

Britam

With you every step of the way

MARKET

Britam is a leading diversified financial services group, listed on the Nairobi Securities Exchange. The group has interests across the Eastern Africa region. The company offers a wide range of financial products and services in Insurance, Asset management, Banking and Property. The product range includes: life, health and general insurance, pensions, unit trusts, investment planning, wealth management, off-shore investments, retirement planning, discretionary portfolio management, property development and private equity.

The brand targets diverse market segments through different channel solutions. Their Financial Advisors sell life insurance, education policies and investment products to all the middle class segments. They also sell to SMEs. Their insurance brokers – 110 partners – sell predominantly to the corporate and SME segments. Through them they reach blue chip companies as well as medium and small set-ups. Their incorporated insurance agency partners enable them to penetrate the market deeper particularly outside Nairobi as well as the SME segments. Their bancassurance partners help them to tailor products for the borrower driven market segment and these have made Britam the market leader in bancassurance related solutions.

Britam are the overall market leaders in long term business where 23 companies compete, with 18.3% of revenues. Within long term business Britam is market leader in the Ordinary Life and Unit-linked streams at 24% and 38% respectively. Market shares for retirement benefit contributions, Group Life 9% and 12% respectively. In the highly fragmented short term business, where 36 companies compete, Britam is ranked number nine with 3.9% market share. When the revenues for short term business and long term business are combined Britam's overall market share of insurance revenues is over 9% making it second overall, it is the leader in underwriting profit margin.

The company has grown tremendously. Our insurance revenues in Kenya were Shs.9.739bn. an increase of 21% over 2011.

Britam's vision is to be the largest financial services business in the Eastern Africa region with its Kenya insurance and asset management businesses being the largest ones in that country.

ACHIEVEMENTS

In 2012 British-American received these accolades:-

- Capital Markets Awards
- Fund manager of the year 2012
- Unit trust of the year 2012
- Superbrands 2012-2014
- COYA Awards – Runner up company of the year 2012
- Runner up Manager of the year award 2011



HISTORY

British-American Insurance Company (Kenya) Ltd has evolved over the years since its inception in Kenya in 1965. The company has grown from a home service based company to its current position as a financial services provider.

In 2004 there was a share swap whereby the ownership of British-American Insurance Company (Kenya) Ltd moved to British-American Investments Company. British-American Investments Company in turn established British-American Asset Managers Ltd. After the successful launch of British-American Asset Managers, the group reorganised its structure. The new organisation structure came into place in January 2007.

PRODUCT

British-American have developed products for various market segments and their products are tailor made to meet the specific needs of various customer and market segments. They strive to give the different market segments innovative products that meet those needs.

Their products are in the following categories:-

- Life Assurance
- Pensions
- General Insurance
- Asset Management

Customers and markets are expected to get more demanding in regard to tailor made products that not only meet their specific needs but are also cost effective.

Providers will be pushed to provide world class service through knowledgeable staff as well as innovative products at par with international offerings.

This will be driven firstly by increased customer education and awareness on the importance of insurance, pensions and asset management driven by the industry stakeholders (providers, regulators and Government bodies).

Secondly, customers are increasingly turning to the internet for information and demand for internationally competitive firms, products and services, is, therefore inevitable.

RECENT DEVELOPMENTS

Distribution - The industry is heavily reliant on sales agents for product distribution. The sales force thus becomes the face of individual companies as well as the industry as a whole. Cases of customer misinformation are rife and serve to bring the industry into disrepute. There is therefore an urgent need to properly train the sales staff and ensure that customers purchase not only those products that generate income for the company but are ultimately beneficial to them.

Competition- With 42 players and counting, the industry is becoming ever more competitive. This has brought to the fore the importance of seamless service delivery, product innovation, multiple distribution channels, competitive pricing as well as consistent marketing and consumer communication.

Customer education - Insurance products penetration stands at 3% which is dismal

especially for an industry that has had players in the market from as early as 1904. This is a clear indication that the need for customer education is urgent so as to promote awareness and push sales through the different product lines.

Technology - The advent of technology has birthed a generation of information seekers with help and advice at the click of a button. Customers are increasingly demanding tailor made products that are at par with international offerings. Communication has also gone viral with exchange over digital mediums gaining dominance due to speed and multiple reach compared to traditional mediums. Investment in systems and processes that enable technologically enabled customer interface is the company's ultimate challenge.

Homogenous products - Whereas product brand names can be registered as trademarks, one cannot patent product benefits therefore an innovative product remains so for a very short while before it is aped by competing firms, rebranded and released to the same market. This has led to homogenous products across the industry whose sales rely solely on aggressive sales persons and individual firm reputation.

Government legislation - There are very few Government legislated, and therefore mandatory, products such as motor insurance and pension. Providers have the mandate to educate customers on importance of products such as medical insurance and personal accident cover in order to increase product uptake in the market. Industry stakeholders are involved in lobbying the Government to push for more products to be made mandatory by law.

Economic constraints - The economy is currently not doing well. The country is suffering from high inflation rates, slow trade, a weak shilling and a constant rise in fuel cost. This has led to a rise in food prices, transportation costs, high medical costs and a general rise in cost of living a situation that is not made any easier by the high unemployment rates. Insurance and asset management products are therefore fighting for a share of consumer wallet with basic necessities such as food, shelter, water, communications and education and are losing the battle.

The competitive environment will be pushed by consumer expectations into niche categorisation. Providers will no longer be able to serve all the consumer segmentations profitably but will instead serve either corporate or individuals, high-end customers or Bottom of the Pyramid etc in a bid to be the best at a particular market. British-American will concentrate more on innovation and market driven product development, this will keep the company ahead of the competition.

Innovation Recognition - British-American recognises the importance of addressing customer needs. Whether through their product innovation or world class customer service, the organisation is geared toward being customer centric. Their resources-capital, human and otherwise, are channeled toward ensuring that the products offered to the market are well targeted and address the specific needs of customers.

In order to deliver on their product and brand promise, the company relies on their



able employees to provide value added services through exemplary customer service and after sales advice and assistance. Consistent training helps employees deliver innovative solutions for customers and business alike.

PROMOTION

The brand is a household name in most parts of Kenya and they run advertisements through various media channels i.e. TV advertisements, Print media, Radio etc.

In addition they organise customer interaction sessions with different group of customers. They also support different organisations as part of their CSR initiative. E.g. New Life trust homes, Kenya Open among others. British-American have giveaways of branded merchandise which they give to various organisations when holding functions. e.g. to Starehe girls centre during their annual run. British-American are also engaged in exhibitions through their branch networks to various counties in the country

BRAND VALUES

"Our Journey is Your Journey" is their brand promise, meaning they will take the same path as their clients to ensure they get value for their money in their highly innovative products.

The brand logo has the tag line "with you every step of the way" which means that they care at each stage of life and they will remain there to assist customers with their financial needs. The Britam name, is like a shield,

protection, covering their customers from any forthcoming misfortunes.

British-American believe in quality service and the reason why they have put in place a customer experience centre at Britam Centre. They undertake research seriously on what the market wants and ensure they deliver to their expectation. Their customer service team, as well as financial advisors, is always willing to assist with information on how to grow their customers financially. The product development team is from time to time exposed to various products from all over the world, from where they develop product that suit clients.

British-American's Corporate Social Responsibility (CSR) policy is geared towards improving their stake holders social, economic and environmental wellbeing. The policy manages their relationships and interests so as to add value and enhance the Group's positive impact on society.

The Group recognises that it has a social responsibility duty that goes beyond legal compliance.

Implementation of this responsibility is therefore embedded in the Group's policies and working culture.

British-American believes in principles of sustainable development through community driven initiatives. It also supports various institutions and partners who have the same goal of developing the communities it operates in. The organisation is always keen on basing its decisions on social consequences of its activities and not only on profits, dividends or other financial factors. It recognises the importance of approaching

corporate social investment in a coordinated and committed manner.

The firm supports a number of national and local charities with both time and money. The firm provides time and advice free of charge to local groups and organisations as well as providing work placements for local students and support for educational establishments. In consultation with partners, shareholders and employees the programme is comprised of:-

- Community work
- Financial literacy
- Environmental work
- Ethical policy

www.britam.co.ke

Things you didn't know about Britam

British-American Insurance Co was established in 1965 and has over 46 years of service in the Kenyan market providing individual life, group life, pensions, health care and property/casualty insurance.

British-American supports a number of national and local charities with both time and money.

"Our Journey is Your Journey" is their brand promise, meaning they will take the same path as their clients to ensure they get value for their money in their highly innovative products.

Superbrands