



LIBERTY
In it with you

Liberty Life Insurance Zambia Concept Note

FSD

Marketeers Financial Inclusion Program

1. Introduction

Savanna Insurance brokers is one of the largest, Zambian owned insurance brokers in Zambia and has taken the initiative to introduce a financial inclusion project to some 3.5 million Zambian Marketeers representing 20% of the total Zambian population and 60 to 70 per cent of our small business enterprises. Savanna expects to introduce them to the widest selection of insurance products specifically suited to their needs and has partnered with Liberty Life Zambia Ltd to be the insurer of choice for the initial product, Funeral insurance, which Savanna has been introducing to the marketeers for about 2 years.

Liberty Life Insurance Zambia is a subsidiary of Liberty Holdings, founded in 1957 by Sir Donald Gordon with the belief that everyone should have the opportunity to grow their wealth and leave a proud legacy for their family. Liberty Holdings has grown into an organisation with assets under management of R645 billion as at 7 August 2015 across Africa, more than 2,5 million clients and properties that cover 1,5 million square kilometers. With a presence in 17 African countries, Liberty has grown from being a South African life insurer to a Pan-African financial services company, offering Asset Management, Investments, Insurance (i.e., Long-Term, Short-Term) and Health products.

Liberty Life Zambia (LLZ) is a subsidiary of Liberty Holdings Limited, a JSE listed company since 1968 with over USD58 billion assets under management, presence in 17 African countries and an excess of 2, 5 million clients. Liberty is a Pan-African financial services company offering asset management, investment, and insurance and health products. Liberty Life Insurance Ltd is licensed as a Life Insurer in Zambia and is in collaboration with Savanna Insurance Brokers, a licensed insurance Broker, is one of the largest international insurers marketing, insuring and managing life insurance products to the Zambian public.

2. Relevance and Background

More than 3.5 million Zambian marketeers, representing some sixty to seventy per cent of the commercially active small enterprises in Zambia, have little or no access to financial services products and are largely unaware of the products and their benefits. In marketing our products, we will reverse this trend and sensitive them and their families to the availability of business and personal protection and knowledge enhancement contributors.

We have designed products specifically made to meet the Zambian marketeers' needs, targeting these needs in terms of benefits and cost, and we have developed marketing strategies to prospect this population sector throughout Zambia.

3. Goal and Objective

Our ambition is to make three point five million marketeers and their families familiar with, and sensitized to, the benefits of affordable financial products which will enhance their personal and business lives and relieve financial challenges experienced in the event of insurable loss. We are also expecting to educate some 200 Market Leaders in detailed insurance products, their benefits, cost and how to market them effectively and manage their efforts. This will provide them with an alternative income stream and, perhaps, an alternative profession in the Life insurance industry.

4. Implementation Approach

Savanna and Liberty have trained Leader Marketeers to understand the detail of the products, benefits, inclusions and exclusions, the cost and premium calculation and have taught them marketing skills. They are currently marketing the products, with most effort initially being focused in Lusaka, Copperbelt, and Central employing some fifty to sixty marketeers Leaders. We have provided them with transport, refreshment, accommodation, communication and marketing paraphernalia (such as T-shirts) as well as, of course, our own staff to provide support.

We have also developed premium payment methods utilizing mobile money facilitators and trained the Leaders in their use. We have developed proposal and premium collection program as well as data capture and transfer programs and manufactured bespoke membership cards for distribution to policy holders.

5. Expected Results

We expect to sensitize upwards of four million disadvantaged Zambians in these financially inclusive products over a period of three to five years. We expect to sell a million policies over a period of five years and provide financial relief to fifteen thousand policy beneficiaries from insurance claims. Funerals in Zambia are highly disruptive and emotionally charged for a large following of the deceased. The financial relief provided by insurance is highly effective in reducing these social pressures.

We will also provide the opportunity for two to three hundred Leaders to develop a further income stream and, perhaps, an additional, new profession.

6. Intervention

We envision, and have planned for, the marketing of as many relevant insurance products as practicable to 3.5 million marketeers. This intervention will result in millions of Zambians becoming used to, and familiar with, many insurance products as part of their personal and business lives. In marketing these products, we will remove the mystery surrounding them and provide tools to protect their personal and business well being in times of loss. We are already in the markets providing marketing support to the Leaders and developing product Launches. These activities will be extended to markets throughout Zambia over a period of eighteen months to two years. We will constantly seek to develop new, affordable products suited to marketeers' needs.

7. Risks and Mitigation Strategies

Leader managers, Leaders and insurer and broker staff : The greatest risk arises in the course of travel. Where possible we provide transport to lessen the dangers of public transport. We also ensure that the Leaders take life insurance products to mitigate any insurable loss. Our staff are covered by our Group Scheme.

In terms of the project, the risk is not having the resources to meet the administration needs and costs of initial processing of large numbers of applicants and the subsequent data capture. The administration needs to be digitalized to simplify the processes.
Clients: Our products provide no easily identifiable risk to our clients.

8. Proposed Budget

The cost of funding the Program is somewhere in the region of 14 million Kwacha, the bulk of which (7 million Kwacha) is and will be met by both the Broker and Insurer Savanna and Liberty respectively as has been occurring for the last 2 years. To streamline and improve the efficiency of the process, the project will further require 6 million Kwacha in funding.