

Discover the secret benefits of Affinity Insurance with Garanty

A guide for insurance companies and others

"20% of global insurance sales could come from integrated embedded insurance offers over the next 10 years. "



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Introduction

In a constantly evolving digital landscape, marked by the rise of artificial intelligence, consumers are looking for much more than just a product when making purchases : they expect a complete experience that combines security, peace of mind and risk protection. With the full digitalization of sales and claims management processes, as well as the growing demand for increasingly personalized and integrated services, embedded insurance solutions have become a strategic lever for companies seeking to offer more value and convenience. By directly integrating insurance into the purchase journey, they not only enhance the customer experience but also create opportunities to boost their sales and strengthen consumer loyalty.

This guide will help you understand the growing importance of embedded insurance and explore how Garanty can be smoothly integrated into your offerings. Whether your goal is to increase customer satisfaction, stand out from the competition, or add value to your products through complementary services, & Garanty's digital insurance solutions will help you achieve these objectives. By integrating our solutions, you not only meet your customers' expectations, but also open the door to new revenue streams while reinforcing their long-term loyalty.

Summary

- 01** Our Partner CARTE Assurances : Together, for a New Generation of Protection
- 02** The Shift to Embedded Insurance : Meeting Changing Consumer Needs
- 03** Embedded Insurance in Practice : How It Works
- 04** The Importance of Embedded Insurance : Key Figures
- 05** Embedded Insurance Models : A Solution for Everyone
- 06** The Benefits of Embedded Insurance : Bringing Value to Stakeholders
- 07** Your Strategy for Success : The Keys to Achieving It
- 08** Regulatory Requirements : The Essentials for Offering Embedded Insurance
- 09** Partnership with Garanty : The Insurance That Makes a Difference
- 10** Garanty in Action : Embedded Insurance Reinvented
- 11** Contact Details

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Our Partner CARTE Assurances :

Together, for a New Generation of Protection



For Garanty, building strong partnerships with industry leaders is essential to delivering reliable, scalable protection solutions tailored to everyday needs.

Our partnership with CARTE Assurances, a leading insurer in Tunisia for nearly 50 years, reflects this commitment. This strategic collaboration allows us to combine technological agility with insurance excellence in service of a new generation of integrated products.

■ A natural complementarity

The long-standing expertise of CARTE Assurances, built on the trust of thousands of individuals and businesses, is paired with Garanty's innovative capacity to create high-value embedded offers.

Together, we design protection programs that are:

- Adapted to real life : electronic devices, furniture, everyday services
- Fully digitalized : subscription, activation, claims management
- Modular : tailored to clients' specific needs and distribution contexts

■ A shared vision

Our partnership is built on a shared belief : making protection accessible, simple, and useful. Thanks to Garanty's service-oriented approach and the operational strength of CARTE Assurances, we are reinventing the role of insurance as a driver of customer loyalty and satisfaction.

■ Tangible value for the entire ecosystem

- For customers : instant, effortless protection
- For distributors : a distinctive offer embedded in the purchase journey
- For brands : an enhanced post-purchase experience

**Affinity insurance, driven by experience
and innovation**

The Shift to Embedded Insurance :

Meeting Changing Consumer Needs

In 2024, the demand for **embedded insurance** experienced exponential growth, reflecting evolving consumer expectations for **seamless, transparent, and integrated** shopping experiences. Instead of purchasing separate insurance policies, consumers now prefer **solutions directly integrated** into the buying process, ensuring instant and effortless protection.

D'après le World InsurTech Report 2024 de Capgemini, **plus de 60 % des consommateurs préfèrent souscrire une assurance sur le lieu de vente**, à condition qu'elle soit intégrée de **manière fluide** à leur **parcours d'achat**. Avec l'essor de la digitalisation, les **attentes des consommateurs** dépassent la simple transaction : ils recherchent avant tout la **commodité**, la **sécurité et la tranquillité d'esprit**.

Why adopt embedded insurance?

70 % of consumers prefer to purchase insurance at the time of purchase (KPMG).

By eliminating extra steps and separate platforms, integrated insurance simplifies decision-making and improves policyholder satisfaction.

Thanks to real-time data analysis, embedded insurance automatically adjusts offers to each consumer's specific needs. Solutions like Garanty can increase conversion rates by 15% by offering relevant, tailor-made coverage (Briisk).

✓ Higher average basket size :

Les consommateurs sont plus enclins à finaliser leurs achats lorsque l'assurance est intégrée.

✓ Competitive advantage :

Offering integrated coverage enhances the value of products and services, creating true market differentiation.

✓ Revenue optimization :

Insurance monetization generates recurring revenue, boosting business profitability.

✓ Greater transparency :

By integrating insurance directly into the buying journey, offers become **clearer and easier to understand**. A simplified presentation of contract terms builds consumer trust and encourages adoption of the proposed solutions.

By adopting embedded insurance, businesses transform the customer experience by making protection **more accessible, personalized, and transparent**. This shift represents a powerful strategic lever for strengthening customer loyalty and developing new revenue streams.



Garanty : The Next-Generation Insurtech of the MENA Region

Garanty is a pioneer in fully digital, flexible, and personalized insurance, designed to meet the current needs of consumers. With a 100% automated and digitalized process, Garanty offers tailor-made protection solutions for essential everyday items such as smartphones, multimedia devices, and household appliances, as well as more diversified services like banking and health insurance. By embedding insurance directly at the point of purchase, Garanty transforms the customer experience, delivering simplicity, speed, and satisfaction.

A Growth Engine for Businesses

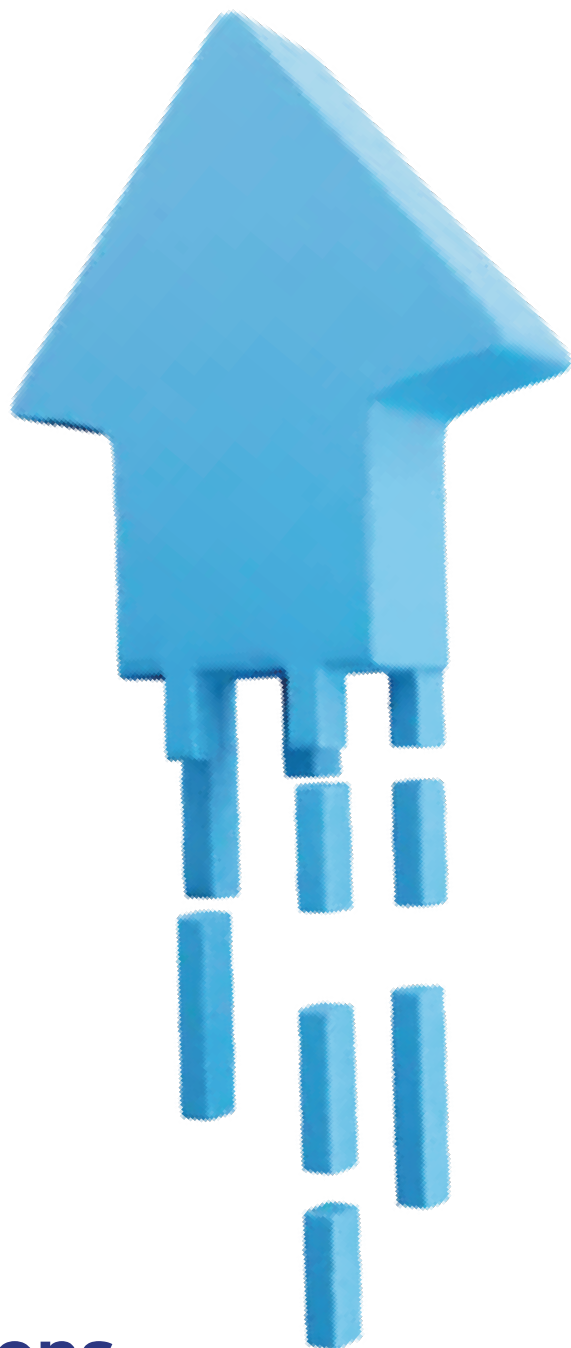
Embedded insurance is not just about providing coverage for consumers, it becomes a major strategic driver of business growth. By integrating digital, transparent, and instant insurance solutions, companies can increase revenue, build customer loyalty, and optimize the user journey.

\$500

Millions

Estimated value of the embedded insurance market (gross written premiums) over the next 10 years, thanks to the risk reduction enabled by this innovative approach.

(Observatoire de l'Assurance Ouverte et Intégrée)



Embedded Insurance in Practice :

How Does It Work?

Embedded insurance is an innovative approach to affinity insurance that enables companies to integrate insurance solutions directly into their products or services. In practical terms, when a consumer purchases a product, they can opt for insurance coverage without having to go through additional steps. Here's how it works in practice :

Seamless integration at point of sale

Embedded insurance is offered at the time of purchase, either online or in-store. For example, when a customer buys a smartphone, an insurance option covering breakage or theft is automatically offered during the checkout process. This offer is smoothly integrated into the shopping experience, making the choice natural and easy.

Personalized and flexible offer

Thanks to advanced digital tools, embedded insurance can offer options tailored to the specific needs of each consumer. The algorithm analyzes preferences and buying behavior to recommend relevant coverage, whether for electronic devices, travel, or even health services. The insured customer can adjust the coverage according to their actual needs.

Automated processes

The entire process of activation and management is automated. The insured customer receives a digital insurance policy immediately after the purchase, without having to fill out complex forms or wait for advisor approval. Claims can also be processed automatically via digital platforms, reducing processing time and enhancing customer satisfaction.

Simplified payment and financing options

The insurance payment is usually included in the product's purchase price or offered in monthly installments. This simplifies the financial process and makes insurance more accessible, without the need for an additional payment later on.

Accessibility and transparency

One of the key benefits of embedded insurance is its transparency. Terms and conditions are clear, and the insured customer knows exactly what they are paying for and what they are getting in return. Moreover, thanks to automation, both businesses and consumers enjoy frictionless management, eliminating the traditional barriers of conventional insurance.

Embedded insurance is therefore not just a product, it's a true evolution of the customer experience and the way companies manage risk.



The Importance of Embedded Insurance :

Key Figures

Over
60%

of users report experiencing hardware failures within two years of purchasing a laptop, highlighting the need for integrated protection.

Consumer Reports – "Laptop Reliability Survey"

25%
of consumers

have damaged their smartphone within the first 12 months of ownership, making embedded insurance an attractive option.

SquareTrade – "Smartphone Damage Report"



Around 10%

of household appliances require maintenance or repairs within the first three years, underlining the importance of embedded insurance.

Association of Home Appliance Manufacturers (AHAM)

30%

of eyeglasses suffer frame or lens damage within the first year, pointing to the necessity of embedded insurance.

Vision Council

Embedded Insurance Models :

A Solution for Everyone

Embedded insurance is a flexible model that can be adapted to various industries and specific needs. Depending on the sector, product, or service offered, multiple types of embedded insurance can be deployed. Here are the main models available to businesses and consumers :

1. Product Insurance

Coverage for purchased items such as smartphones or household appliances, often offered at checkout.

Example : Smartphone insurance against theft or breakage

2. Travel Insurance

Protection against travel-related incidents such as cancellations, delays, or medical expenses.

Example : Travel insurance included when purchasing a flight ticket

3. Health Insurance

Coverage for medical care and wellness services.

Example : Health insurance offered at the time of subscribing to a telemedicine platform

4. Mobility Insurance

Protection for users of personal transportation such as scooters or bicycles.

Example : Insurance included when renting an electric scooter

5. Banking Insurance

Insurance products linked to financial services (loans, payment cards).

Example : Credit insurance when applying for a loan

Why adopt embedded insurance?

Higher average basket size : 53 % of consumers are more likely to complete a purchase when embedded insurance is included.

(Bain & Company)

Market growth : The embedded insurance market could reach \$500 million in gross written premiums over the next 10 years.

Observatoire de l'Assurance Ouverte et Intégrée.

Embedded insurance adapts to multiple sectors, offering instant and transparent coverage. For businesses, it serves as a strategic lever to boost profitability and increase customer loyalty.



The Benefits of Embedded Insurance :

Added Value for All

Embedded insurance is transforming the industry by simplifying access to insurance products and making them more accessible. It involves integrating insurance coverage directly into services offered by distributors such as banks, retailers, and digital platforms. This model brings significant value to three main stakeholders: **customers, distributors, and insurers.**

- ✓ **Insurers** : Access to new markets and diversification of their offer.
- ✓ **Distributors** : Enhanced services and competitive differentiation.
- ✓ **Customers** : Instant, simplified protection without complex procedures.

Benefits for Customers : More Accessible and Efficient Insurance

Embedded insurance significantly improves the customer experience by simplifying access to protection solutions and adapting them to individual needs.

A simplified, hassle-free experience

- **Seamless journey** : Insurance is directly included in the purchase, with no paperwork or extra steps.
- **Instant activation** : One-click subscription and fast claims handling.
- **Tailored protection** : Coverage adjusted to consumers' specific needs.

Enhanced satisfaction

60% of customers prefer to purchase insurance when it is integrated into their purchase
(EY)

Instant access : Insurance is available at the right moment, with no additional effort .

Benefits for Distributors : A Strategic Lever for Growth

By integrating insurance into their offer, distributors can enhance their value proposition, increase sales, and improve customer retention.

A more attractive and distinctive offer

- ✓ **Enriched value proposition** : Aligned with modern, digital and in-store buying journeys.
- ✓ **Competitive differentiation** : An additional offer that attracts customers and strengthens competitiveness.



An increase in sales and turnover

+25% increase in average basket size :

Customers are more likely to complete purchases and opt for higher-end products.

Bain & Company

+20% conversion rate : Offers including insurance see a 20% higher conversion rate than sales without coverage

Bain & Company

New revenue streams : Commissions from insurance sales without requiring prior expertise

Greater Customer Loyalty and Engagement

52% of consumers are more likely to choose a vendor that offers embedded insurance

InsTech London

Improved customer retention : Accessible, tailored protection builds trust and satisfaction.



Benefits for Insurers : Increased Sales and Revenue

Embedded insurance enables insurers to reach new customers, reduce costs, and improve risk management.

Easier access to new markets

High-growth market : Embedded insurance is expected to represent \$3 trillion by 2032

InsTech London

Expansion into new segments : Reaching previously hard-to-access consumers via integrated distribution

Improved efficiency and risk management

Access to real-time data : Better analysis of customer behavior enables more relevant offers

Risk optimization : Automation and AI improve risk selection and management.

Stronger profitability

Reduced acquisition costs : Lower marketing and sales spend through direct integration in purchase journeys.

Higher margins : Optimized distribution and improved risk management boost profitability.

Embedded insurance is no longer optional it's a revolution redefining how insurance is designed, distributed, and consumed.

Widespread adoption : More and more businesses are adopting this model to improve competitiveness.

Embedded insurance is a win-win solution for all stakeholders :

- ✓ **Customers** enjoy instant, tailored protection without complexity .
- ✓ **Distributors** enhance their offer, attract more customers, and increase revenue.
- ✓ **Insurers** gain access to new markets while optimizing costs and profitability.



In a rapidly changing market, embedded insurance is becoming an essential strategic lever to meet consumer expectations and drive sustainable growth.

Your Strategy for Success :

The Keys to Getting It Right

Ensuring the success of your strategy

The success of an embedded insurance program depends on a well-defined strategy. This section provides guidance on how to optimize product commercialization, refine pricing, and deliver an engaging customer experience. You'll also learn how to assess and measure the performance of your insurance offering.

■ Collaborate with an expert, agile partner

Choosing a partner capable of integrating personalized insurance into your offerings is essential. They should have the expertise to develop tailor-made insurance products via APIs, while ensuring a compliant and optimized implementation. Whether it's building front-end or back-end interfaces, your partner should support you at every step.

■ Select a partner aligned with your current capabilities

For non-insurance companies, this generally means choosing a provider that offers an embedded insurance solution. This simplifies both management and the offer itself, while adapting to your specific business needs.

■ Choose a visionary, innovative partner

Your partner should be able to tackle challenges, experiment quickly, and continuously learn. It's also crucial that they share your values to strengthen brand identity and coherence.

■ Prioritize strong, trustworthy support

An experienced partner will guide you through the integration of insurance into your customer journey. Their advanced technical skills, understanding of regulatory requirements, and collaborative, design thinking-based approach will be key assets in ensuring the success of your project.

Once you've selected the right partner, it's equally important to organize the internal integration of insurance within your business. To ensure a smooth rollout and maximize the benefits of the collaboration, it's essential to structure the project and mobilize the right resources.



Appoint a dedicated internal manager

To maximize the effectiveness of the integration, designate someone from your team to lead the project. This person will be responsible for :

Managing the partnership :

- **Collaborate closely with your partner** to design an insurance solution tailored to your products.
- **Ensuring a seamless customer journey** Guarantee a smooth integration of insurance into the purchasing experience.
- **Overseeing regulatory compliance** Handle legal and compliance aspects with the support of your partner.
- **Analyzing program performance** Optimize ROI by adjusting the offer as needed and identifying new cross-selling opportunities.

By combining rigorous internal management with effective analytical tools, you can maximize the efficiency of your insurance program. Monitoring key indicators enables offer adjustments, profitability optimization, and the identification of new strategic opportunities for your business.

Tracking and analysis tools

An insurance partner like Garanty provides powerful tools to monitor and evaluate the performance of your insurance portfolio. These tools allow you to measure key metrics such as margins, claims, and loss ratios.



Regulatory Requirements :

The Essentials for Offering Embedded Insurance

Compliance with regulatory requirements is a key factor in offering reliable and competitive insurance solutions. Depending on the type of insurance product, regulatory approval may be required. However, this process remains smooth and accessible when supported by an experienced partner.

Why seek regulatory approval ?

Obtaining regulatory approval allows you to expand your coverage offerings while ensuring full compliance with applicable standards, thereby guaranteeing a secure and trustworthy solution for your clients.

Some insurance products can be distributed without specific authorization, especially when the insurance complements a main product or service and the premium stays within regulatory thresholds.

**If authorization or registration is required, this comes with strict conditions, including: Capital requirements
Financial guarantees, Training and certification for distributors**

Your partner to support you

Garanty guides you through the entire process, including the assessment of regulatory requirements. With its expertise, Garanty facilitates the integration of insurance solutions that fully comply with Tunisian legal frameworks, ensuring your offer is reliable, competitive, and compliant.

With the right support, obtaining approval becomes a straightforward step, enabling you to introduce innovative solutions fully within the bounds of the law.



Partnership with Garanty :

The Insurance That Makes a Difference

Partnership with Garanty

Garanty is a B2B2C insurtech that designs tailor-made, embedded, and white-label affinity insurance products for insurers, non-insurance companies, and non-insurance brands across the MENA region.

As an experienced affinity insurance provider, Garanty develops relevant protection solutions for your customers and helps you stand out from competitors in the market.

Garanty is also a mission-driven company, aiming to make insurance more transparent and impactful. It promotes embedded insurance as a way to make subscription smoother for consumers while improving the efficiency of coverage, particularly in filling protection gaps.

■ Usage-Based Insurance

Pricing is adjusted based on actual use, offering more flexibility and allowing customers to pay only for what they use.

■ Inclusive Insurance

Solutions are accessible to a wide range of profiles, ensuring universal protection that meets the needs of various population segments.

■ Plug and Play Insurance

Fast and easy implementation with instant activation, enabling a hassle-free integration.

■ Tailor-Made Support

From design to deployment, Garanty supports you at every stage of the process. We build high-performance, regulatory-compliant insurance offers tailored to your business model. Garanty's expertise enables co-creation with partners—both from the insurance industry and other sectors seeking to offer complementary services.

Advanced Technology for Digital Insurance

Garanty stands out through its innovative approach to digital and embedded insurance. With its Play & Plug platform, access to insurance is simplified through high-performance tools:

■ Intuitive contract management :

An ergonomic interface for simplified administration.

■ Automated claims processing :

A digitalized process for quick and efficient handling.

■ Real-time performance tracking :

Instant access to key data for optimized management.

As a leader and pioneer in digital and embedded insurance

Garanty is revolutionizing the insurance market by offering solutions tailored to new consumer behaviors. With its expertise and advanced technology platform, Garanty enables its partners to launch high-value insurance products, either under their own brand or white-labeled, with seamless and fast

Garanty in Action : Embedded Insurance Reinvented

Garanty is transforming affinity insurance by delivering integrated solutions tailored to the needs of businesses and their customers. Thanks to advanced technology and a modular approach, each coverage is embedded directly into the purchase journey, ensuring instant, frictionless protection.

Key Figures

+80 000

Protected Products

Smartphones, laptops, home appliances, furniture, connected devices, and more.

+100

Partner Distributors

Retailers, telecom operators, banks, e-commerce platforms, marketplaces.

+92%

Customer Satisfaction

Thanks to a seamless, digital journey and responsive customer support.

+25

Embedded Services

Protection, assistance, repair, reimbursement, extended warranties.

+60

NPS Score (Net Promoter Score) :

Above the insurance industry average.

Comprehensive Protection for True Peace of Mind

Banking Products :

Garanty offers specially designed insurance solutions to enhance transaction security and provide extra coverage to banking customers:

Card Insurance : Protection against theft, fraud, and coverage for purchases made with the card.

Personal Loans & Consumer Credit : Coverage for death, disability, and job loss to secure loan repayments.

Bank Account Insurance : Protection against online fraud and transaction security.

Consumer Goods Insurance Garanty also provides a wide range of insurance products for consumer goods, ensuring optimal protection:

Electronics :

Smartphones

- ◆ Protection against breakage, theft, and oxidation.
- ◆ Immediate activation at purchase.
- ◆ **Extended warranty : +1 year after the manufacturer's warranty ends .**

Laptops and MacBooks

- ◆ Protection against breakage, theft, and oxidation.
- ◆ Immediate activation at purchase.
- ◆ **Extended warranty : +1 year after the manufacturer's warranty ends .**

Tablets and iPads

- ◆ Protection against breakage, theft, and oxidation.
- ◆ Immediate activation at purchase.
- ◆ **Extended warranty : +1 year after the manufacturer's warranty ends**

Smartwatches

- ◆ Protection against breakage, theft, and oxidation.
- ◆ Immediate activation.

TV

- ◆ Protection against breakage and oxidation.
- ◆ Immediate activation.
- ◆ **Extended warranty : +1 year post-manufacturer coverage.**

Home Appliances :

- ◆ Protection against breakdowns, short circuits, and leaks.
- ◆ Fast assistance to minimize daily disruption .
- ◆ **Extended warranty: +1 year after original warranty ends**

Household Goods and Furniture :

Furniture

Protection against :

- Stubborn stains
- Burns
- Tears

Optical

Protection against :

- Broken lenses
- Broken frames

Embedded Insurance for a Frictionless Experience

Garanty makes it easy to integrate turnkey insurance solutions through its Play&Plug technology, allowing companies to:

- **Quick and intuitive setup** : Immediate activation and easy product deployment .
- **Adapt to all purchase journeys** : Flexible solutions tailored to all types of products and services.
- **Gain a powerful edge in differentiation and loyalty** : Provide personalized solutions to strengthen customer engagement.

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