

life agenda

Collaboration. Innovation. Integrity. Care.



Botswana Life

VOLUME 6, ISSUE 3 | 2024



**May your festive season be filled
with laughter, love, and all the
magic of Christmas.**



Botswana Life
Customer Portal

Stay in control of your policies

Visit the customer portal website:



Customer Portal
Customerportal.botswanalife.co.bw



Scan QR code

Revolutionising Financial Inclusion through Digital Financial Services in Africa



Preamble:

We can all agree that Africa has been on her Digital Transformation Journey for the last decade or so, but an undeniable consequence of the COVID-19 pandemic was the forced adoption of Digital channels for consumers, especially due to associated lockdowns during that period. The wheels were already in motion, but the events from the pandemic have catalysed consumer confidence in Digital platforms and, in turn, given traditional financial service providers an entirely new market to sell to.

Something that I find extremely interesting is that due to the forced nature of the adoption, customers of all age groups and walks of life had no option but to embrace these emerging technologies and innovations which in turn opened the potential of new and alternative distribution channels. A potential key beneficiary of this quantum shift is financial inclusion.

The CGAP (Consultative Group to Assist the Poor) describes financial inclusion as a desired state where all people and businesses have access to and are empowered to use affordable, responsible financial services that meet their needs. These services include payments, savings, credit and insurance amongst others. The definition is expanded by other thought leaders to include the following marginalised or previously overlooked groups:

- **Low-income populations:** which includes the poor and the working poor who often lack access to basic financial services.
- **Women:** Especially in rural areas often face significant barriers to accessing financial services
- **Micro, Small and Medium Enterprises (MSMEs):** Due to the lack of structured data, these entities frequently struggle to obtain credit and other financial services.
- **Youth & Elderly Population:** Both young and older people struggle to participate in financial systems due to age-related barriers.

- **Rural Populations:** People living in rural areas often struggle to gain access to Financial Institutions and their services.
- **Migrants and Refugees:** These groups may face legal and logistical challenges in accessing financial services.

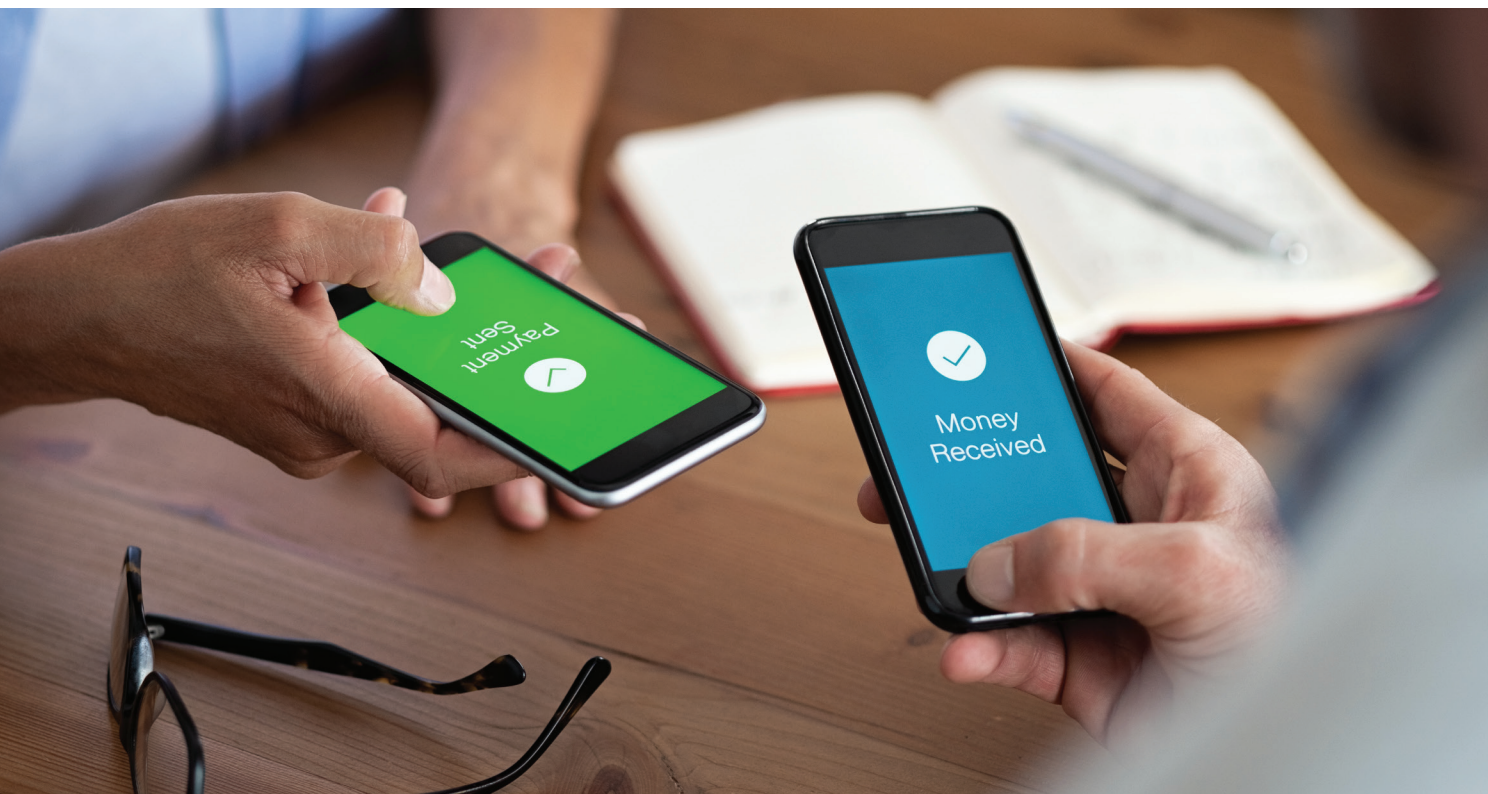
In parts of Africa, where many people reside in remote areas and rely on cash transactions, traditional banking infrastructure struggled to meet the needs of the unbanked population. The Global Findex Report of 2021 by the World Bank indicated that over 300 million adults in Sub-Saharan Africa remain unbanked. The barriers to entry include high fees, lack of documentation and geographical constraints.

What's the current state?

Worldwide, there are currently just under 1.5 billion* people who do not have any financial account at a bank, mobile money provider or any other applicable institution. Closer to home, approximately 70% of Africans** do not have access to the above services and I strongly believe that the advent of Digital Financial Services could be the key ingredient in the secret sauce that will unlock this opportunity. Digital Financial Services offers a beacon of hope and at its very core, it is destined to win because it is leveraging off existing ecosystems to provide parity through financial access and give the unbanked, underbanked and underserved an equal opportunity to participate in economic growth activities.

Emergence of Digital Financial Services

Digital Financial Services (DFS) have emerged as a powerful tool for bridging the financial divide. The rise of mobile technology, particularly mobile phones, has enabled innovative solutions catering for the needs of the unbanked and underbanked populations. Companies like M-Pesa in Kenya; M-Pesa in Tanzania and Mozambique, and OneMoney in Zimbabwe amongst many others have revolutionized the



landscape by allowing users to send and receive money via mobile devices, laying the foundation for other services like savings accounts, loans, and insurance products.

To put things into context, a leading authority in this space, the ITU (International Telecommunications Union), has shared statistics which outline that in the early 2000s mobile phone usage stood at around 60 million customers in Africa compared to approximately 1.5 billion at the end of 2020 which demonstrates the exponential growth potential. Further to this, the adoption of smartphones has seen a similar trajectory, with an estimated 3% of smartphone adoption from the total addressable market in 2013; this figure rose to an estimated 50% in 2020 and, most recently, 60% in 2022. With improved infrastructure and declining costs of mobile data, the GSMA (Global System for Mobile Communications Association) has predicted that this figure could reach 80% by 2025.

Key Features of Digital Financial Services

1. **Accessibility:** DFS eliminates the need for physical branches, allowing users in remote areas to access services through their mobile devices. This accessibility is particularly important in rural regions where traditional banks are scarce.
2. **Affordability:** Many DFS providers offer low-cost services, reducing the financial burden on users. This inclusivity helps lower-income individuals manage their finances more effectively.
3. **User-Friendliness:** The rise of intuitive mobile applications and platforms has made it easier for individuals with minimal financial literacy to navigate financial services. This user-friendliness serves to empower users, enhancing their ability to manage their finances.

4. **Variety of Services:** Beyond basic money transfers, DFS includes savings and investment accounts, microloans, insurance products, and payment solutions, catering to diverse financial needs.

Key Players in Ensuring Holistic Financial Inclusion
This list is not exhaustive but some of the key stakeholders to ensure that the Financial Inclusion revolution is successful are:

- Regulators
- Financial Institutions
- NGO's (Non-Governmental Organisations)
- Technology providers & FinTech's
- Governments
- Central Banks

The Effects of DFS on Financial Inclusion in Africa are Profound:

1. **Increased Banked Population:** Countries like Kenya have seen an increase in the number of banked individuals. According to the Central Bank of Kenya, mobile money services have contributed to increased financial access, with over 70% of adults now using formal financial services.
2. **Economic Empowerment:** With access to financial services, individuals and small businesses can build credit histories, allowing them to secure loans for entrepreneurial ventures. This economic empowerment drives local economies, creating jobs and fostering innovation.
3. **Women's Financial Inclusion:** DFS has played a pivotal role in increasing financial access for women, who often face additional barriers to traditional banking. Empowering women with financial tools not only supports household economic stability but also contributes to broader societal well-being.

- 4. Resilience During Crises:** The COVID-19 pandemic highlighted the importance of digital financial services. During lockdowns, those with access to DFS were able to continue transactions, receive government support, and access essential services, underscoring the need for resilient financial systems.

Where Does Artificial Intelligence fit in – The Role of AI as an Enabler?

With the rapid advancement of data analytics and machine learning, the question is how does all this assist in granting consumers financial access? There is rich non-traditional data which can be mined, aggregated and analysed using a wide range of data sources to assess various factors such as credit risk. These alternative data sources include social media activity, mobile money transaction history mobile phone usage, the opportunities are unlimited. This approach is particularly useful for individuals who lack formal credit histories.

The associated technologies, such as AI chatbots with human-like responses, can also assist in giving personalised financial advice, financial education and 24/7 access to services, which will empower consumers and give them the peace of mind that they are making informed decisions on the products and services that they purchase. With AI being a very developing field, it will be extremely interesting to see how Financial Service Providers (FSP) can harness its full potential to increase accessibility, affordability, customer experience and the variety of services that can be offered.

Reaching the last mile - Challenges and the Road Ahead?

Despite its many successes, DFS in Africa is not without challenges. Issues such as digital literacy, cybersecurity threats, regulatory hurdles and infrastructure limitations tend to impede growth. To ensure sustainable progress toward financial inclusion, [1] stakeholders including governments, financial institutions, and technology providers must collaborate to address these challenges.

- 1. Enhancing Infrastructure:** Investments in internet connectivity and mobile network coverage are crucial to reaching the remotest populations.
- 2. Promoting Financial Literacy** Educational programs that enhance digital and financial literacy can empower users to take full advantage of DFS offerings.
- 3. Strengthening Regulation:** A balanced regulatory approach can foster innovation and allow for growth while safeguarding consumer protection and financial stability.

Conclusion

Digital financial services have emerged as a catalyst for financial inclusion in Africa, enabling millions to access essential financial resources and services. By addressing the barriers that have historically excluded large segments of the population, DFS presents a pathway toward economic empowerment and sustainable development. As technology continues to evolve, the collaborative efforts to enhance infrastructure, literacy and regulation will be vital in ensuring that the benefits of digital financial services are maximised for all Africans, paving the way for a more inclusive and prosperous future for all.





2025 BOTSWANA LIFE CLASSIC RUN NATIONAL HALF-MARATHON

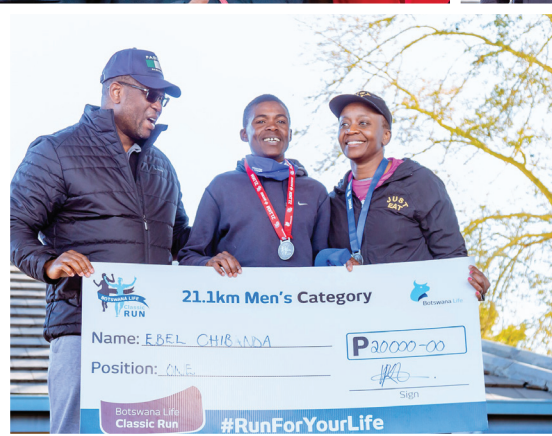
THE COUNTDOWN BEGINS NOW!

24TH AUGUST 2025

#RUNFORYOURLIFE



Recap on Classic Run 2024



#RUNFORYOURLIFE





Lore
Funeral Cover

Lore lo ojwa lo sale metsi

With the **Lore Master Funeral Plan**, you stop paying premiums after you turn **65**, but your coverage remains in place for life. You and your family will continue to enjoy the full benefits – without the financial commitment of ongoing payments.



SMS **"LORE"** to **17337** or call the Botswana Life Contact Centre on **362 3700**.

Understanding Insurable Interest in People Covered Under a Funeral Policy

Thomas Masifhi

BIHL Group Executive: Corporate Distribution & Stakeholder Management.



In the realm of insurance, few concepts are as pivotal—yet often misunderstood—as “insurable interest.” This fundamental principle is especially significant when it comes to funeral policies. As an Executive in a leading insurance firm, I want to shed light on why insurable interest matters, and how it shapes the integrity of funeral insurance contracts.

The Essence of Insurable Interest

Insurable interest exists when the policyholder would suffer a financial loss if the insured event (in this case, the death of an individual) occurs. This interest must be present at the time the policy is taken out. Insurable interest is a fundamental requirement in insurance contracts to prevent moral hazard and ensure that the policyholder has a legitimate reason for purchasing the policy.

At its core, insurable interest is about having a genuine financial or emotional stake in the insured individual’s life. In other words, if the person covered by the policy were to pass away, the policyholder should experience a tangible loss. This requirement is not just a regulatory formality but a safeguard against potential abuse. By ensuring that policies are taken out only by those with a legitimate connection, we uphold the trustworthiness of the insurance system.

Who Holds Insurable Interest?

Typically, insurable interest is recognised when there is a close personal or financial relationship between the policyholder and the insured individual this includes:

- **Immediate Family Members:** Spouses, children, or dependents.
- **Financial Dependents:** Individuals who rely on the policyholder for financial support.

Such relationships naturally align with the notion of insurable interest, providing a clear and ethical basis for policy coverage.

Legal and Ethical Implications

1. **Legal Foundations:** Insurable interest is a legal requirement for the validity of a funeral policy. Contracts generally require that the policyholder has an insurable interest in the life of the insured individual at the time of applying for the policy. Without it, the policy may be considered void. This provision prevents the unethical practice of insuring individuals with whom the policyholder has no genuine connection.
2. **Preventing Fraud:** Insurable Interest helps to deter fraudulent policies. It ensures that insurance coverage is based on genuine need, thereby protecting both the insurance company and policyholders from unethical practices.
3. **Claims Validity:** Insurable interest legitimises claims. It demonstrates that the policyholder is genuinely affected by the insured’s death, thereby justifying their claim for funeral expenses.
4. **Importance of Insurable Interest**

Insurable interest is vital in a funeral policy contract for the following reasons:

1. **Prevention of Fraud:** Ensures that policies are taken out by individuals with a legitimate financial or emotional stake in the insured’s life, thereby preventing immoral motives such as profiting from the death of a distant relative.
2. **Legitimacy of the Contract:** Validates that the insurance contract is enforceable and reflects a genuine reason for entering into the agreement, adding trust and integrity to the policy.

3. **Emotional and Financial Connection:** Highlights the genuine concern of the policyholder for the insured's well-being and future expenses, reinforcing the authenticity of the insurance need.
4. **Claim Validity:** Ensures that when a claim is made, the policyholder is genuinely affected by the loss, justifying the claim for funeral expenses.
5. **Risk Assessment:** Aids insurers in evaluating the risks associated with each policy, ensuring responsible underwriting and risk management.
6. **Regulatory Compliance:** Assists insurers in complying with legal standards, as many jurisdictions have regulations governing insurable interest in insurance contracts.

The Risks of Insuring Distant Relatives

Taking out a funeral policy on a distant relative carries several risks, including:

1. **Questionable Insurable Interest:** Insurance companies require a valid insurable interest, which may be difficult to establish for distant relatives, potentially leading to policy rejection or claim denial.
2. **Increased Scrutiny:** Policies for distant relatives are often subjected to closer scrutiny, which can complicate claim processing, leading to delays or denials if the legitimacy of the policy is questioned.
3. **Potential for Fraud Allegations:** Policies on distant relatives may be viewed with suspicion, raising concerns about potential attempts to profit from the death of someone with whom the policyholder has minimal connection.
4. **Emotional Detachment:** Policyholders may experience emotional challenges in dealing with the death of someone with whom they have limited personal connection, complicating the grieving process and funeral arrangements.
5. **Financial Responsibility Dilemmas:** If the policyholder is not financially responsible for the funeral expenses of a distant relative, ethical concerns may arise when making a claim.
6. **Lapses in Policy Payment:** Maintaining a funeral policy requires regular premium payments. Policyholders may be less motivated to keep up with payments if the insured is a distant relative, risking lapses in coverage.
7. **Legal and Regulatory Risks:** Jurisdictions vary in their regulations regarding insurance policies and insurable interest. Non-compliance with these regulations could render the policy invalid or lead to legal complications.
8. **Family Disputes:** The existence of a funeral policy for a distant relative could lead to disputes or disagreements among family members about the legitimacy of the claim or the motivations behind the policy.

Why Insurable Interest Matters

Understanding and applying the principle of insurable interest is more than a matter of regulatory compliance; it's about maintaining the integrity of the insurance system. Insurable interest ensures that insurance policies are not only legally sound but also ethically justified. It fosters a system where policies are based on genuine need, rather than speculative or fraudulent motives.

As we navigate the complexities of insurance and funeral policies, let us remember that insurable interest is a cornerstone of trust and legitimacy. It reassures all parties involved that policies are rooted in authentic connections and legitimate needs. Through this principle, we uphold the integrity of our industry and ensure that insurance remains a tool for genuine support and protection.





Botswana Life's Life-Saving Partnership with Emergency Assist 991

Botswana's leading life insurance services provider Botswana Life Insurance Limited (Botswana Life) launched a substantial value-adding relationship with Emergency Assist 991 with the sole purpose of expanding the benefits policyholders derive from insuring with them.

Said **Botswana Insurance Holdings Limited (BIHL Group) Executive Head - Corporate Distribution and Stakeholder Management, Thomas Masifhi** "All Botswana Life policyholders, within the defined age limitations, are eligible, along with their spouses, minor children, and up to four parents."

According to Masifhi, the cover extended to policyholders with the following products may also have EA991 included as a benefit are all the Poelo term assurance products offered by Botswana Life including Poelo and Whole of Life, Funeral policies in Mmoloki Funeral Cover and Lore Funeral Cover as well as investment policies in Isago Investment Plan. The commencement date will be the date stated in the Policy schedule said Masifhi.

Said **Emergency Assist 991 Chief Executive Officer, Chiseki Chiseki** "This solution that we have launched with Botswana Life is a result of our combined commitment, committed players in our own fields to provide purposeful and relevant solutions dedicated to improving the lives of our customers."

Chiseki highlighted the benefits and services under this key relationship as emergency medical response by road or air from scenes of a medical emergency, transfer of the patient to the most appropriate medical facility; Inter-hospital transfer by air or road, emergency telephonic medical advice and information, transfer of life-saving medication/ blood to the medical institution where the client is hospitalized, Companionship and/ or care of stranded minors and confidential non-emergency medical information and advice.

This cover extends to all countries in the SADC region. Emergency Assist 991 has partners in the SADC region, and these include **South Africa, Namibia, Zambia, and Zimbabwe** to name a few. In each region, we have a partner for medical evacuation with their contact numbers.

The gross monthly premium per policy will be P16. We are acutely aware of the difficult economic period we find ourselves in as a Nation, and our aim when developing this product was to ensure that it was not an additional financial burden. We encourage the public and current policyholders to contact the nearest branch to find out more about how EA991 can be of assistance to improve their livelihoods, said Masifhi. Both Botswana Life and Emergency Assist 991 have a network of branches spanning the country and are accessible to their growing clientele. Emergency Assist's 10 branches are in **Gaborone (head office), Palapye, Selibe Phikwe, Francistown, Lethakane, Maun, Kasane, Ghanzi, Tsabong and Jwaneng**



Bosa Premier
Hospital Cash Plan

Ikise moriting ka **Bosa Hospital Cash Plan**

Stay covered, even when life takes an unexpected turn.
Hospitalisation can be financially hard for your family.
Protect your family from the stress.

SMS '**Bosa**' to **17337** to get started today.



Botswana Life

Botswana Life is a member of the BIHL Group

INSURANCE | FINANCIAL PLANNING | RETIREMENT | INVESTMENT

Botswana Life hosts a successful 2nd Annual Broker Connect

As a continuous effort to create effective connections among brokers, clients, and underwriters to enhance efficiency and communication for the three parties, Botswana Life held its 2nd annual Broker Connect under the theme building tripartite Bridges – Connecting Brokers, Clients and Underwriters at Cresta Hotel in Gaborone.

The aim of building Tripartite Bridges was to enhance a collaborative ecosystem that improves outcomes for brokers, clients, and underwriters alike. This approach fosters better relationships, enhanced communication, and ultimately leads to more effective risk management through insurance.

The day was spent in discussions and presentations by influential industry players from Botswana and Sanlam South Africa on ways that can progress the insurance industry.



Celebrating Botswana Independence Day with Pride



As employees of Botswana Life, we united to celebrate our nation's rich heritage this Independence Day. Embracing our identity as Legacy Engineers, we commemorated the occasion with joy and a sense of unity, reflecting on the history that has shaped us and the hopeful promise of a bright future. The day was infused with cultural pride, serving as a powerful reminder of our journey together.

Re jele boipuso jo bo bontle!



Supporting Childhood Cancer Awareness: A Botswana Life Commitment

Botswana Life proudly partnered with the Botswana-Baylor Children's Clinical Centre of Excellence to support Childhood Cancer Awareness Month and the Annual Cancer Survivor Party. Our P50,000 donation, drawn from proceeds of the Botswana Life Classic Run National Half Marathon, will help celebrate the courage of children undergoing cancer treatment and the gift of life.

This initiative is a testament to the power of community and the impact we can achieve together. Thank you to all who participated in making the Classic Run a success—you've helped make a difference!



Employee Benefits convention

A snippet of how the Employee convention went.



Complaints Procedure



We value you...

If you are not satisfied with our service, you may escalate your complaint / query as follows:

1 Regional Branch Manager

Mall Branch
Turnstar Building
(Next to Nandos)
Main Mall
P/Bag 00296, Gaborone
Tel: 371 4900
Fax: 318 1602 / 03

Francistown Branch
Botswana Life House
P/Bag F283, Francistown
Tel: 241 3581 / 241 3325
Fax: 241 4614

2 Senior Operations Manager

Botswana Life Insurance Limited
Plot 66458,
Fairgrounds Office Park
P/Bag 00296, Gaborone
Tel: 364 5100
Fax: 390 5884
Email: clientservices@blil.co.bw

3 Group Chief Operations Officer

BIHL Group
Plot 66458, Block A, 3rd Floor,
Fairgrounds Office Park,
Gaborone
Tel: +267 3707400
Fax: + 267 3973705

4 Chief Executive Officer

BIHL Group
Plot 66458, Block A, 3rd Floor,
Fairgrounds Office Park,
Gaborone
Tel: +267 3707400
Fax: + 267 3973705

5 NBFIRA

**Non-Bank Financial Institutions
Regulatory Authority**
Chief Executive Officer - CEO
3rd floor Exponential Building
Plot 54351 New CBD, Off PG
Matante Road, Gaborone
P/Bag 00314, Gaborone
Tel: 310 2595 / 368 6100
Fax: 310 2376 / 310 2353
Email: info@nbfira.org.bw



Happy Holidays

May your festive season be filled with
laughter, love, and all the magic of
Christmas.

PULA!



Botswana Life