

# The Uber of finance

A fintech version of a Lloyd's syndicate, Riovic has reached just over R500,000 worth of risk to facilitate underwriting on its peer platform.



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“There are numerous middlemen in the underwriting process, who come with fees which inflate insurance costs” says chief business developer, Siyanda Shozi.

Riovic provides an online platform that’s similar to the Lloyd’s model, which is an insurance market rather than a company, where brokers go to seek risk underwriting from wealthy individuals and corporates.

## Eliminates middleman fees

The platform allows underwriters to view and provide a percentage of the capital needed to cover the risk and in return receive a percentage of the premiums for that risk as returns.

What the risk manager gets is the elimination of undisclosed and disclosed fees that finance middlemen cost.

## Game of chance

“It is obviously a game of chance. Insurance is about chance but the returns can be great if no claims are made,” says Shoji.

At first, Riovic wanted to facilitate peer-to-peer insurance through its social networking platform, which got it accepted into Facebook’s accelerator, FBStart.

Using this tool, friends would be able to help each other cover their risks but the startup soon realised a major red flag was risk capital, since insurance premiums wouldn’t be enough to cover risks without a reinsurer.

## **Revised model**

It then revisited the model and devised a way to separate the insured and insurers. This was how peer underwriting or the underwriting marketplace was developed.

Riovic is a gold member of Rand Merchant Insurance Holdings’ AlphaCode, Facebook’s FBStart and IBM’s Global Entrepreneurs.

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