Root launches insurtech platform

Published: Apr 4, 2018 7:00:00 AM South Africa Standard Time

Technology company, Root has announced the launch of Root Insurance, an exciting new platform API that enables software developers to rapidly prototype and launch digital insurance products into the SA market.

Root's API enables software developers, using only code, to easily access insurance licences and the full range of insurance and banking-related services needed to launch new digital products.

Designing and launching a new insurance product usually takes many months and requires significant investment into accessing an insurance licence, upfront costs and navigating complex compliance requirements. As a result, innovation in the insurance industry has been slow and many consumers don't find insurance products suited to their needs.

"Root Insurance is like cloud services for the insurance industry," says Louw Hopley, CEO of Root. "It gives software developers all the building blocks they need to create and launch a fully compliant insurance product in a matter of days. The platform not only reduces costs and time to market drastically, it also takes care of administering the insurance policies – everything from issuing policies to collecting premiums and handling claims."

The improved efficiency makes it viable to deliver more value for money on low-premium products, especially benefiting lower-income families who might otherwise not be able to afford insurance. "We expect to see more niche insurance products enter the market, offering consumers more choice and better value for money," says Hopley.

Root Insurance is the first insurtech platform of its kind in SA and one of only a handful of such platforms globally. A strong partnership between Root and listed financial services group MMI Holdings Limited (MMI) has been key to making this happen. MMI has provided Root with vital support, ranging from expert guidance to the provision of the underlying insurance licence.

"Large traditional insurers typically struggle to drive digital innovation at scale," says Jonathan Stewart, Head of Exponential Ventures, MMI's disruptive innovation unit. "As an organisation, we have the regulatory licences to operate, complex insurance expertise and immense administrative and distribution abilities. With this partnership, we're exposing this 'hard stuff' to innovators who often have greater agility, creativity and customer insights."

Root Insurance is fully operational and several new insurance products have already been developed on the platform. The platform is open to anyone, including individual developers, startups, established brands and insurance incumbents. To find out more, or to sign up, go to www.root.co.za.
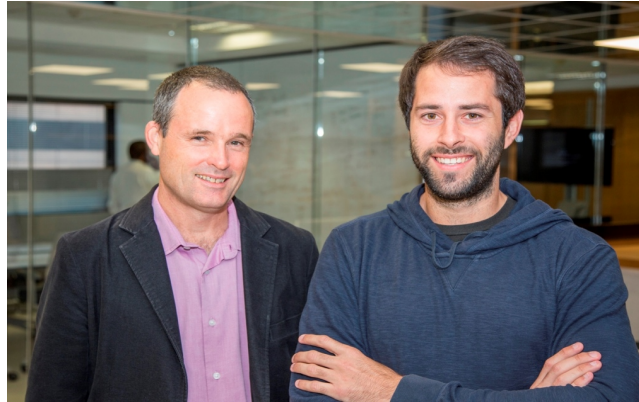
About Root

Root is a financial services platform, built from the ground up, with the goal of opening up FinTech innovation. Recognising the high barriers to entry, Root packages the "hard things" in financial services and exposes a platform of programmable financial services through easy-to-use APIs. This enables software developers and innovators to prototype, build and launch financial services products, fast. Root was founded in 2016 and has since built their platform to cater for both banking and insurance innovation.

www.root.co.za