

# Bi-me - An insurtech platform built for South African small businesses

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The majority of small businesses in South Africa are uninsured. Bi-me, which is short for business insurance made easy, aims to change this by simplifying the process of comparing and purchasing insurance policies for SMEs. This startup was launched last year and it already connects to top insurers in the country such as Hollard, iTOO, and Discovery Insure.



From left to right: Francois Potgieter (MD), Tanaka Malaba (head of engineering), Deon Louw (GM) | image supplied

*Bizcommunity*, as part of its ongoing feature around startups, caught up with Francois Potgieter, managing director of Bi-me, to find out the story of this inspiring insurtech platform that began during the tough Covid-19 lockdown period.

## **What is the story of Bi-me? Take us through its inception to the present day**

Bi-me's story started during the Covid-19 lockdown period. As a freelance entrepreneur cut off from my network, I had time to allocate to a new venture. Business insurance was topical under lockdown because of business interruption claims. I came across one of our current shareholders, BizCover in Australia, and thought their business model would work here, too.

I started laying the groundwork for Bi-Me in September 2020. I recruited my first two colleagues and incorporated the company by 15 January 2021 with a formal shareholders agreement. On 1 February 2021, we received the first version of the IT code from our shareholders and started working with our insurance providers to load the first products.

Other milestones quickly followed:

- Soft launch and first policies sold in November 2021
- Launched comprehensive insurance products from Discovery and Hollard in March 2022
- Launched cyber-insurance in July, public liability insurance in August and professional indemnity insurance in September

Since January 2023, we have seen exponential growth and look forward to adding more underwriters, products and occupations to our solution.

### ■ ***What planning went into building Bi-me from the ground up?***

As a former actuary and chief operating officer at Hollard, I had a good feel for the challenges and opportunities. We spent a lot of time exploring what similar companies were doing with digital SMB insurance in other parts of the world. We also drew up a business plan for the next three to five years to get final go-ahead from our corporate shareholders.

The fun part for me is building our insurance products. This includes challenging insurance companies on the risk questions they require to get a premium, exploring the occupations that we want to cover and designing products for a web user experience. It is amazing how much time this takes and how much iteration is required as we get feedback.

### ■ ***Tell us what it is like maintaining Bi-me on a day-to-day basis***

As a startup, we're focusing on sales and innovation. That said, our company quickly became a formal business and there are a lot of operational considerations to manage every day:

- Complying with regulation and legislation to maintain our FSP license
- Financial discipline, which includes premium collections and financial reporting
- Adding new products and improving our product offering
- Reviewing our marketing initiatives and advertising on the web
- Controlling and monitoring client interactions
- Testing new technology developments and deployment
- Optimising the team's output

### ■ ***What inspired you to start Bi-me?***

Small businesses in South Africa are underinsured; many have no insurance at all. But the stars have aligned for us to change that. Covid-19 showed us that there are new ways to conduct business and our online customer journey is a perfect match for a world of 24/7 digital commerce.

I'm passionate about small businesses, and they are underserved by the mainstream insurance sector. This is an opportunity for us to target a segment that is not nearly as overtraded as other areas of insurance—and I believe we can make a big difference for them.

We were fortunate to come across BizCover in Australia and negotiate access to their technology. I'm also excited about

the chance to work with a team of talented people in an environment of change and innovation – something you really miss when you are not in the corporate environment.

### ▣ ***What challenges did you face when you started Bi-me?***

There's still a lot of red tape involved in registering a company, registering with Sars, opening banking accounts, getting insurance and so forth. But the admin is even more daunting in the regulated financial services sector, where you need to pass stringent tests to get a licence.

We also needed to pass internal governance processes to get funding and secure backing from our corporate partners. We required Reserve Bank approval for our foreign shareholder. This paperwork all feels like a time-consuming distraction from building products and selling to customers.

While operating at the speed of a startup is exhilarating, it's important to be patient dealing with large entities like regulators, corporate shareholders and insurance partners. They are all balancing multiple relationships and priorities, and it can be a major challenge to get on their radar.

Another challenge lies in pioneering a digital experience in a market where online sales and distribution is relatively new, especially when some of the products are complex. We're constantly listening to clients and potential clients to learn how our customer journey can improve. There is always scope to simplify products and enhance user experience.

SMB insurance is still mostly underwritten in a manual, paper-intensive process. We are changing that by using formula and rules for automated underwriting. This represents a big change for our insurance partners. In the beginning, we would only be able to quote 10% of clients on the spot. For some products, we are now up to 90% quotes on the spot.

A final challenge is building a profile and selling to our customer base on a limited budget. But we are confident that our model can scale successfully.

### ▣ ***Where do you see Bi-me in the next five years?***

In many countries, we're seeing digital channels account for 15% or more new SMB insurance business. We hope to see similar numbers in South Africa—we want to help SMBs get the insurance they need quickly and easily. We'd like to be the first place SMBs look online for cover. I want Bi-me to add value to small business. Small businesses are the lifeblood of the economy and helping them to grow will help create jobs and prosperity.

### ▣ ***What advice would you give to someone that wants to start a Bi-me type of small business?***

Decide upfront what you are good at and what skills you need to add to your outfit. Don't be too afraid to learn how to do things yourself as opposed to appointing someone to do it for you. This includes even complex compliance issues. An example for us was registering a foreign shareholder with the Reserve Bank. Our initial quote from a law firm was big for a startup, but we worked with our business bank and did it for a fraction of the cost.

Most importantly, understand that if you're dependent on another party, then your chances of success are reduced. Try to own your destiny and limit your dependency on other parties. When you are dependent on someone buying into your vision or making things happen, you'll find yourself constantly under pressure.

### ▣ ***What trends do you predict for the insurtech landscape in South Africa?***

Insurtech is here to stay in commercial and personal insurance alike. The combination of AI and insurtech is going to shake up things dramatically in the years to come. The exciting part of insurtech is how it will combine with fintech to provide a single journey to the customer.

### ▣ ***What words of motivation do you have for aspiring entrepreneurs?***

I am a conservative individual by nature and by training. My advice is threefold.

One – make sure you're addressing a real customer need—not one you imagine needs to be addressed.

Two – don't bet the farm. You should have a plan to fall back on. For example if you can keep other sources of revenue for a while, you should and if you can insure your assets, ensure you do.

Three – look for potential mentors that could guide you through the starting challenges.

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