

Yellowwoods invests in insurtech player Simply Financial Services

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Insurtech player [Simply Financial Services](#) has secured a significant multi-year funding commitment from Yellowwoods, a private investment group with interests in insurance ventures around the world, including Hollard and Clientele in South Africa. The deal will assist the two-year old start up to achieve its growth aspirations.

The investment in Simply adds to Yellowwoods' growing stake in a number of emerging local and international insurance businesses. The deal marks a first by the investor in a principally digitally focused life insurance player.

"We're seeing a shift in the way customers interact with and purchase financial services products. Our intention is to be ahead of the curve as a result of our investments in disruptive businesses such as Simply," said Scott Gilmour, Director of Yellowwoods.

As its name implies, Simply provides simple, value for money life insurance products including life, disability and funeral cover, available either individually or in combo's. The products are largely sold online, no medical tests are required and cover can be secured within a matter of minutes.

[Simply](#) aims at market niches currently underserved by more established life insurance players. Currently these are to individuals underserved by traditional insurers, domestic workers and employees within SMME's.

Yellowwoods has estimated the South African individual life insurance market to be around R110-billion in annual premium, with the online and digital portion of the market expected to grow to more than 15% of the total market over the medium term.

"Customers are increasingly seeking simple products, engagement with insurers, convenient access and products and services that are transparent," said Simply CEO Anthony Miller.

"These requirements are not met by most current insurers, and Simply aims to be the leader in delivering on these customer requirements," he added.

Why Simply?

According to Gilmour, the decision to invest in Simply was based on a number of factors including its flexible and exportable business model, the strength of its team, its transparent value proposition to customers, and the technology stack that underpins the business.

"What Simply delivers within its niche market segments can be replicated in all areas of the market over time," he added.

The Yellowwoods investment is a major boost for Simply.

"To have the backing of one of the most successful insurance investors in South Africa gives us real belief in our model, our team and what we're trying to do," Miller said.

"In addition, Yellowwoods brings strong life insurance and business know-how at board level and access to potential partners both locally and abroad," he added.

Growing possibilities

Miller anticipates significant business growth within South Africa as the niches, which Simply currently targets are underserved.

“We plan to grow organically in South Africa under the Simply brand by positioning ourselves as the digital insurer of choice in specific niches that are likely to opt for a simple digital product. The world is moving online at an exponential pace. South African customers likewise are going digital faster than most existing players realise. It feels slow year to year, but over the next five to 10 years no one will believe how quickly things have changed,” he said.

Miller added that Simply would also be open to partner with large incumbent life insurers to assist them improve their digital efforts and assist non-insurance players in providing life insurance products to their customers, as part of its growth strategy.

“I believe the combination of our digital capabilities and their brand affinity will prove a powerful combination,” he said.

Miller added that growing confidence in online financial services was opening up opportunities for Simply in other markets too.

“Digital life insurance is on the cusp of taking off in other markets, too. We’ve been approached by a number of foreign players who like what we’re doing. We’re excited about the potential to port our IP and technology to these markets, but we’re more likely to partner with local insurers than to build from scratch as we’ve done in South Africa,” he concluded.

/ends.

About Simply Financial Services (Simply)

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. The business has about 30 staff based predominantly in Cape Town and Johannesburg.

Simply currently offers three products: Family Cover, Domestic Cover and Group Cover. Family Cover is targeted at individuals currently underserved by the traditional insurers, whereas Domestic Cover and Group Cover are targeted at employers of either domestic workers or business employees. All three products consist of life, disability and funeral benefits – available individually or as a combo. Policies start from as little as R59 per month. Simply products are underwritten by Old Mutual Risk Transfer Ltd (OMART), a member of the Old Mutual Group, and reinsured by RGA (Reinsurance Group of America).

More information is available at: www.simply.co.za

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Simply Financial Services



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