OLD MUTUAL Estate Assist

An Eeli.io Product Catalyst Case Study

Overview

Eeli.io Product Catalyst

Enabling OM Wills to Create and Validate a Life Insurance Proposition

Company Overview

OM Wills, a subsidiary of Old Mutual Limited, is dedicated to fostering shared value within emerging economies and underserved communities. Rooted in the rich history of Old Mutual, a pioneer in South Africa's life assurance sector since 1845, OM Wills seeks to drive transformative and sustainable growth for future generations. Old Mutual, has over 30,000 employees and operates in 14 countries across Africa and Asia.

OM Wills has a clear mission: to address the significant absence of valid Wills, affecting up to 80% of Africans and 70% of South Africans. Over the next three years, OM Wills aims to provide free online will services to one million South Africans, securing their assets and legacies for their loved ones.

Why the need for an Eeli.io solution

> "I think the IP that sits in the team is particularly full from a product perspective, I don't think there are many people I've ever come across that are as knowledgeable about product as the Eeli.io team"
> Hilton Michels MD OM Wills

OM Wills identified a unique opportunity in the market – the ability to sell a protection proposition alongside will and testament services. To validate this idea, they required a comprehensive, cost-effective solution for a real-market test with real customers. Traditional life insurance or funeral cover did not address the liquidity risk faced by clients of the wills business.

The **Eeli.io Product Catalyst** provided the policy administration services, which were secured from Different Life as well as pricing, underwriting and reinsurance support from Hannover Re. This unique arrangement not only allows OM Wills to utilise the platform as a service but also provides the flexibility to tap into binder services. This, in turn, empowered OM Wills to swiftly introduce new products within weeks or months, a critical aspect of their objectives:

- **Validate a 'white space'** product that was first to market.
- **Test Product-Market Fit** in a controlled yet real-world environment.
- **Create a potential revenue stream** for OM Wills beyond executor fees, validated and scalable.
- **The ability to fail fast and cheap** by reducing the risk associated with product innovation and having the ability to run-off a line of business at near-zero cost.

Solution

Implementation Approach

- **OM Wills Estate Assist Product:** The initiative began with the OM Wills Estate Assist product, starting as an idea. With inputs from the Eeli.io actuarial team and insurance knowledge guidance, OM Wills developed a minimum viable product for a rapid market launch.

- **Integration and Regulatory Compliance:** The challenge included seamlessly integrating the OM Wills platform into the Eeli.io platform without disrupting the user journey while navigating insurance regulatory requirements. In addition, the Hannover Re Underwriting Rules Engine (URE) was integrated into the customer journey with pricing, underwriting and reinsurance support from Hannover Re.

- **Strategic Partnership:** A strategic partnership was established between Eeli.io and the OM Wills team to expedite market entry and continue innovation based on market feedback.

The solution provided an end-to-end Wills and Life Insurance customer journey. A liquidity calculator identified a liquidity gap for the customer, offering an immediate protection solution. Four selectable benefits were introduced to improve customers' lives:

      Cash Assist: to meet immediate post-death cash requirements.
      Cost Assist: To cover legal fees and estate duty.
      EduAssist: Providing funds for education costs.
      Debt Assist: For paying off outstanding mortgages or asset finance.
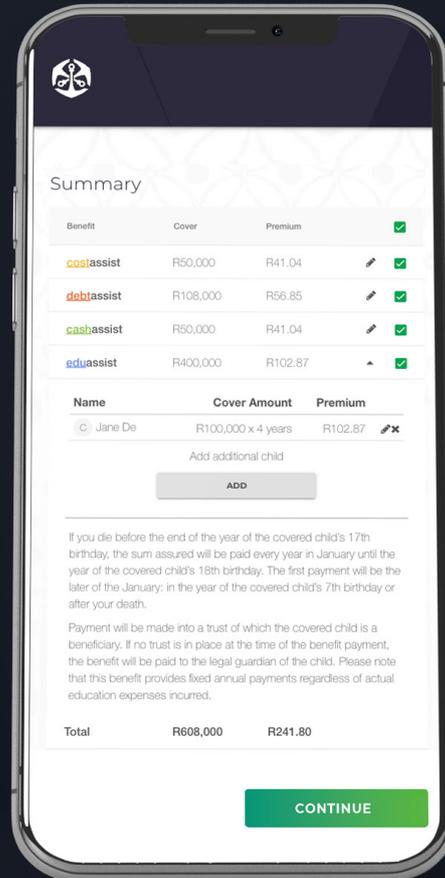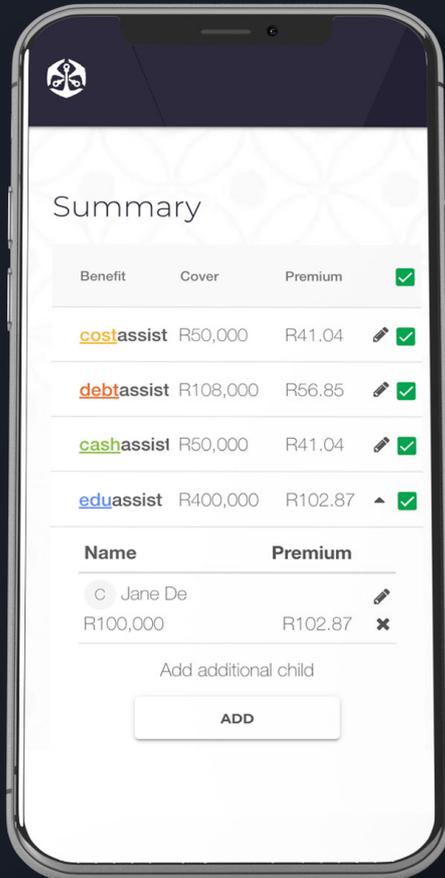
Solution

Experimentation Framework for Long-Term Insurance Policies

Introduction: The Experimentation Framework developed by Eeli.io in collaboration with Old Mutual, serves a pivotal role in assessing the viability of implementing new long-term insurance products. The primary objective of this framework is to gather sufficient experience and data to justify the large-scale industrialisation of a solution. This involves generating real sales volumes significant enough to understand acquisition metrics and measuring the expected increases in policy persistence. In the context of long-term insurance, it's important to recognize that policies may endure for decades, even if the Proof of Concept (POC) doesn't yield the desired results.

Framework Overview: This experimentation framework offers a structured approach for insurers like OM Wills to trial new insurance products with reduced costs and elapsed time compared to deploying them directly in the OM Core system. The platform and licence employed in this framework have been successfully utilised within Old Mutual for nearly a decade. Additionally, the framework accounts for scalability while also facilitating a seamless transition to the OM Core if the product proves successful. Conversely, it provides a cost-effective path for managing the POC book in case the product doesn't meet customer needs or the required criteria for further investment.

Four Phases in the Experimentation Life Cycle:

POC (Proof of Concept):
- Duration: From the first Policy sale until enough data is collected to validate the concept and confirm anticipated business metrics.
- Objective: To test the new insurance product in a real market environment, gather data, and assess its feasibility.

RUNOFF:
- Transition: If the POC doesn't meet the expected results, the project moves into the runoff phase.
- Duration: Policies sold as part of the POC continue to be serviced by the Eeli.io administrator.
- Objective: To manage policies and minimise costs associated with the POC book that don't meet success criteria.

PILOT:
- Transition: If the POC is successful, it can be expanded into a Pilot phase.
- Duration: The Pilot continues to scale-up while customisation of the core system is in progress.
- Objective: Validation of the product's viability and scalability while preparing for integration into the OM Core platform.

SCALE:
- Transition: Once the OM Core system is ready, the project becomes part of the OM Core platform and processes.
- Duration: Policies sold during the POC/PILOT can be migrated onto the OM Core platform or allowed to runoff on the Different Technology LifeStack platform within Eeli.io.
- Objective: To seamlessly integrate the successful product into the OM business, achieving full scalability as part of the core operations.

Conclusion: The Experimentation Framework for Long-Term Insurance Policies provides a structured and adaptable approach for insurers to assess and implement new insurance products. It not only reduces costs and time but also ensures a graceful transition from experimentation to full-scale implementation (and an equally graceful transition of "failed" experiments into low-cost run-off). This framework empowers insurers to make informed decisions based on real-market data, ultimately contributing to the growth and success of their long-term insurance offerings.

Results

Business Impact:

- The product experienced high take-up rates from the completion of a will and testament to policy issuance, validating the market opportunity.
- Critical understanding of customer behaviour through the sales process, product selections and subsequent favourable persistency numbers indicated an attractive business case, affirming the viability of the line of business.
- OM Wills now has a clear Product-Market Fit, potentially transforming its revenue model beyond executor fees.

Customer Impact:

- The solution addressed the educational and liquidity gap identified by OM Wills' calculator, potentially making a significant impact on families during times of need.
- The solution allowed for context-driven presentation of a bespoke insurance value proposition, combined with low-friction, real-time fulfilment.

Conclusion

Key Takeaways:

The **Eeli.io Product Catalyst** facilitated OM Wills in rapidly bringing a validated proposition to market and generating sales to real people at actual costs, thereby providing a clear understanding of the unit metrics.

- Access to a life insurance licence through the Eeli.io Ecosystem streamlined administrative and compliance burdens.
- Without the Eeli.io Product Catalyst ecosystem, this achievement would not have been possible.

In collaboration with Eeli.io, OM Wills successfully validated a unique life insurance proposition, enriching its offerings and opening new revenue streams, ultimately impacting the lives of its customers positively.