

# An Innovative Cooperative Business Model in the Insurance Industry

## Context

The insurance industry is changing faster than ever. Competitors are going digital, AI is changing the question of liability, new players are entering the market, the Netherlands is dealing with an aging population and many more challenges have arisen. To remain competitive, insurance companies have to innovate and differentiate themselves. The question is, how?

## Professorship of Sustainable Cooperative Entrepreneurship

**&**  
**univé**

## Specific Case: Univé

The Professorship of Sustainable Cooperative Entrepreneurship maintains a strong relationship with Univé. They are able to support them in the search for ways to innovatively incorporate sustainable cooperative business practices into their business model.

Univé currently manages well over 4 million insurance policies of more than 1.6 million customers. Univé is a cooperative and that means: sharing risks. Risks that individuals cannot or do not want to carry alone. This provides security and peace of mind. Dating back to 1794, regional cooperatives were set up that became the basis of the Univé of today. They are still situated in the region, which is where they want to stay.

Univé was founded on the principles of the cooperative enterprise and social contract. Especially the aspect of social accountability has proven very difficult to maintain at the large scale at which Univé now operates. The company recognizes that there are many threats arising in their business environment. They believe they still have some time to make a change, increase and maintain their competitive advantage. Univé is now looking at what that competitive advantage will be and how to implement it.

Going forward, Univé want to be able to combine its current way of doing business with an innovative and sustainable cooperative business model.

## Dilemmas

There are large established players and small up-and-comers. Some focus on social value, some on pricing and some on technological innovation. A cooperative insurance company focuses on the social aspect but this is hard to realize at a large scale.

## Problem definition

How can Univé stay relevant with their cooperative business model in the face of a changing competitive landscape?



## Wicked Problem

A cooperative style organization is largely socially organized and exists to support its members. Initially, due to their small scale, the members benefitted from monitoring and stimulating each others safety, sustainability and success. This was because the entrepreneurs put money aside together, so the insurance money essentially belonged to all of them therefore it was in their best interest to take care of each other. This is how many insurance companies were initially started. However, as insurance companies grow, it is harder to maintain this social responsibility. It has resulted in large scale anonymity between their customers and not feeling a shared responsibility. Adding to that, due to the changing surroundings, insurance companies need to adapt and implement new business models.

Ultimately an innovative hybrid cooperative business model is required to tackle the aforementioned issues.