

# Digitalisation: A new momentum for cooperative/mutual insurers?

Faye Lageu, Senior Vice-President, Business Intelligence,  
ICMIF

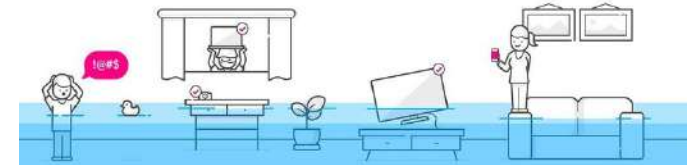
# Overview

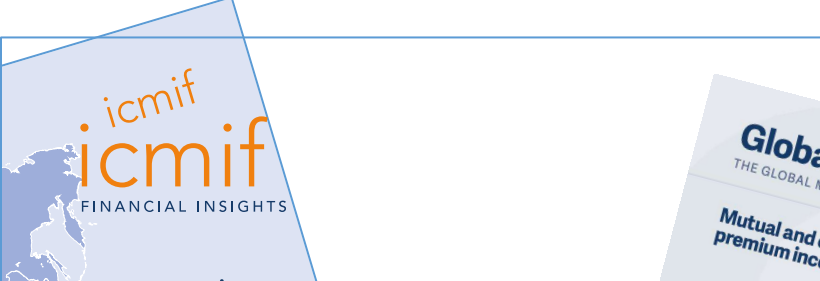
---

- CMI sector
- Industry effects of digitalisation
- Opportunities & challenges for CMIs
- Case studies
- Outlook for CMIs
- Next steps

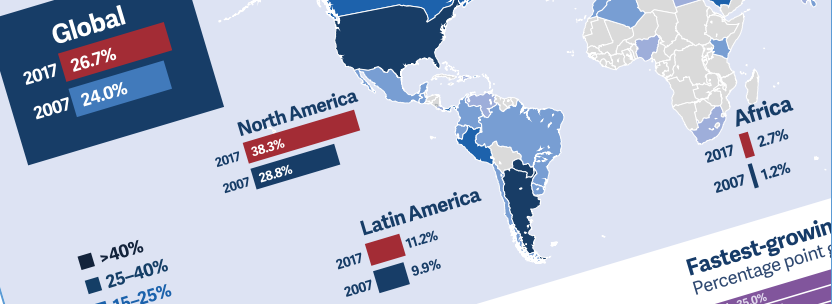


Lemonade

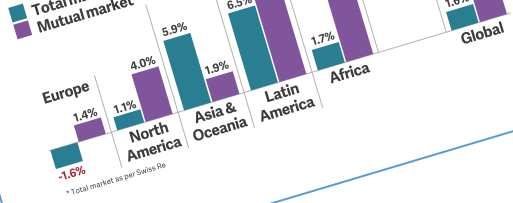




# Global Mutual Market Share



## 10-year compound annual growth rates (CAGR) (2007-2017)



## Fastest-growing Percentage point

Latvia	35.0%
Lithuania	32.7%
Finland	26.7%
Panama	19.7%
Slovakia	15.3%
Netherlands	13.9%
Sweden	13.2%
Estonia	11.8%
Paraguay	11.4%
Algeria	10.7%
USA	10.1%
Hungary	9.2%
Malta	8.5%
Poland	8.3%
Norway	6.9%

# Global Mutual Market Share 10

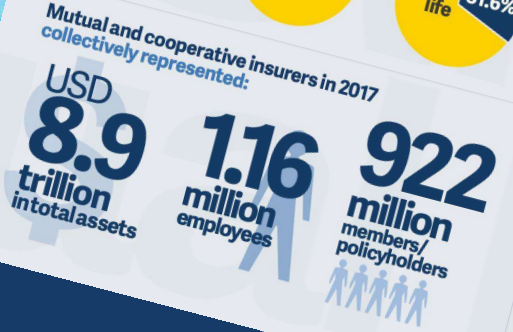
THE GLOBAL INSURANCE MARKET SHARE HELD BY MUTUAL AND COOPERATIVE INSURERS

**Including**  
 10-year premium growth | Mutual market share by region/country  
 Mutual market by line of business | Assets, investments, employees and members/policyholders

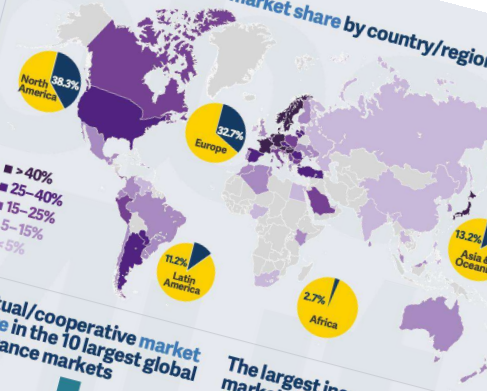
[www.icmif.org](http://www.icmif.org)

# Global Mutual and Cooperative Insurance Share 10

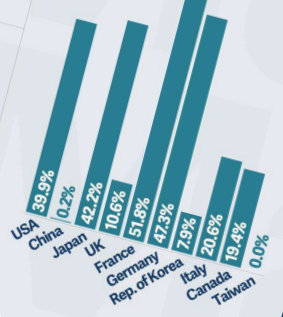
THE GLOBAL MUTUAL AND COOPERATIVE INSURANCE SECTOR IN 2017



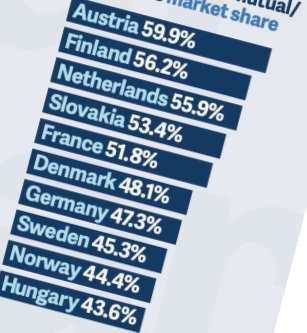
## Mutual/cooperative market share by country/region



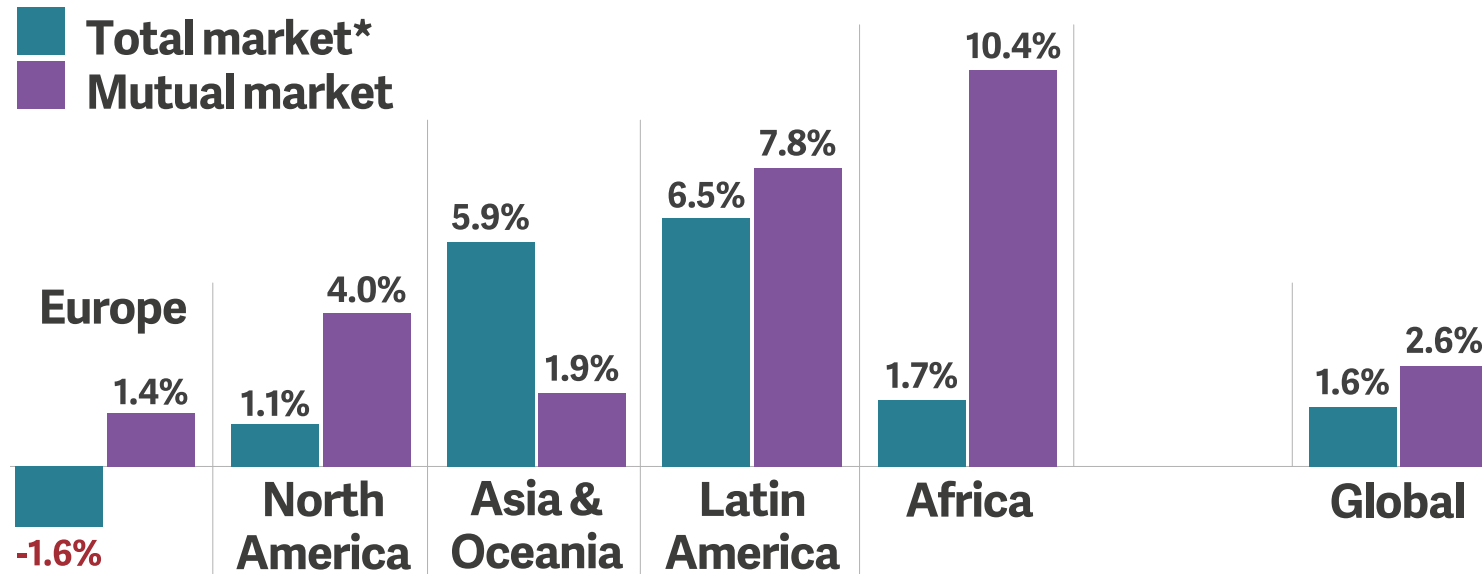
## Mutual/cooperative market share in the 10 largest global insurance markets



## The largest insurance markets in terms of mutual/cooperative market share



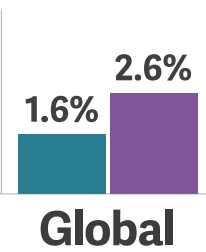
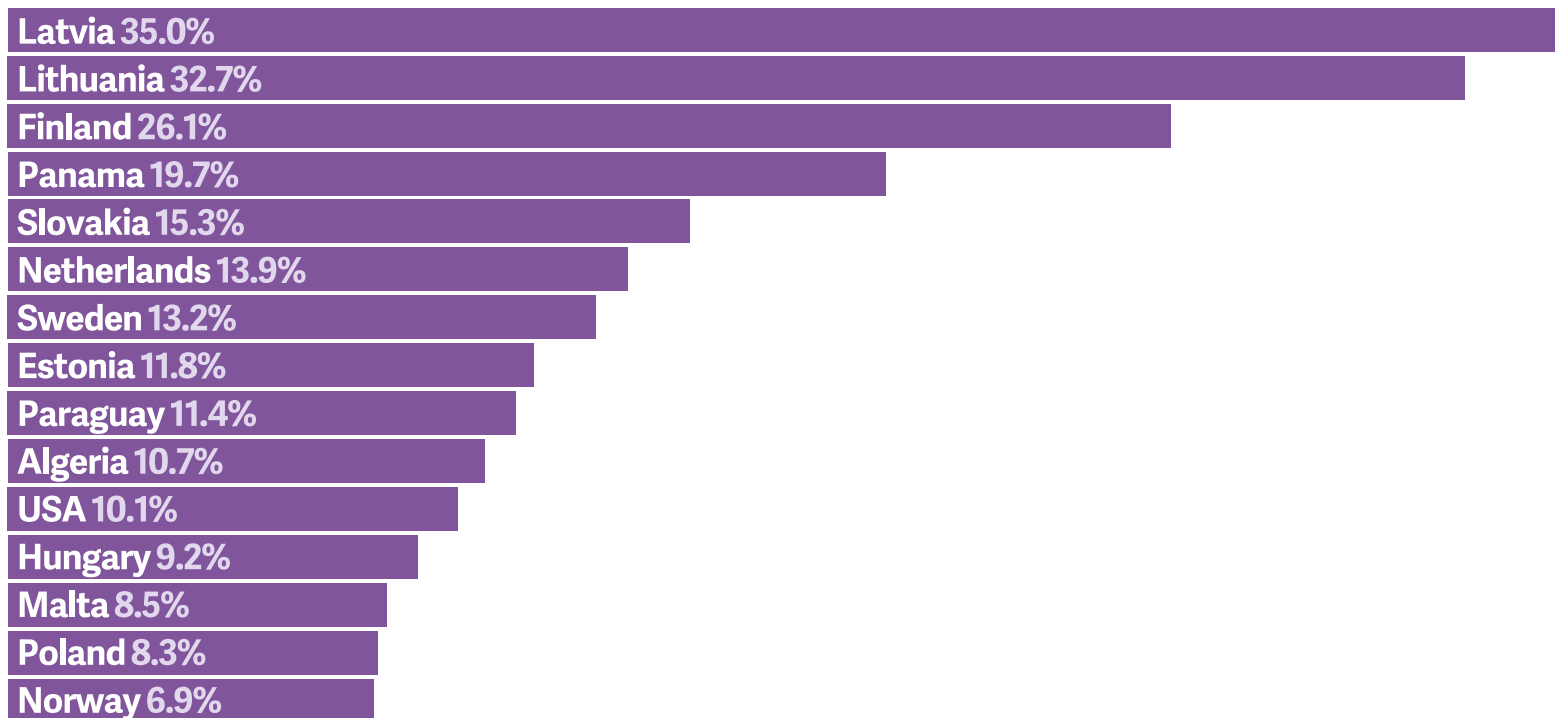
# 10-year compound annual growth rates (CAGR) (2007–2017)



\* Total market as per Swiss Re

## Fastest-growing mutual markets (2007–2017)

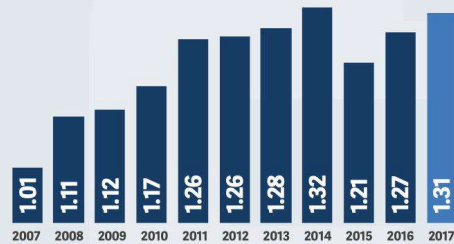
Percentage point gain



# Global Mutual Market Share 10

THE GLOBAL MUTUAL AND COOPERATIVE INSURANCE SECTOR IN 2017

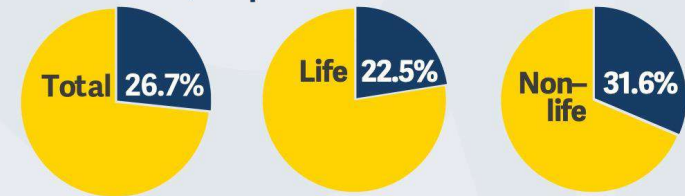
## Mutual and cooperative premium income (USD trillions)



## Premium growth (2007–2017)



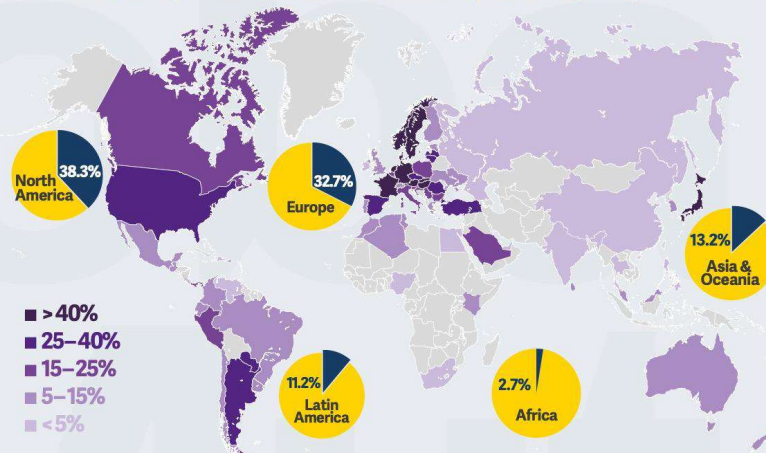
## Global mutual/cooperative market share



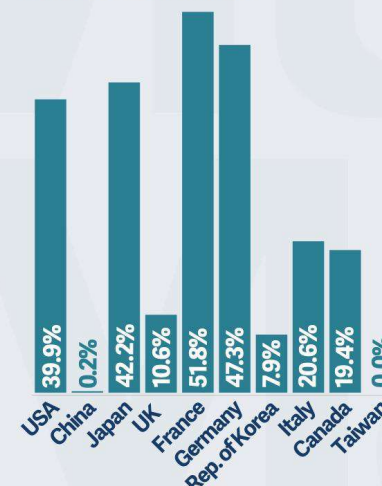
## Mutual and cooperative insurers in 2017 collectively represented:



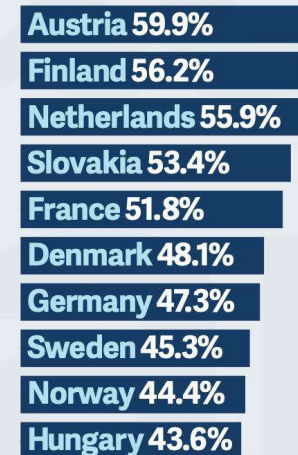
## Mutual/cooperative market share by country/region

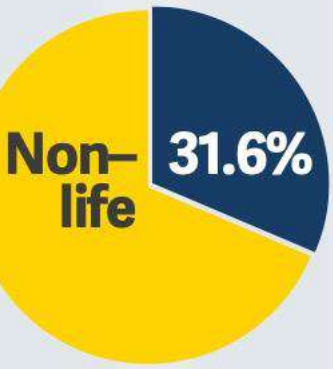


## Mutual/cooperative market share in the 10 largest global insurance markets



## The largest insurance markets in terms of mutual/cooperative market share

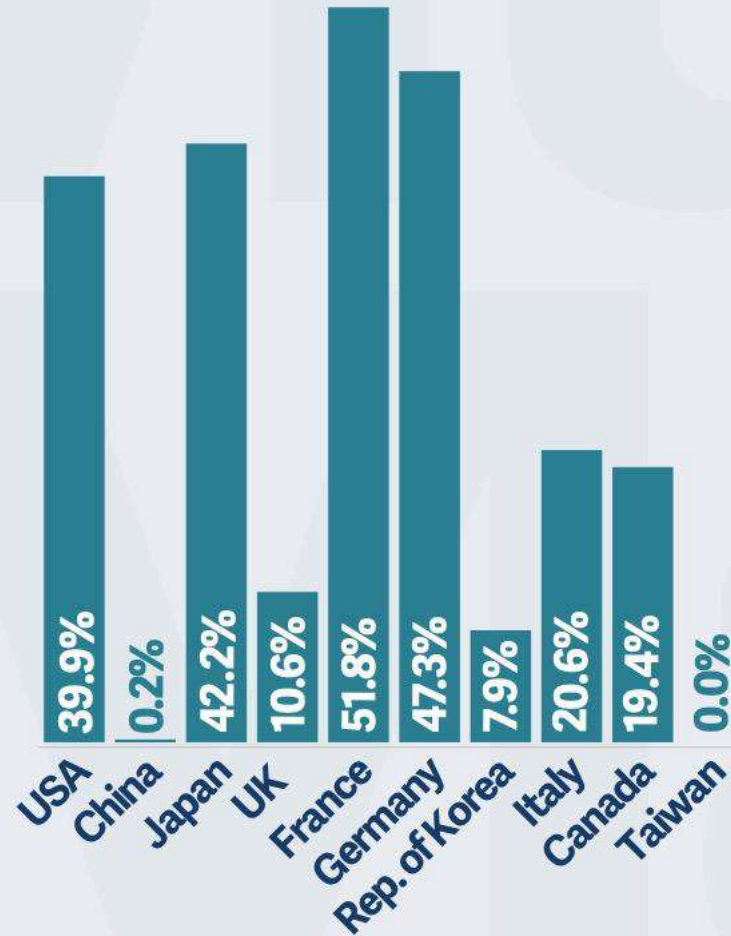




**922**  
million  
members/  
policyholders



### Mutual/cooperative market share in the 10 largest global insurance markets



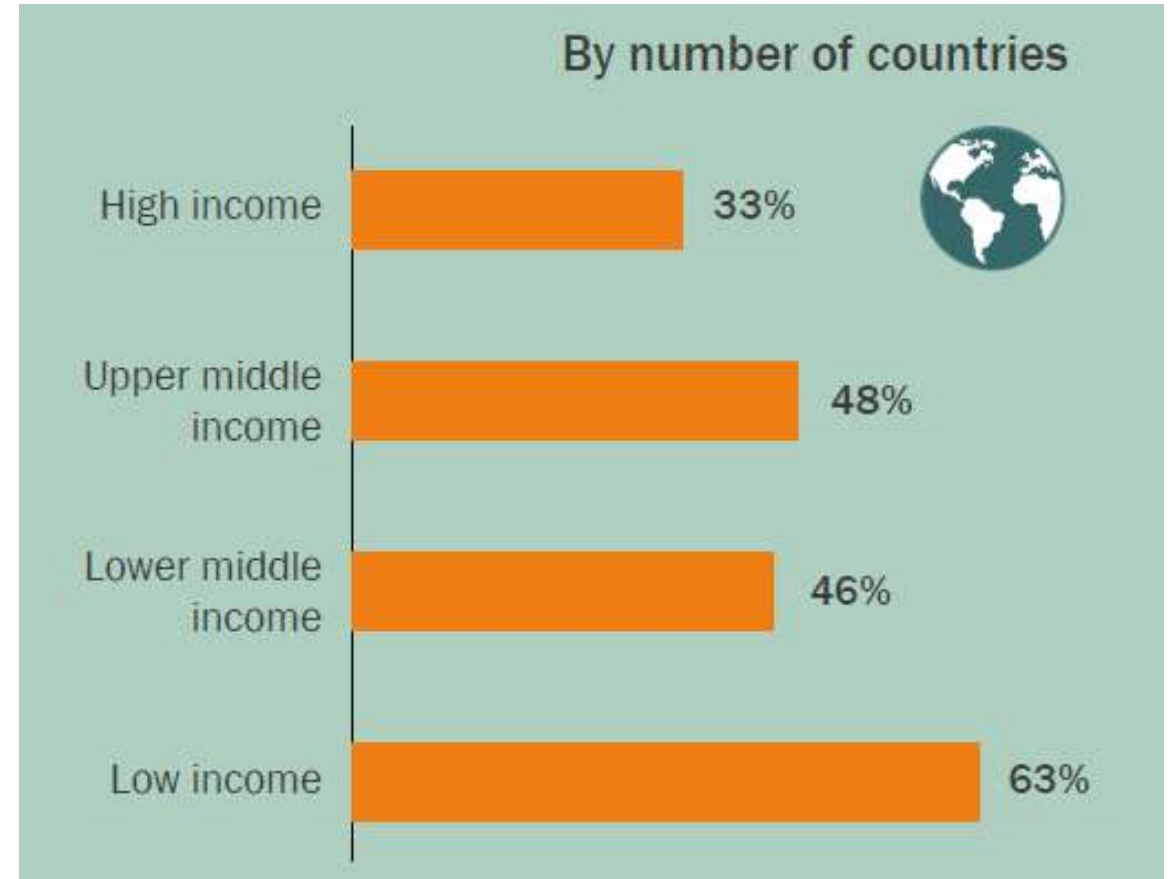
### The largest insurance markets in terms of mutual/cooperative market share



# Access to CMIs

National law in **45%** of the world's countries does not allow mutual/ cooperative insurance

Regulation can be restrictive even where law does allow MCIs



\*Country income classifications as per the World Bank (2016)  
Source: ICMIF





# CMIs: a sustainable business model

---



## Economic

- Life – smoothing effects
- Non-life – risk knowledge



## Strategic

- Customer-driven
- Long-term approach
- Commercial–social balance

# Impact of new technology on insurance

---



## Capabilities and efficiencies

- Risk detection
- Risk analysis and pricing
- Product design
- Underwriting and claims



## Customer interactions

- Digital distribution platforms
- Roboadvisors
- Market segmentation
- Customer experience



## New risks & nature of existing risk

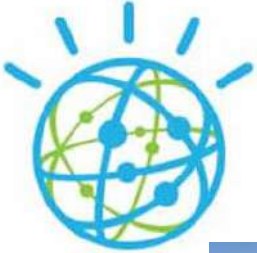
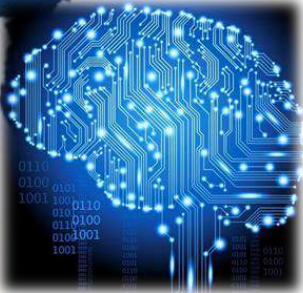
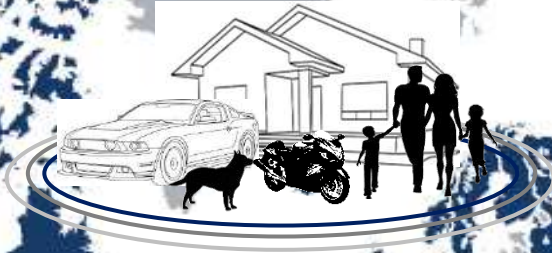
- Cyber risks
- Data risks
- Autonomous cars
- Connected insurance

# Implications for cooperative/mutual insurers

---

- **Customer-centricity**
  - Digital data competes with traditional knowledge of risks
  - Supports convenience and accessibility
- **Online or traditional?**
  - Tension between digital and personalised service?
  - Community effects
- **Risk segmentation**
  - At odds with mutual principles?
- **Transitioning the workforce**

# Case studies: digital innovation



# 1. Products features and risk reduction



NFU Mutual



DRIVE  
DOCTORS

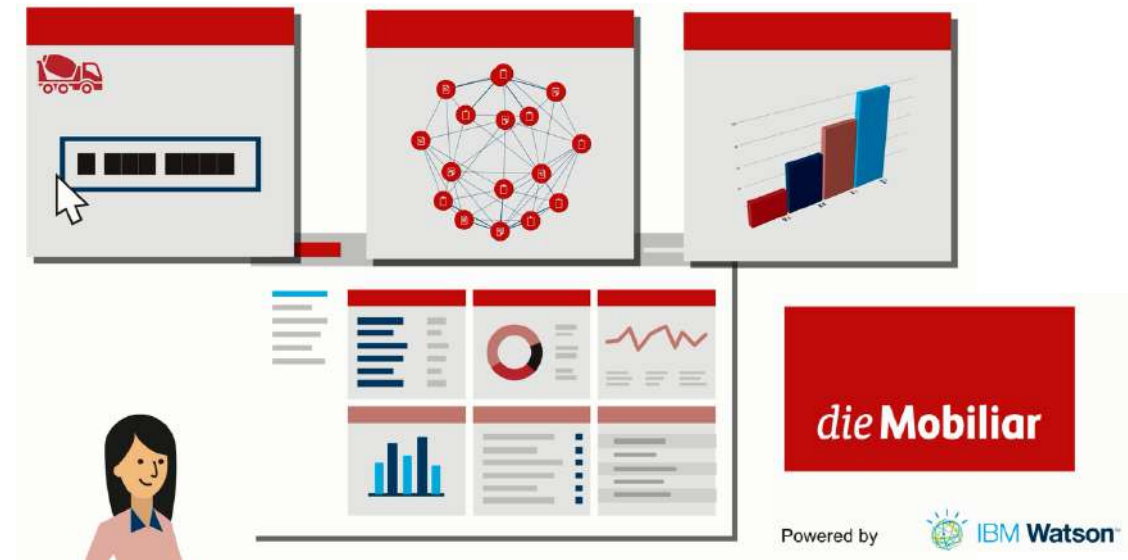


## 2. Flexible insurance

---



# 3. Understanding customers





## 4. Convenience and access



# 5. Communication and community



# 6. Innovation and learning



# Innovation and agility: recurrent theme for CMIs

---

- Sustainable competitive advantage through structure and culture
- Tapping into strength of communities
  - risk knowledge
  - distribution
  - decision-making
- Partnership-building:
  - reduced transactional costs
  - unique learning

[FAYE@ICMIF.ORG](mailto:FAYE@ICMIF.ORG)

[WWW.ICMIF.ORG](http://WWW.ICMIF.ORG)

