

# EMBEDDED COVER ON THE CREDIT RAIL

For insurers, underwriters and bancassurance teams

STAGE **IN DEVELOPMENT** PILOT IN DESIGN PILOT RUNNING LIVE

## WHERE THIS STANDS

**In development** with an underwriter. Product, pricing and the licensed intermediary structure are not yet agreed, and no cover has been written. We are open to a first 90-day pilot.

**Introductions that would help:** underwriters and bancassurance teams ready to design a first credit life pilot.

## Every loan is a moment someone needs cover. Most leave without it.

A financed camera with no asset cover. A stock line with no fire cover. A borrower with no credit life. The lenders and platforms we work with make these credit decisions every day. You set the product, the price and the claims rules. We attach the cover inside the credit decision and collect the premium with the repayment.

### THE INSURER'S CONCERNS, AND WHAT THE RAIL DOES

| CONCERN               | WHAT THE RAIL DOES                                                                                               |
|-----------------------|------------------------------------------------------------------------------------------------------------------|
| Adverse selection     | Every insured is verified at loan origination. The person and asset on the policy are the ones on the loan file. |
| Lapse                 | Premium rides on the loan repayment through the same payment reference.                                          |
| Distress              | Monitoring flags a struggling borrower before an instalment is missed, so retention comes before lapse.          |
| Pricing a new segment | Loss and claims experience comes back to you every cycle, cohort by cohort.                                      |
| Conduct               | Every cover attached and premium collected is recorded against the loan and exportable.                          |

### COVERS THAT FIT, FROM YOUR SHELF

- Credit life and disability on the outstanding balance
- Asset cover on financed vehicles and equipment
- Stock, fire and theft cover on working capital lines
- Group master policies priced on pooled programme data

### LINES THAT DO NOT MOVE

- Appetite, rates, terms and claims decisions stay with the insurer
- Cover is sold through a licensed intermediary or the lender's bancassurance arrangement. We provide the technology
- Compulsory, opt-out or opt-in is agreed per product and shown plainly to the borrower
- The claims service standard is written into the pilot before launch

#### How it looks to the borrower

A retailer accepts a KES 300,000 stock line. The same screen shows credit life on the balance and stock cover on the goods, the premium in shillings per repayment, and a clear choice to take it or not. If the owner dies, the insurer settles the balance with the lender. If the shop burns, the stock claim is paid to the business.

*Illustration.*

### WHAT A 90-DAY PILOT MEASURES

- Attachment rate and premium persistency
- Claims against priced assumption
- Lapse and complaint rates

## Start with a working session: one programme, one product, one pilot.

Ninety days, with measures and conversion terms agreed in writing before launch. No change to your systems and no capital committed in the pilot.

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