

Fintech disrupter Simply Financial Services innovates in group life insurance, through an all-online signup targeting SA businesses

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Businesses looking to provide quick and easy life insurance for their employees can now get it online with insurance technology company, Simply Financial Services. The product is a life insurance combo comprised of life, disability and/or funeral benefits - specially designed for small to medium sized businesses (SMEs) in South Africa - and best of all, you can get it all online in under 20 minutes.

Called "Simply Group Cover", the online combo is believed to be a first for the local market and provides benefits of up to R2-million cover for life and disability and up to R50 000 family funeral cover (includes spouse and up to five children). Combos are entirely customisable, so employers can choose the cover they can afford and want to give employees.

"Traditionally group life insurance has been dominated by large insurance companies and sold by brokers. Commission is regulated at relatively low levels and it often doesn't make financial sense for brokers to chase small to medium sized businesses (SMEs) - especially when taking into account the administrative burden, which includes collecting employee information, adding and removing employees, etc.," said Simply's CEO Anthony Miller.

The SME sector in South Africa is sizeable and growing year on year. According to Stats SA figures from 2015, the number of SME's in the formal sector is close to 500,000.

"As a result, there is a long tail of SMEs out there that haven't been served in the traditional group life space. This is the market we're targeting with this product. We believe SME's provide a great opportunity to do well while doing good," he added.

Value for employees

"Group cover holds numerous benefits for individuals. First, since the employer pays the premium, persistency is typically better and dependants are more consistently protected. Second, the cost of group cover is often far lower (for equivalent cover) than the individual could get directly. Third, better cover may be provided for people with impaired health. And finally, waiting periods are often waived or shortened. There's no doubt that good value Group Cover is a net positive investment for a company," Miller said.

Technological advances

According to Miller, Simply has used technology to simplify the buying and administration hassle typically associated with group cover.

"SME's can very easily purchase and administer the policy themselves online - alleviating the back and forth that typically happens between brokers and companies," he added.

Cover can be a multiple of annual salary or a fixed cover level for both life and disability, and a fixed cover level for family funeral.

Through a simple online sales process, the SME is able to upload their employees' details using a spreadsheet wizard, select any combination of benefits and cover amounts, get a real-time, itemised quote, adjust the cover as required, 'check

out' and receive confirmation of cover by email. The process is very transparent and takes no more than 20 minutes.

Role for brokers

"Although the product is seen as a direct solution where the SME can sign up directly with us, we're not trying to cut out brokers - we see them as a key distribution channel," Miller added.

"In fact, we see the product as opening up the SME market to brokers by simplifying the end-to-end process, enabling them to sell very efficiently and thereby making the commission-effort equation work," he said.

The SMEs are largely able to self-administer the policies online – adding and removing employees as required, adding benefits, etc – and Simply takes care of collecting employee information, such as beneficiaries, at sign up and down the line as new employees join.

Simply's mission is to secure the financial futures of millions of people by ensuring they get the best value life, disability and funeral insurance they can afford. In a market in which up to R10-billion of premiums is written annually, Miller feels a 'huge proportion of people are either not served or poorly served.'

Often businesses assume that their employees will take the necessary steps to insure themselves, but in reality many people don't.

"By covering your employees you're not just insuring their financial futures if something happens, you're covering your business too. In the event of tragedy, businesses often feel morally obliged to support their employees' families. The financial and emotional strain on the business can be significant," Miller said.

Free cover limit

Simply Group Cover provides a guaranteed amount of cover, irrespective of the health status of the SME's employees. This guaranteed level of cover is called a 'free cover limit' (FCL). The value of the FCL depends on the SME's number of employees. Companies with 5 to 49 employees get R500k FCL per employee, companies with 50 to 99 employees get R1m FCL per employee and companies with 100 or more employees get R1.5m FCL.

Employees can be given cover over and above the FCL – up to a max of R2m for life and R2m disability. However, the employees need to answer three simple medical questions to determine whether the additional cover is full cover or accidental only cover (i.e. only cover the employee for death or disability resulting from an accident). Employees all get full cover up to the FCL.

For companies with 50 or more employees, there is no waiting period on life and funeral cover – employees will have full cover from day one. Where companies with fewer than 50 employees are moving from another group policy to a Simply policy, the start of the waiting period will be backdated to the date the employee first got covered.

About Simply Financial Services (Simply)

Simply Financial Services (Simply) is a registered financial services provider that designs and sells great value, simple life insurance products in South Africa. The business was founded by three South Africans: technology entrepreneur Anthony Miller and actuaries Simon Nicholson and Shaun Dippnall, and comprises a lean and agile team of 14 based between Cape Town, Joburg and Pretoria.

Simply products are made available in three ways:

- Directly to individual breadwinners (Family Cover) – online and call centre
- Via domestic employers (Domestic Cover) – online and call centre

- Via SME employers (Group Cover) – online, call centre and select brokers

Simply products are underwritten by Old Mutual Alternative Risk Transfer Ltd (OMART), a member of the Old Mutual Group, and reinsured by RGA (the Reinsurance Group of America).

For more information about Simply, go to www.simply.co.za. For further information or to interview one of the partners, call Anthony Miller on 0823525655.

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