



Financial Security...for Life.

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President and Chief Executive Office

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President Bensalah, Chairman Boubrik, Director Baddou, Mr. President of the Association of Tanzanian Insurers. Merci beaucoup à vous tous. Merci beaucoup de m'avoir invité ici. Je crois que je suis avec des amis.

To His Majesty King Mohammad VI, a leader beloved by the people of Morocco, thank you for your country's hospitality. When King Mohammed V greeted U.S. General George S. Patton During World War II he asked the general "General how do you like Morocco?" General Patton replied "I love Morocco your Excellency, it is a combination of the Bible and Hollywood." All distinguished speakers, guests, ladies, and gentlemen – it is my pleasure to be with you again in dynamic Casablanca.

This is my third visit. Every year I find myself admiring the beauty of this country. And every year, I am continuously impressed by the caliber of individuals you have gathered here and the quality of the program you have put together.

You are here to talk about the future of this industry in Africa, and how the industry can prepare and manage risk as you become more available to people across this continent.

What better place to have that discussion than here, a place that has contributed greatly to the development of math and probability and risk-taking.

In the 12th Century, Moroccan mathematician Abu Bakr al-Hassar wrote a book called "The Complete Book on the Art of Numbers." He developed the math notation for fractions – the one we still use today. Fractions are at the root of probability, which is an essential building block of insurance around the world – it's how we prepare and manage risk.

Africa has recently become one of the great leaders bringing access to insurance for future generations. But your roots and contributions to this industry are centuries strong. I want to thank my friends Tom Leonardi from AIG, and Bernard Spitz from the French Federation, for their contributions on yesterday's panel. I also want to recognize my colleagues, our moderator Christian Pierotti of the French Insurance Federation and Toyonari Sasaki of the Life Insurance Association of Japan, who will speak to you next.

Mr. Sasaki works with me and our gracious host, Bachir Baddou, on the executive committee of the Global Federation of Insurance Associations, of which I am the President. I am grateful for each of your contributions to our global efforts on behalf of our industry.

A couple of weeks ago, I traveled to Las Vegas, Nevada to deliver a speech to over 600 representatives of the life insurance industry in America. I told them about what is happening here in Africa. I told them: “the content of the ‘Rendez-vous de Casablanca de l’Assurance’ conference is incredible. Listen to the topics they will cover: blockchain... insurtech...artificial intelligence.”

You are leading the conversation on innovation and insurance. In this room are men and women with vision. Global leaders. You are assessing and understanding the future, so you have a better idea how to operate in the present.

Las Vegas is a city surrounded by miles and miles of desert, similar to the deserts throughout this continent – the Sahara, the Kalahari, and the Namib. The Nevada desert is full of typical shrubbery and Nevada’s famous red mountains. It’s quiet, with little activity... the exact opposite of the main street with all the casinos in Las Vegas.

And if you were to travel to this desert today, you’d see something else in the middle of this vast open land...a giant white tube.

It’s the site of Hyperloop One – a company testing Elon Musk’s big idea to transport people and cargo in pods through an air tube at near-supersonic speeds. You may know Elon Musk as the CEO of SpaceX and Tesla electric vehicles.

Musk mentioned his idea for a hyperloop five years ago. It sparked a frenzy among innovators and startups. He described his idea as “a cross between a French Concorde jet, a railgun, and an air hockey table” and he called on tech companies to make it happen.

Five years ago, it seemed like a distant dream. Now, Hyperloop One thinks it can launch its first commercial system ...just three years from now.

There in the middle of the quiet desert they are achieving new possibilities.

And just two weeks ago, this headline ran in the Washington D.C. newspaper: “D.C. has given Elon Musk a permit to do a little digging for the Hyperloop.” Right now, a train from Washington, D.C. to New York City takes three-and-a-half hours. The hyperloop would get you from Washington, D.C. to New York City...in 30 minutes.

You are building a similar modern world-class infrastructure here in Morocco. As many of you know, the ONCF will launch the LGV high-speed train next summer. The train will cut the journey between major city hubs by two-thirds. With this train, the journey from Casablanca to Tangier will take only two hours, compared to five hours.

This is an incredible development for Africa. It will boost your country's economy. As with the Hyperloop, you are achieving new possibilities.

We truly are living in the galactic future many of us dreamed about as kids. Innovation is moving at a rapid speed...literally.

Here at "Rendez-vous de Casablanca de l'Assurance" you have heard the word "innovation." Yesterday, you considered disruptive "innovation" and the convergence of insurance and banking. You discussed Africa's great potential for "innovation."

Today you will have sessions on insurance "innovation" and big data. You'll discuss how startups are "innovating" and creating the insurance of tomorrow. It's a buzzword. We hear it everywhere.

"Innovation" is critical. But I offer you a new phrase: "anticipating revolutionary change." That's what tomorrow's most successful companies are doing right now.

Consider the top selling gadgets just 10 years ago. The iPod touch. The Kindle. The iPad. These are all fascinating technology devices.

You tell them to do something, and they respond. The iPod touch....load your music and then tell it what song you want to play. The Kindle...load your book, and tell it when you want to turn a page. The iPad...add your apps and search on the internet.

But consider the top selling gadgets today. The Amazon Echo. The Nest. The Fitbit. The Apple Watch.

These are all devices that are taking in information about you without you telling these devices to do so. They anticipate your lifestyle and your desires. They know what you want before you do. The Nest thermostat learns your daily routine and adjusts your home's temperature accordingly. The Fitbit tracks your sleep patterns and your heartrate, and suggests when you should go to bed or get up to walk. The Amazon Echo improves every time you say a command.

These are the tools of the future. And it's revolutionizing the way we live by mimicking our habits and our expectations.

Disruption is the new normal. Digital disruption is changing the ground rules for business. New technology is changing customer expectations. New competition is changing the way we think about competitors.

A few years ago, Marriott probably would have said Hilton was its biggest competitor. They had no category for AirBNB, which was founded in 2008 and now offers more rooms worldwide than any hotel chain.

Now, the 103 Marriott hotels in Africa and the 29 Hilton hotels in Africa must compete with the 100,000 new, unique competitors who have listed their homes in Africa through AirBNB. There have been over two million arrivals in Africa through Airbnb in the past five years. AirBNB has revolutionized the way we think about where we stay when we travel.

The world of disruption moves at warp speed. It may be difficult to believe disruption could affect our industry.

Our stability is the result of helping customers anticipate life's greatest challenges – our products protect families over the long term.

We truly are “an institution of longevity.” But we are not immune to change or disruption. Is our institution equipped to move at warp speed? Will we be unsettled and disoriented by disruptive technology? Or, are we expecting it...eager for it...finding new ways to bring time-tested products to more people? Are we compatible with this new age of technology?

I would suggest that we are more relevant today than ever before. There are two trends we as an industry must address right now to anticipate revolutionary change in the future.

The first trend is our increasingly connected global population.

We can see that here in Africa more than any other place on this planet.

20 years ago, only 1% of the people in Africa had a mobile phone. Today, 80% of the population have a mobile phone.

This has revolutionized your continent. It's opening doors and changing the way you do business. Suddenly, the people of Africa – from rural villages in Nigeria, to the Massai warrior, to the business centers of Cape Town – can communicate.

Peter Diamandis, co-founder of the X Prize Foundation, put it this way: “a Kenyan on a smart phone today has access to more immediate information than President Bill Clinton did when he was president of the United States in the 1990s.”

People in rural Africa do not have to be disconnected from a dignified life simply because of where they live. And now you have gathered to talk about artificial intelligence and insurtech.

Africa is a continent whose influence is rising. You embrace the idea of innovation and technology...and you are preparing for a new frontier. Why? Because you must.

Technology gives you an opportunity to leapfrog forward. Your economies are expanding rapidly, and people are acquiring more personal savings to protect. You are beginning to build your infrastructure. Think of the irony. You are on the verge of unleashing significant infrastructure developments, while the world's top economies – including America – are trying to figure out how to fix our aging infrastructure.

The African insurance industry has discovered it can use technology to get previously uninsured individuals to choose insurance to protect their personal savings. You are creative in how you are doing it. Consider how the InsurTech startup, Bima, is offering accident and life microinsurance to low-income consumers in Africa.

Individuals without bank accounts might not otherwise have a way to easily pay for something like life insurance. But they do have access to pre-paid mobile plans... phone cards. And Bima allows them to deduct premiums from their pre-paid mobile phone credits.

The G-20, an international forum for the governments of 20 major economies, has focused on Africa. The G-20's "Compact with Africa" program was initiated when Germany held the G-20 presidency. The program has increased the visibility of the continent of Africa in the worldwide private sector. The program brings Africa closer to center stage and places appropriate autonomy with the African countries.

Now that Argentina has the G-20 presidency, all signs indicate that investment in Africa remains a priority initiative, especially when it comes to infrastructure development.

As Africa becomes even more connected, the opportunities for our industry increase exponentially. Insurers have taken note of the way technology can further expand access to insurance. In the area of property and casualty, some insurers are exploring the use of drones for claims processing. They use this technology to accelerate surveys of disaster areas.

Take a look at this video of a drone surveying typhoon damage in the Philippines.

A family who has lost their home to disaster can have their claims handled faster, and now it does not matter if the terrain is rough or the roads aren't navigable. The customers receive payment faster, so they can get back to their pre-disaster lives. It also improves safety for claims adjusters. Employees can use a camera drone to reach areas that would otherwise be too dangerous to go on foot.

In Rwanda, drones are being used to deliver blood from Kigali to rural hospitals.

This gives you the sense of the possibilities. Technology can revolutionize healthcare. It can also revolutionize search and rescue operations. It's saving lives. Take a look at this ambulance drone:

And who is designing it? Graduate students and millennials. This is their world. And to what effect? A medical response time moves from 10 minutes to 1 minute. A survival rate moves from 8% to 80%. What does that do to mortality tables? Think of how this can be applied in any rural setting. And that's just one component of technology affecting this industry and your nations.

Technology as a whole and globalization are making the insurance market more competitive. It's bringing our world closer together and making insurers and reinsurers more relevant. It's bringing economic growth.

But even with all of the growth in technology, I encourage you – don't lose sight of the individual worker. Big, bold innovative ideas are important. They keep us moving forward.

But there is a balance. Automation sometimes comes at the expense of human capital.

I well remember as a university student taking an economics course titled "Small is Beautiful." In a rural area, is it best for automation to move a task from requiring 100 employees to only 10? Where do the other 90 find employment and the means to care for their families?

A few years ago, a young man named Michael came to me seeking my advice. He was considering joining the Peace Corps in Ethiopia. He asked for my advice. I told him "the answer is already within you." I asked him a series of questions that helped him make a decision. He decided to go.

While he was there, he led a project to build a school in a village. He employed local workers. They made bricks from the mud. Brick by brick, together they built that school. But Michael left shortly before the last brick was laid. When I asked him why he said, "because I want the people of that village to know that it wasn't me who built this school – they did it."

Last week, I read an article in the Washington Times about how robots are being used to automate bricklaying. How would this have changed the experience of that village?

Technology's real value comes from its ability to answer humanity's greatest needs. Technology need not replace workers – if we use it smartly, it can augment our capabilities, like what we see with the drones – so that a worker can continue to feed his or her family.

A couple years ago, I had a conversation with Peter Diamandis, the creator of the X Prize.

I asked him, "Does the life insurance industry have disruptors?" He said, "Get ready. Customers will self-select" in disruptive ways.

Isn't that a part of our DNA? Over 300 years ago in London, a coffeeshop called Edward Lloyd's became a catalyst to pool resources for a sea going merchant. They realized "if one of us loses a shipment, but we all pool our resources, we can cover one another. We spread the risk." They self-selected fellow merchants and revolutionized the way we think about pooling risk.

The Edward Lloyd's coffee shop in London was the birth place of an iconic name associated with insurance that we all know well...Lloyd's of London.

We must be ready to integrate disruptive technology in a way that preserves the best characteristics of our industry.

That leads me to another trend we must address, which is longevity. Human life expectancy is expanding right before our eyes. Today, there are 1.2 billion people living on the continent of Africa. Some reports say that three-fifths of the population is under 25 years old. As these young people have more access to medical care and global resources, they will live longer.

As President of the Global Federation of Insurance Associations, I often advocate on behalf of our industry in the global community. We coordinate with the G-20. World leaders regularly tell me that longevity is one of their major challenges for the future. In Japan, by 2050 there will be one centenarian for every one-year-old.

This is unprecedented. Sales of adult diapers today in Japan outpace sales of baby diapers. Recently, I asked Japanese leaders if it was accurate that in 2050 Japan will have 22 million fewer citizens. They said, no...it's more like 27 million.

In America, 50% of the people age 65 today will live to be 85. Yet, in 2016, 36% of families had no dedicated retirement savings at all. It's quite conceivable in my country, that the American Dream may not end as the positive dream we once thought it to be.

People are living longer, but do they have the resources to sustain a meaningful life? Quantity of life and quality of life are not the same thing.

This is where our industry can help. People around the globe need access to insurance now more than ever before. But this means our industry needs to be prepared to respond with new business models and technology solutions.

Our industry faces some unique challenges. Regulations create a challenge for companies to compete internationally. How do we harmonize regulations across borders? How do we adapt as technology continues to change our world...rapidly?

I believe there are ways of doing insurance that haven't been done before. How do we build platforms that are less costly, reaching different demographics, like rural Africa? I applaud you for holding a conference such as this one, that will explore these questions.

Earlier, I mentioned Elon Musk and the hyperloop.

Last month, I had the opportunity to test drive a Tesla. Have you heard of this phenomenon called the “Tesla Grin”? It’s the big grin that first-time Tesla drivers get on their faces when they sense the instant speed and the silent drive.

I had the Tesla Grin.

But it wasn’t just the sleek design, or even the speed of the Tesla that impressed me. The inside of the Tesla is very simple. There are no knobs, because everything is a touch screen and based on software downloads.

Tesla can push software updates to your car just like Apple pushes updates to your iPhone. That means the car is constantly improving, without having to go through the hassle of trading in for a newer model.

That’s pretty incredible on its own. But the Tesla Representative told me something else. There are features within the Tesla that are actually dormant. Tesla does this intentionally.

The reason the features aren’t activated is because the technology to use them is not perfected. But as technology improves, Tesla is ready.

As an innovative disruptor, Tesla isn’t just creating a car for today. They are creating a car for tomorrow. They continually try to anticipate what the next disruption will be – and indeed, they often are the disruptor. They build components that the consumer doesn’t even know exist – so they can remain relevant 5 or 10 years down the road.

They are preparing for a new future in the transportation industry.

We can prepare for a new future in the insurance industry.

But we must ask ourselves...Is our industry building a strong legacy, one that can adapt as new opportunities come online?

We know technology is changing rapidly. We know there are generations of people here in Africa who can use our products. We know the numbers around life expectancy and longevity. We have the opportunity to answer one of the greatest global challenges – the extension and connectedness of human life.

Even the Tesla car has a “life expectancy” limit, because right now the battery bank has a life span of 10 years. That’s a big limitation for them. But, of course, they are working to change that. This is a priority for their R&D team.

What about the human body? What is its real life span? Is a 150-year life span real science, or science fiction?

Think of how many parts of the human body can be changed or rebuilt. Eyes. Shoulders. The heart. Hips. Kidneys. Knees. And there are more. When you look at this image, you start to understand how a 150-year life span might be possible...because that 150-year-old person may not have all of his or her original parts. This is the future. Are we ready?

The table is set for the insurance industry. There are generations of people who are counting on us.

From 2006-2009, I was honored to serve as the Secretary of the Interior for President George W. Bush. President Bush was a great supporter of Africa. In 2008, I led a U.S. delegation to a conference in Tanzania, which was attended by the presidents of Tanzania, Sudan, Rwanda, Kenya and Mozambique. The previous year I visited South Africa. I toured Robben Island, where Nelson Mandela had been imprisoned.

After being unjustly incarcerated for 27 years, Mandela was not bitter when he got out of prison. He was benevolent. I think it's because he had a different perspective on freedom.

He said true freedom is to live in a way that respects and enhances the freedom of others.

I leave you with this thought. If I've worked hard to build a future for my family, but I lose it to natural disaster, what freedom do we have? If I've worked hard to build financial savings that can support my family for generations, but I have used all of my savings because I have outlived my resources in old age, what freedom does my family have?

At its core, our industry is not just about protecting financial savings. It's about the basics of human freedom. For people to enjoy dignity...to age with honor...to pass on a legacy to their family.

We have the industry that can enhance the freedom of others.

Let me tell you about a young man born in America whose parents were born in Rwanda. He's currently studying to become a doctor, because in his heart he wants to help people. He is an extremely impressive and wonderful young man. He has my name. His name is Douglas Kempthorne. Why? Rather than his family name, his parents chose to give him my name, because as a U.S. Senator, I helped his mother escape Rwanda where many in her family were killed. I have told him that I am very proud that he carries my name.

We are all connected. Sometimes we're honored for the connection. Sometimes we're inspired. Sometimes we're challenged. Sometimes we stumble. But when we realize that we're all connected, whatever our place in life, we understand how we can reach out and help someone. One person's stumble can be another person's opportunity to demonstrate care and hope.

Isn't that what our industry is all about? Our industry's story is strong. It's reliable. It's one that has stood the test of time.

And Africa is a part of that legacy.

In a rapidly changing world, where a myriad of technology is a very real possibility, we can be confident of this: our industry will change...and adapt.

And together, we can progress. We can build a path that leads to greatness. And may our paths continue to cross. May they all lead to fulfilling the hope and the dreams of millions of people.

Thank you.