



An interview with Democrance  
CEO & Co-founder  
**MICHELE GROSSO**

# Democratizing Insurance

## Can you tell us more about Democrance and your goal to “democratize insurance?”

We are an insurance technology company with a mission to create partnerships that make insurance accessible for those who need it most but can afford it least. We unlock new markets for businesses, while at the same time creating social value for those populations which have previously been excluded from the benefits and protection insurance can afford.

At the core of Democrance's offering lies the mutually beneficial partnerships we create between insurance and telecommunications companies: by bringing together two unlikely partners, we unlock new markets for insurers, while offering telecommunications companies a way to increase customer loyalty, differentiate their services and contribute to the economic development of societies. We believe that the mobile phone is the key solution to reach vast, new and previously untapped populations.

Above all, our Insurance Technology solutions enable our partners to create real value for those populations who were previously excluded from the benefits of insurance, improving countless lives in the process. Through the use of technology, we aim to reduce the distribution and operational costs of the insurance value chain while simultaneously opening up new revenue and distribution channels for our partners.

## How are you working to educate people and organizations about the power and value of insurance?

We work hand in hand with our partners to educate the market about the value insurance can bring. Our technology platform enables policyholders and beneficiaries to get information on insurance and how to claim on their mobile phones in local languages, from anywhere in the world.

We also work with telecommunication organizations and exchange houses to convey how insurance can enhance their own value propositions. We are frequent participants at conferences and trade fairs and are regularly called on to contribute and comment on developments in our industry.

## Why did you choose to create partnerships between insurance and telecommunication companies to power your business?

Research shows that about 99% of the region's low-income population cannot afford or secure protection. Social security and healthcare is not as efficient as it could be. Insurance companies sell policies in a traditional way where you need to talk to an agent, a broker or a bank, review and sign pages of a contract that's hard to understand and pay with a credit card; these are all barriers to entry for the low-income population.

By bringing together two unlikely partners, insurance companies and telecommunication providers, we unlock new markets for insurers, while offering telecommunications companies a way to increase customer loyalty, differentiate their services and contribute to the economic development of societies.

## What are the challenges that your company has faced and how were you able to overcome said challenges?

Worldwide insurance penetration stands at 6%, while emerging markets reach only half of that figure. In the MENA region, only 1% of the population can access and afford microinsurance.

So while the opportunity is large, when Democrance started out, it was largely unrecognized: it has not been easy building a technology startup and aiming to create a new market segment all at the same time. It takes a lot of persistence, drive and passion. It is difficult to find people who believe in your model, whether team members, clients or investors, in the early days. One of the biggest challenges was (and it still is, to a large degree) to align our timeline and priorities with those of big corporates, which have a long onboarding process not tailored to startups and generally moves at a much slower pace than we do.

Since its inception, the business has started working with some of the largest insurance companies in the region and in the world including AIG which has mandated Democrance to support the group with digitizing its businesses throughout the MENA region. Democrance is currently present in eight markets in MENA and one Southeast Asian market. Now it is planning to cover more emerging regions with new and existing partners.

## What tips can you give to aspiring entrepreneurs—especially those in the Fintech sector?

Insurance technology startups are raising a lot of interest among investors globally and MENA is catching up fast. For entrepreneurs in any industry or region, I would tell them to remain committed to their passion, without worrying too much about what everyone else says. Make sure you are passionate about the idea you are trying to bring to life because the process will require a lot of effort.

Remember that investor interests are cyclical, but what matters at the end of the day is to bring your idea forward and stay true to your value and beliefs. Never see raising funds as an objective—it is a means to an end.

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