

Local only view

Reactive and transactional

No innovation in tech and data

A new approach

1

Be proactive with claims discussions at early stages as a key part of the insurance programme to prepare for worst case scenario of a significant event like an explosion, collapse, natural disaster, fatality

2

Take control of the claims solution to define the optimal solution- retain, insource, outsource, and try to mitigate risk

3

Build the work-flows and test resilience in advance of go-live

4

Use data to better mitigate impacts and strengthen claims resilience at renewal stage and adopt a long term partnership lens

Questions to think about upfront

When setting up multi-national/cross-border programmes for infra-structure projects in Africa, you need to understand and anticipate key claims questions, for example:

- ✓ Do you have capacity to self-insure or utilise your captive?
- ✓ If so up to what level of risk retention- is this adequate to cover claims volumes, capacity, nature of risk?
- ✓ If no, what do you need to insure, to what extent and what are you re-insuring?
- ✓ Who will you partner with on claims- insource vs outsource?
- ✓ What are the most likely claims exposures and are they frequency or severity based, or both? Do you have data to support this?
- ✓ How will you notify a claim within vs above deductible?
- ✓ Who will deal with the claim and what's role in this of re-insurer?
- ✓ What is my claims philosophy and is it aligned/augments my partners?
- ✓ Do I have claims procedures, protocols that are tested and meet regulatory compliance/business needs to protect the balance sheet and reduce TCOR?
- ✓ What are my key claims KPI'S/SLA'S?
- ✓ Look at hub models to manage x-border issues?
- ✓ What is the role of tech in claims portfolio?
- ✓ Who owns it and does the business know?
- ✓ International vs local needs and assurance?

Working together on claims response

- Establishing initial relationships- *Primary cluster:*
- Agree needs, methodology and ownership/escalation
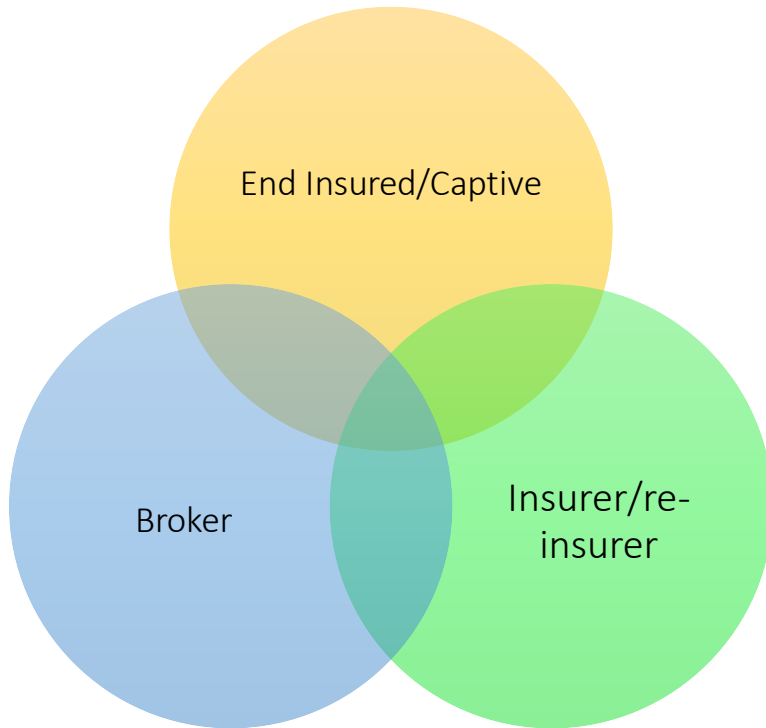
- Establishing initial relationships- *Secondary cluster*:
- Create scope of services and support for the programme- claims delivery model, touchpoints, governance

PEOPLE **FIRST** | TECH **FORWARD** | DATA **DRIVEN**
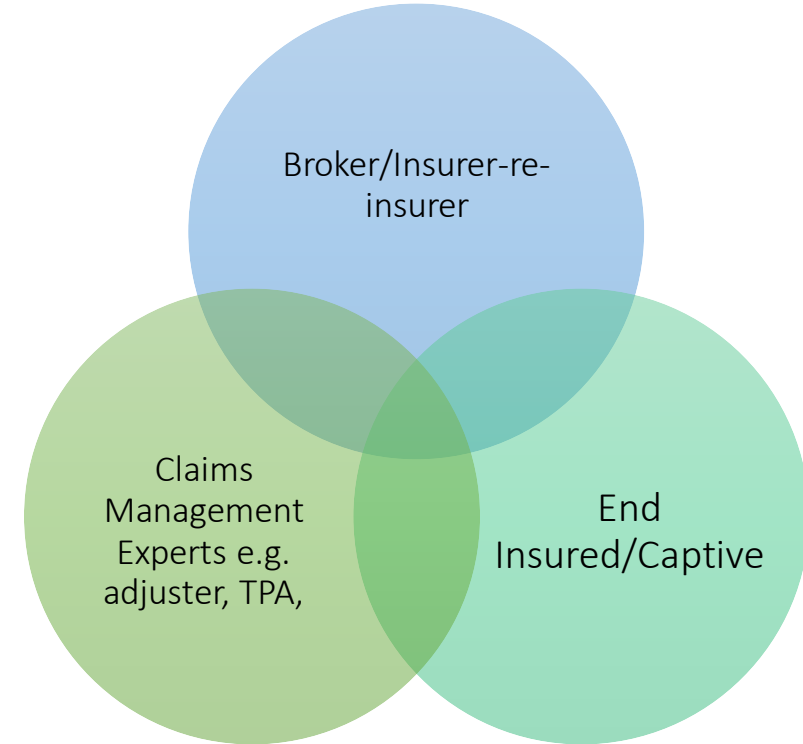
Focused outcomes from this approach

Quick and accurate decision making – through the optimal channel, notify quickly, secure evidence and make rapid policy decisions based on policy coverage and jurisdiction

A pragmatic approach– understanding your philosophy, balance costs and claim mitigation with partners acting as an extension of your team

Managing the claims from your core team – using adjusters and other experts and leveraging technology, minimising unnecessary spend

Closing the claim as soon as possible – to ensure a great customer journey and correct outcomes

Claims toolkit

Claims are best managed when you reduce the level of uncertainty and lead with a data first mindset

Use partners and collaborate- no one organisation can do everything

Anticipate emerging risks and adapt a helicopter risk lens with claims a key component

Have in place claims protocols and best practices- create awareness of processes, create accountability and familiarity, build in governance, have monitoring and embed regular reporting

Create a stewardship culture to own claims

Balance global best practices, local insights with people and tech to create true claims innovation

Role of technology- claims tools

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- ✓ Use the right resources at the right time to create the right outcomes, balancing human and technology capital

- ✓ Key claims tech includes drones, remote video adjusting, satellite images, 360 degree cameras- all help reduce claims costs and enhance customer journeys

In the not-so-distant past, the thought of adjudicating insurance claims instantly — or using a remote-controlled drone to capture images of property damage — seemed like science fiction. It simply couldn't be done…

Human + tech = insights and innovation

Beyond tech- example; Chat GPT

Optimises workflow through no/low touch claims journeys

Balances customer experience and loyalty with optimal outcomes

Predicts future outcomes as we move through the claims lifecycle

Addresses staffing shortages and talent management by redeploying skills

Allows focus on complex claims that require more empathy and experience

Transforms insurance programmes through greater levels of outsourcing, more automation, better focus, reduced overall costs, etc.

Claims is at the end of the process- but do not leave it until the end of your discussions

Effective claims management provides assurance around investment and infrastructure growth

Claims management requires partnerships and expertise

Be proactive, plan, prepare and adopt technology and data insights to drive down cost of risk (TCOR)

Claims strategies are a necessity not a luxury when unlocking investment and infra-structure projects to support growth

PEOPLE *first*

TECH *forward*

DATA *driven*