



# Mobile Insurance: Past, Present and Future

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- Mobile Insurance Overview
- MicroEnsure Approach
- Tapping into the Opportunity



# Mobile Insurance Overview

# Mobile Insurance Overview

## Mobile insurance: mismatch vs South Africa and the rest of Africa:

South Africa: high-end policies leveraging smartphone capabilities

Rest of Africa: low-end policies covering millions via basic handsets



Insure your car online in minutes

visit [www.miway.co.za](http://www.miway.co.za)

The advertisement features a white car icon on a red background. The text is in white and red, with the website URL in white.

**e fml**  
*Insurance made easy*  
Mobile Funeral Cash Plan



vodafone

**PhoneInsure**

Comprehensive Insurance cover for your mobile

Wherever you are, whatever happens, we'll make sure you can still stay in touch if your mobile gets accidentally lost, stolen or damaged.

The advertisement features the Vodafone logo in the top right corner. The main text is in white on a red background. The background of the entire advertisement is a blue sky with a yellow and red structure in the bottom left corner.

# Micro-insurance as growth opportunity in emerging markets – Mobile fastest growing segment

## Compound annual growth rate

10-12%  
Emerging markets insurance

2-4%  
Mature markets insurance

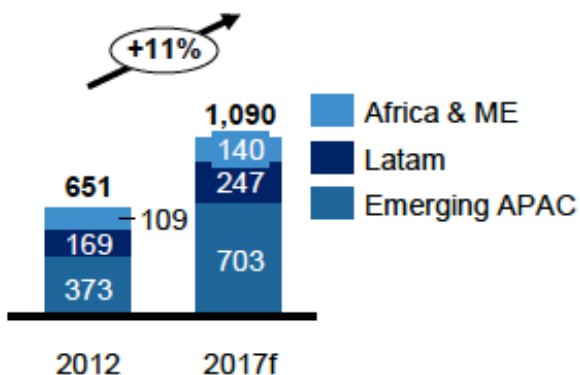
20%+  
Microinsurance

12-15%  
Small-ticket insurance  
(conservative estimate)

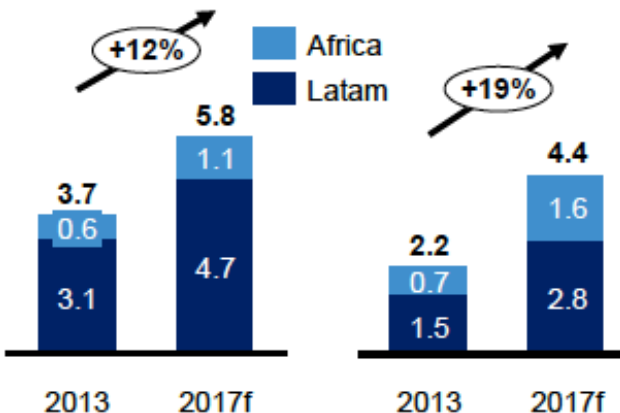
100%+  
Mobile Microinsurance  
(Africa's actual growth)

One year to insure 1mn lives via  
MNOs vs. 40 years for a typical  
insurance market

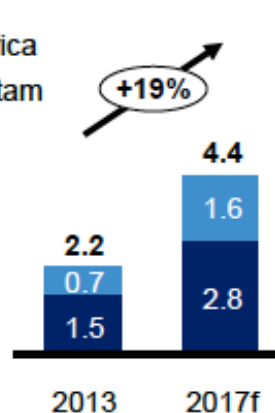
**Total Life and Non-Life**  
Premium in US\$bn



**Small-ticket Micro-insurance**  
Premium in US\$bn



**Mobile Microinsurance**



"The African microinsurance market grew by **more than 200 per cent during 2010 and 2012**. Eight out of nine markets with more than one million insured (not counting South Africa) have reached those customers through mobile-phone-based insurance."

# Mobile Insurance: Market Learnings

**First for Zimbabwe, the ECOLIFE package**

**Ecolife**  
Local Zimbabwe Benefits Today

Terms and conditions apply

Contribution: 700F/mois  
Capital garanti: jusqu'à 1 million

**Allianz Obsèques**  
Souscrivez aujourd'hui pour préparer demain.

Payez vos primes avec MTN Mobile Money

MTN Mobile Money

- Mass market customers do not wake up wanting to buy insurance
- The mobile channel is not a quick fix: it can make a bad product worse
- Mobile involves systemic risk: product failures can materially impact markets
- Customers expect mobile insurance to work like other **mobile** products, not like other **insurance** products
- Freemium is hard, but a better model

**SalamaSure**  
Personal Accident Cover

Use Airtel Money to pay your SalamaSure life. Simple.

UAP

**CIC M-BIMA**

www.cic.co.za

**UniMobile**  
Use Airtel Money & Enjoy Free Life Insurance

**BENEFITS**

- Free life insurance cover for you & your next of kin up to R 1,000,000
- Free of insuring money from one of our policies to another
- Money transfer to your family and friends
- Money transfer to pay your partner for business investments
- Accident and Sickness payments via Airtel Money

**PROCEDURE**

Incase of Claims Call Hotline: **200**

- Go to Airtel Money menu
- Select Insure
- Select Insure & change your policy to Airtel (200) to your preferred plan
- Go to Airtel Money menu
- Select "Insure" to activate your policy
- Receive a confirmation message
- Subsequent activation of 20 days

**Heritage Faraja Insurance**

Through Heritage Insurance, MTN's Faraja Insurance coverage provides you security and protection at no extra cost.

\* Selectly Send money through Airtel Money to cover 10 times per month and you will get the 100% bonus cover worth ZWL300,000.

\*\* You can also purchase a range of other plans for a premium of as little as ZWL 2,000 per month!

Plan	English translation	Sum Insured	Monthly Premium / Payment
Musha	Life	ZWL 500,000	2,000
Uyanda	Love	ZWL 500,000 AD 1,500,000	2,500
Uroga	Unity	ZWL 1,000,000	3,500
Afand	Promise	ZWL 1,000,000 AD 3,000,000	4,900
Tumara	Hope	ZWL 1,500,000	5,900
Uthuru	Freedom	ZWL 1,500,000 AD 4,500,000	7,500
Ushaka	Patience	ZWL 2,000,000	8,000
Amani	Peace	ZWL 2,000,000 AD 6,000,000	9,800

**Key**

AD=General Benefit  
AZ=Accidental Death

power to you



**Linda Jamii**

MATIBABU SASA, NJIA KISASA

# Freemium Mobile Insurance History

## Freemium Insurance

- Leo Namibia - 2007
- Tigo Ghana - 2010
- Tigo Tanzania - 2011
- EcoNet Zimbabwe - 2011
- Tigo Senegal - 2012
- Robi Bangladesh - 2012
- yuMobile Kenya - 2012
- Vodacom Tanzania - 2012
- Tigo Mauritius - 2013
- Dialog Sri Lanka - 2013
- Grameenphone BD - 2013
- TNM Malawi - 2013
- Telenor Pakistan - 2013
- XL Axiata Indonesia - 2013
- Tigo Honduras - 2013
- Airtel Ghana - 2014
- Airtel Zambia - 2014
- Airtel Burkina Faso - 2014
- Airtel Nigeria - 2014
- Airtel Niger - 2014
- Airtel Madagascar - 2014
- Airtel Malawi - 2015
- Airtel Kenya - 2015

## Legend - Operators

- TrustCo (2)
- MicroEnsure (12)
- Bima (6 - originally Tigo)
- Heritage (1)

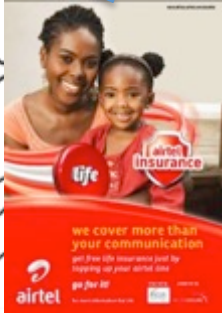
BILLBOARDS, FLIERS & SIGN BOARDS			
Ring Road Shop 1, Accra	Ring Road Shop 2, Accra	Stadium Road, Kumasi	Ashiaman Interchange, Accra
			
Laminated AI flier (front)	Laminated AI Flier (back)	AI Claim Newspaper insert	Taped AI flier to franchise showcase
			

# MicroEnsure- Airtel Launches: Past 12 Months

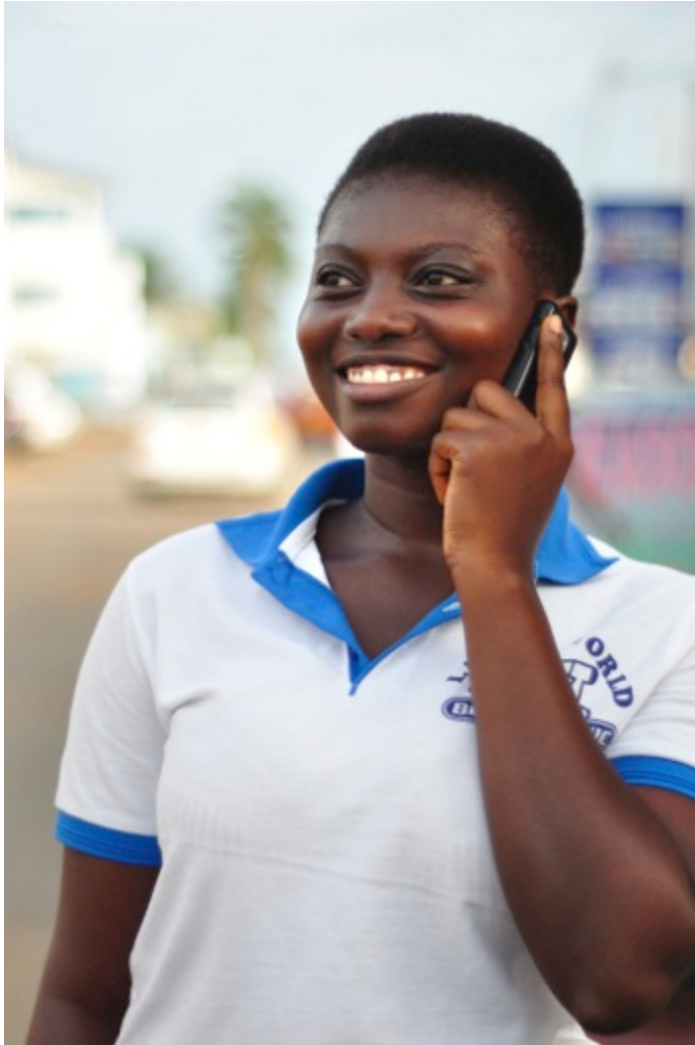
4 more launches scheduled



8 million new enrolled policy holders







# MicroEnsure Approach

# MicroEnsure Overview

- Founded in 2002 by Opportunity International
- 2007 Gates grant, 2012 conversion to for-profit social enterprise
- Investors: IFC, Omidyar Network, Opportunity, Telenor, Sanlam, AXA
- Design, implement and operate micro insurance products worldwide
- 15 million customers in Africa/Asia, growing by 1 million per month
- 85% of customers are new to insurance
- Cover various classes of risk: life, inpatient/outpatient health, crop, political violence, micro asset, accident/disability, “decongestion”
- 50,000 claims paid in past year
- 90 banking and microfinance partners
- 70 insurance partners
- 13 telecom partners
- 4-Time Winner of Financial Times/IFC Awards, including recognition as most transformative financial services business from 2005-2015



# MicroEnsure Global Footprint

## Micro Health Insurance

- Tanzania: KNCU Primary Care Cover
- Philippines: Triple 10
- Ghana: Credit Health for MFIs
- India: Rural, Cashless Inpatient Cover

## Mobile Insurance: Life, Accident, Hospital

- Zambia: Airtel
- Tanzania: Tigo
- Nigeria: Airtel
- Ghana: Airtel, Tigo, MTN
- Kenya: yuMobile, Airtel
- Senegal: Tigo
- Burkina Faso: Airtel
- Malawi: TNM
- Bangladesh: Grameenphone
- Malaysia: Digi
- Pakistan : Telenor

## Agricultural Insurance for Smallholders

- Malawi, Rwanda, Zambia, Ghana, Uganda, Kenya, Tanzania: Rainfall Index Cover
- Caribbean: Hurricane Index Cover
- Philippines: Typhoon Index Cover



**AMERICAS**  
Caribbean

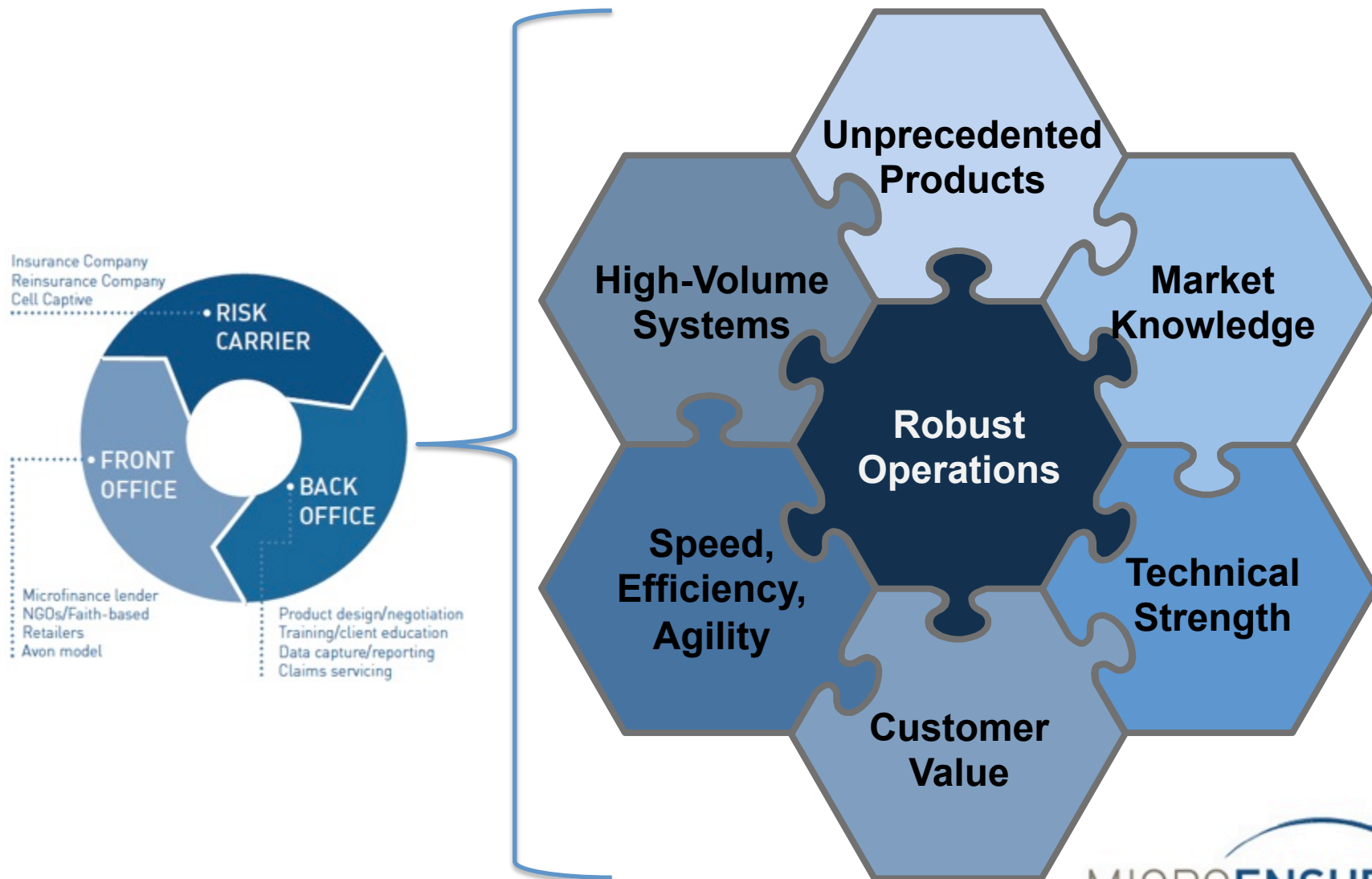
### AFRICA

Zambia  
Malawi  
Rwanda  
Nigeria  
Ghana  
Uganda  
Tanzania  
Kenya  
Mozambique  
Senegal  
Burkina Faso  
Niger

### ASIA

Bangladesh  
Pakistan  
India  
Philippines  
Malaysia

# The MicroEnsure Value Proposition



# The MicroEnsure Value Proposition

Human-Centred Design: 12 years in Low-Income Markets

CONTINUUM 

Help me **understand** and **believe** in the **value of insurance** in my life today.

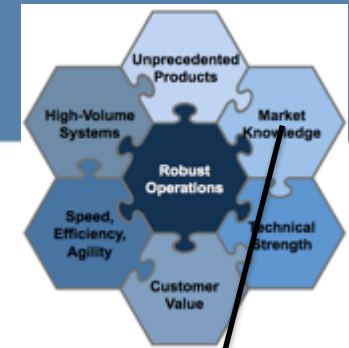
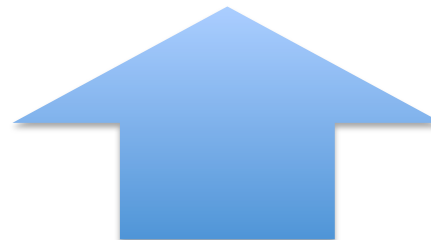
Experience > Assumptions



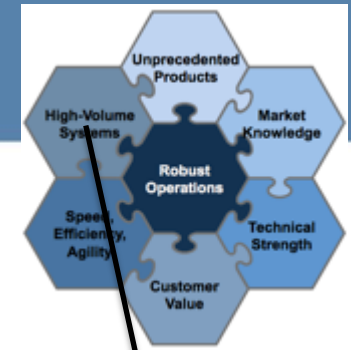
Trust in product  
“Insurance is bought”  
High risk awareness  
Poor are hyper-rational



Fraud  
“Insurance is sold”  
Insurance education  
Poor aren't rational



# The MicroEnsure Value Proposition



ARK:  
1.2 million  
per hour

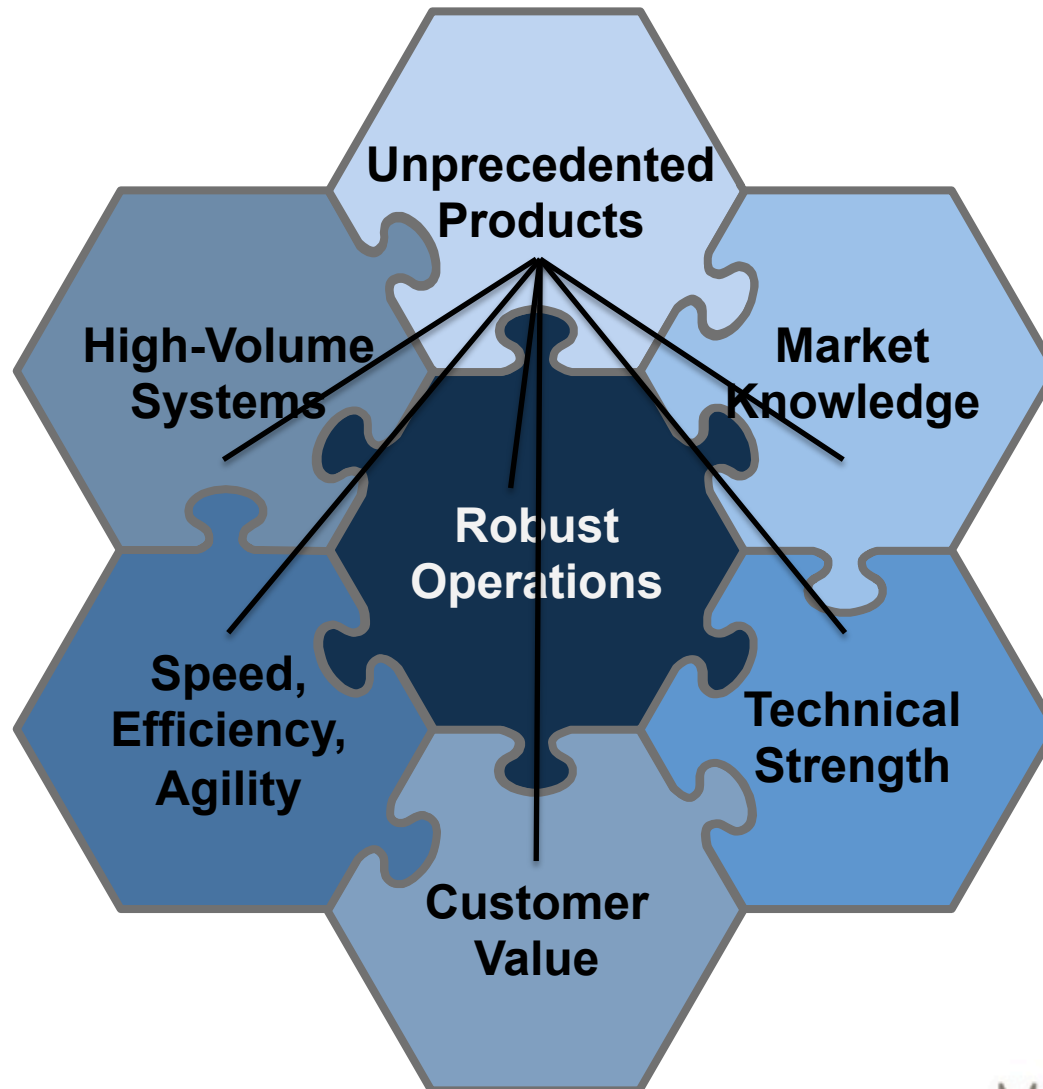
Claims:  
New  
Technologies

Mobile  
Capabilities:  
USSD, SMS,  
IVR

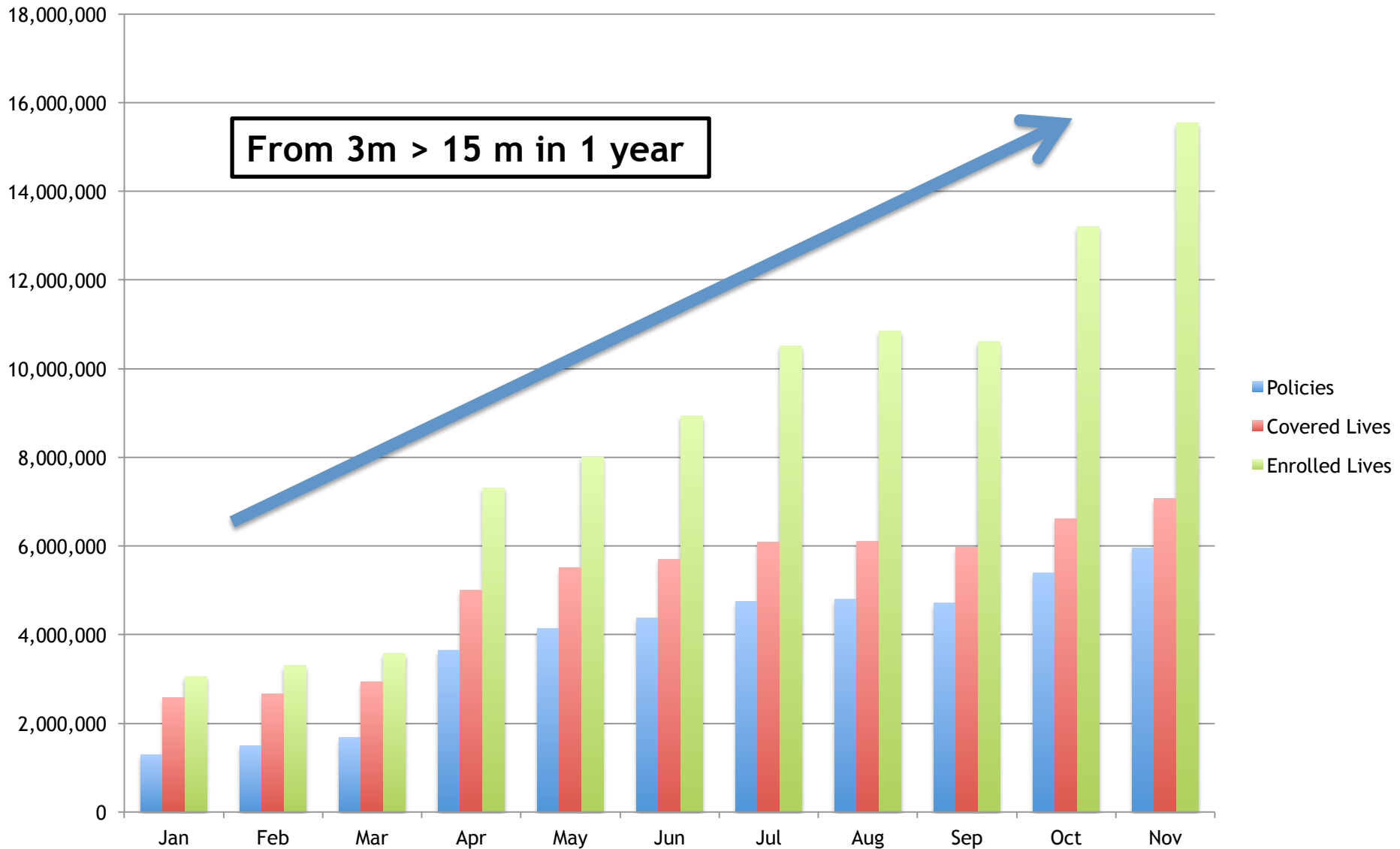


**High-Volume  
Systems**

# Value Proposition Interdependence



# 2014 MicroEnsure Policy Growth





# MicroEnsure Services for Insurers

## MicroEnsure Services

### Product and Process Design

#### Pricing and Actuarial Assessment

In-Demand and Unique Product Features

Eliminate Terms and Conditions without Losing Money

Brand-Appropriate Marketing Content

Robust Training Content

### Insurance Project Management

Winning Bids with Large Distributors

Microinsurance Market Research

Value Chain Facilitation: Reinsurance Arrangements

Legal, Commercial and Service Level Agreement Content

### Operational Execution

Mobile Platforms (USSD, SMS, IVR)

Mass-Market Customer Care

Customer Field Engagement

Microinsurance Claims Management

High-Volume Policy Administration

### Monitoring and Evaluation

Key Performance Indicator (KPI) Management

Business Growth and Retention Analysis

Customer Perception Management

Financial Reporting and Premium Reconciliation

Claims Status and Payment Performance

Risk Management and Loss Forecasting

*Helping you to avoid the price war by using insurance as a marketing tool to create bottom line value for distribution partners...*

*You get to focus on your core business; we focus on micro...*

*Low-cost, white-label operations and administration at high scale...*

*You have a competitive advantage that is difficult for others to copy...*

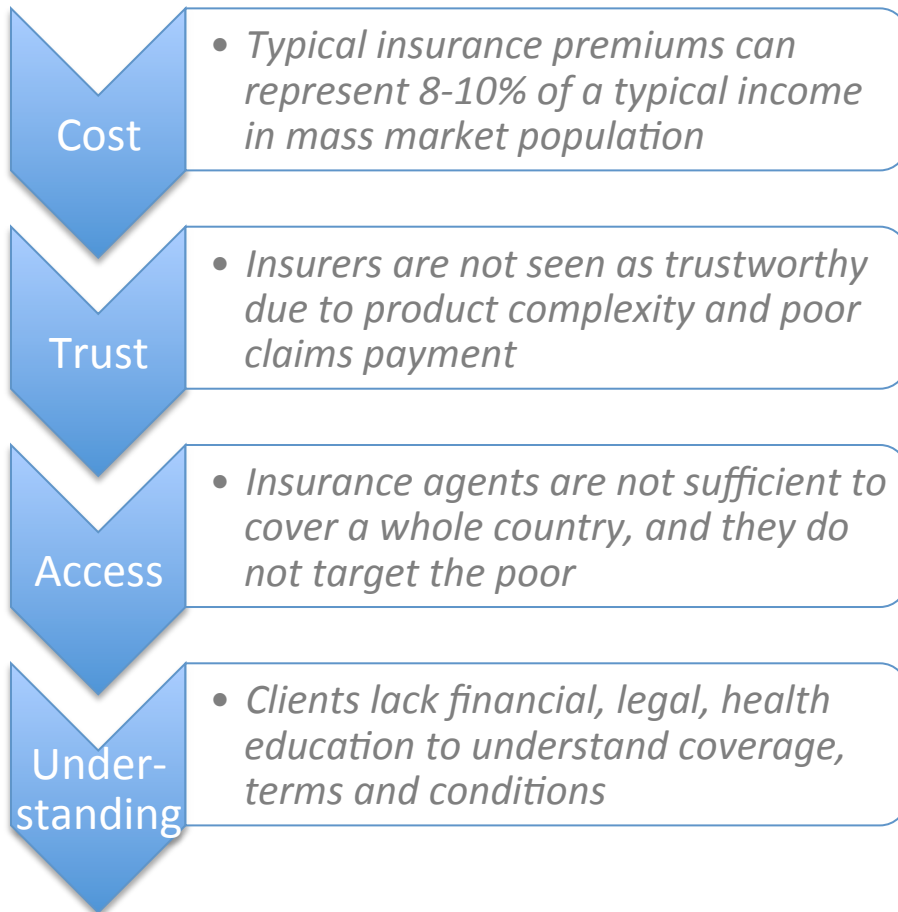
*This is why Sanlam and AXA invested, and why 40% of our business comes from insurers...*

***Micro insurance requires a holistic product, process and operational integration***

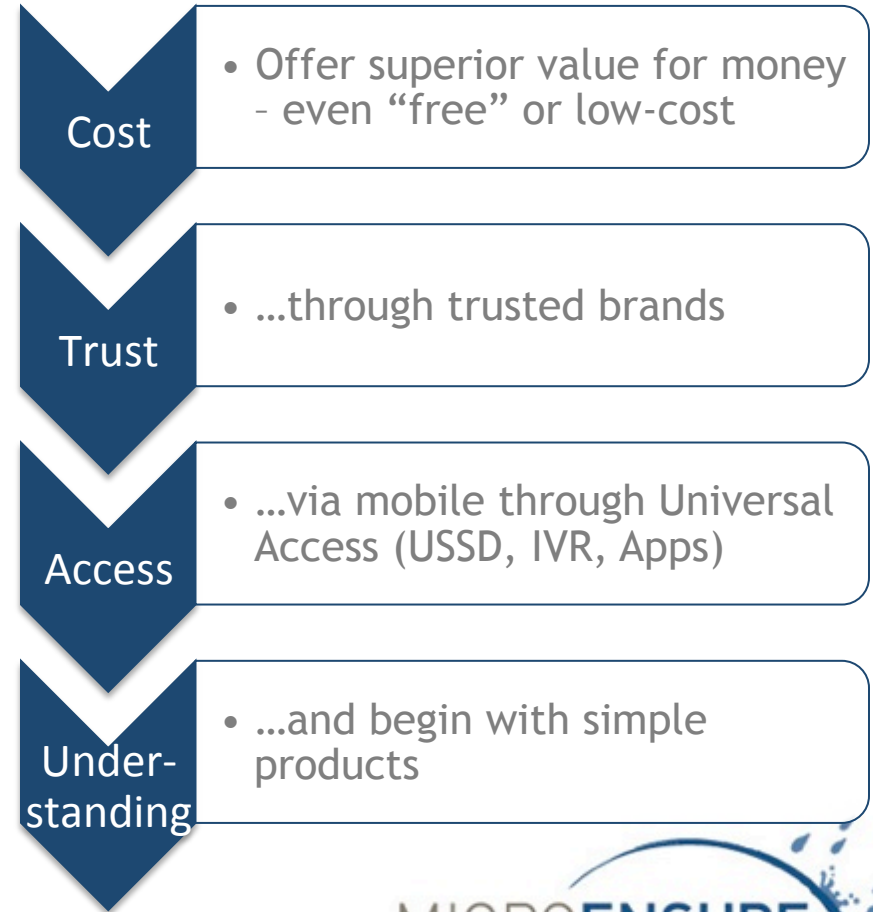


# Overcoming Barriers to Demand

## Barriers to insurance uptake in Africa:



## Our Value Proposition:



# MicroEnsure and Mobile Insurance

Life insurance  
accident  
hospital cash

dial \*580#

**airtel insurance**

Live life in confidence, we've got you covered.  
get free insurance just by using your airtel line  
you have a friend in us when the unexpected happens

airtel

**miLife**  
mobile insurance

Life Insurance for Everyone

MicroEnsure Golden Life MTN

tnm **MOYO** cover

**Life Insurance** FREE  
for you & your family

MOYO Cover, another first from TNM, is a monthly life insurance cover for you and one family member or friend that you register. Best of all it's FREE!

TO GET FREE MOYO COVER:

- 1 Dial \*7999
- 2 Register for Free
- 3 Use at least K3,000 a month

Monthly Usage (K)	Insurance Cover
1,000 - 2,999	K 50,000
3,000 - 4,999	K 100,000
5,000 - 7,999	K 200,000
8,000 - 9,999	K 500,000

MICROENSURE

enjoy today. secure their tomorrow.

**Bima Mkononi**  
Life insurance for all, peace of mind for you and a loved one for just kshs. 15 per week only through airtel money in partnership with pan africa life and microensure

airtel money pesa mkononi

MICROENSURE

আপনি কি জানেন... একে আমরা কভার কে?

নির্ভর

Life & Hospitalisation Insurance

Protect you and your family with

tigo bima

Life & Hospitalisation Insurance

**yuCover**

Life insurance for you from yu!

MICROENSURE  
Helping the poor weather life's storms

# Mobile Insurance Freemium Model

Earn free life, accident and hospital cash cover up to \$2,500 when you top up \$2

The more you top up, the more you earn

Pay \$1 per month and double the free cover you earn

Earn up to \$5,000 in life/accident and hospital insurance

Buy additional cover for a family member

Buy additional types of cover: health, handset, travel, crop ...

# Why Freemium? 2010-2013: What we Learned



**Tigo Bima**  
**inayojali familia bure**

Namba yangu ya Tigo: \_\_\_\_\_

Jina: \_\_\_\_\_

Jina la rafiki / ndugu: \_\_\_\_\_



- **The low-income market wants insurance**
  - They will increase loyalty and spend, which makes the product attractive to brands wanting to reach them, especially MVNOs
- **But they don't want to pay at first**
  - The same product sees 20X uptake if it's free
  - No paid-for, stand-alone insurance product in Africa has reached >1% penetration of a telecom subscriber base in year one
- **Free = scale + efficiency + client value**
  - 20% telecom penetration reached in 12 months
  - Administrative costs per policy: ~\$2/year
  - Claims payments are the best marketing tool, and customers want to see 1,000s of them
  - A successful free product sets the stage for a long-term customer value proposition

# Tigo Ghana - MicroEnsure: Market Impact

Use at least this much Tigo airtime in a month...

...get this much life insurance for you and a family member - for free!

Gh¢5

Gh¢200

Gh¢10

Gh¢400

Gh¢15

Gh¢600

Gh¢25

Gh¢800

Gh¢40

Gh¢1000

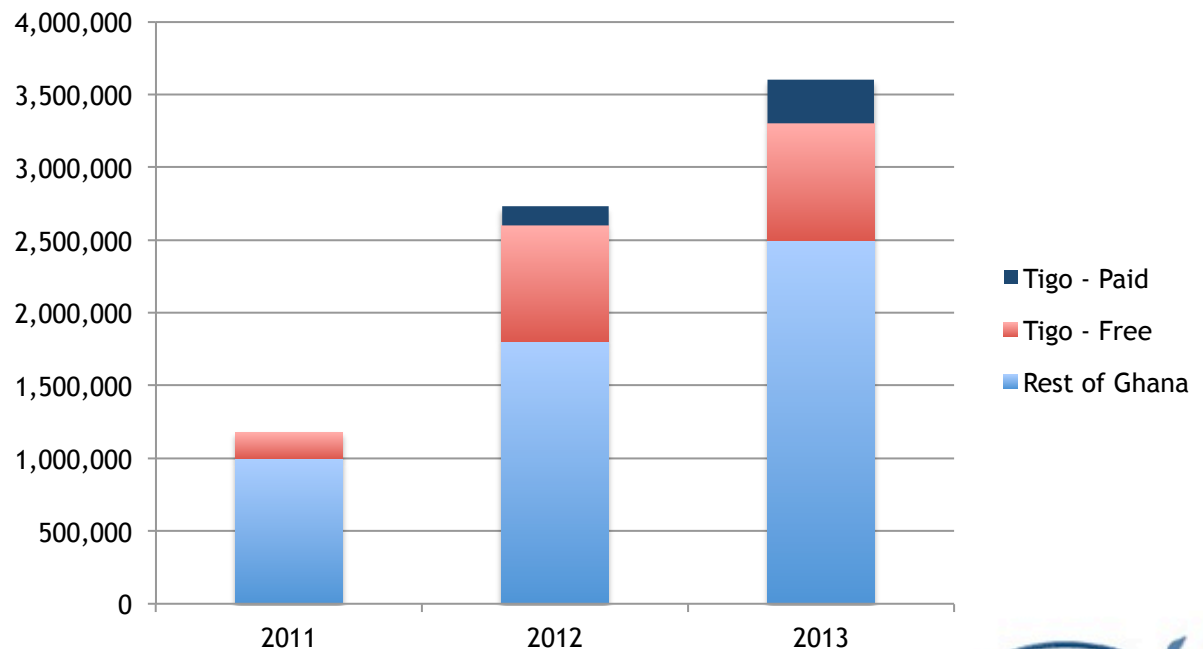
## Tigo Family Care Insurance

means that if you or your registered family member were to pass away, your family will receive an amount of money based on your Tigo airtime usage during the previous month.

Cover is renewable monthly, it does not accumulate.

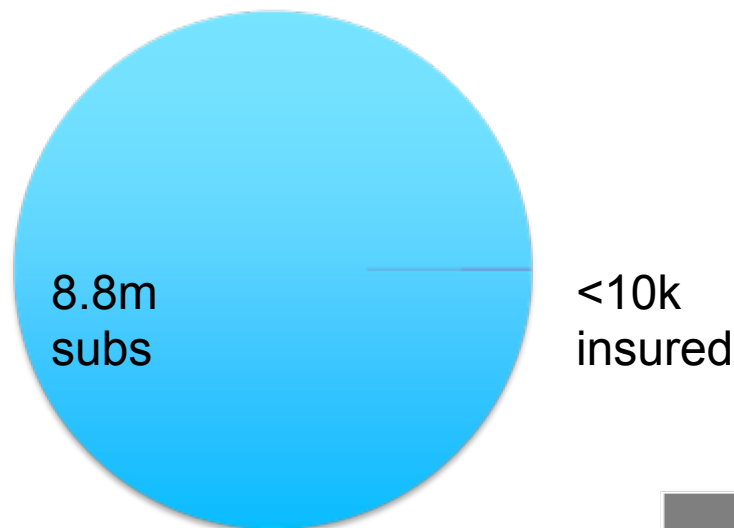
94% of clients can explain the product  
61% "highly satisfied" by the product  
42% of Ghanaian public aware of product

## Lives Assured – Tigo Free, Paid, and Rest of Ghana



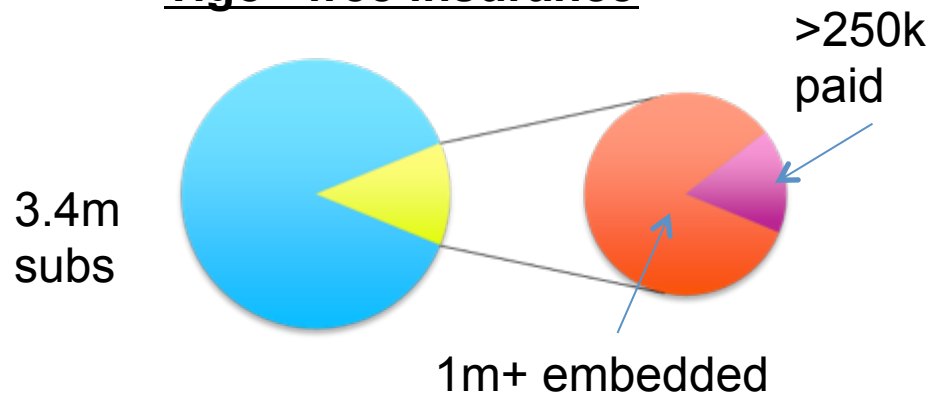
# Comparing Freemium to Paid

## MTN - paid insurance



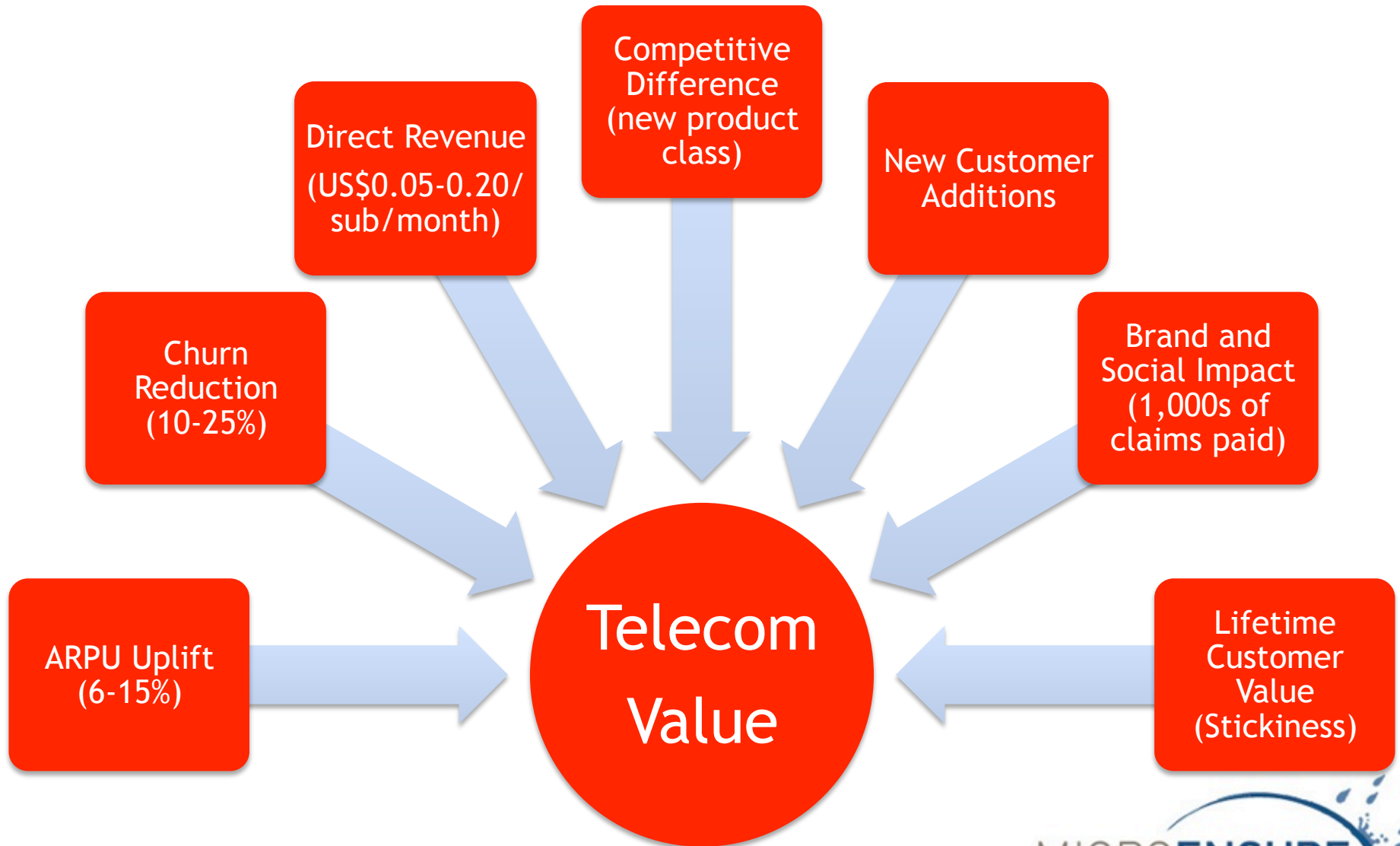
- MTN had much larger client base but much lower sales
- Started with paid only
- Tigo achieved much higher paid customer base starting with embedded

## Tigo - free insurance



	MTN	Tigo
Life insurance	✓	✓
One year in the market	✓	✓
Paid via USSD menu and mobile account (\$0.35 – 1.75)	✓	
Free insurance embedded in airtime (higher usage, higher insurance coverage)		✓
Paid Insurance: Double the free coverage for (\$0.59) via airtime		✓
Monthly SMS informing of airtime usage and coverage		✓
Instant APRU and churn reduction effect		✓

# Why are Telecoms Doing Insurance?





# Product Example - Ghana “3 for Free”

## Phase 1 - January 2014

Monthly Recharge	Life Cover	Accident Cover	Hospital Cash
GHS 5 - 9.99	GHS 250	GHS 250	GHS 25
GHS 10 - 19.99	GHS 500	GHS 500	GHS 50
GHS 20 - 49.99	GHS 1,250	GHS 1,250	GHS 100
GHS 50 and up	GHS 2,500	GHS 2,500	GHS 150

## Phase 2 - March 2015

**Double Cover** – pay GHS 1 per month to double your 3 for Free Cover: enjoy up to GHS 5,000 in life, accident cover and GHS 300 hospital cash

**Family Cover** – pay GHS 3 per month to double your 3 for Free Cover and give them same coverage to a loved one

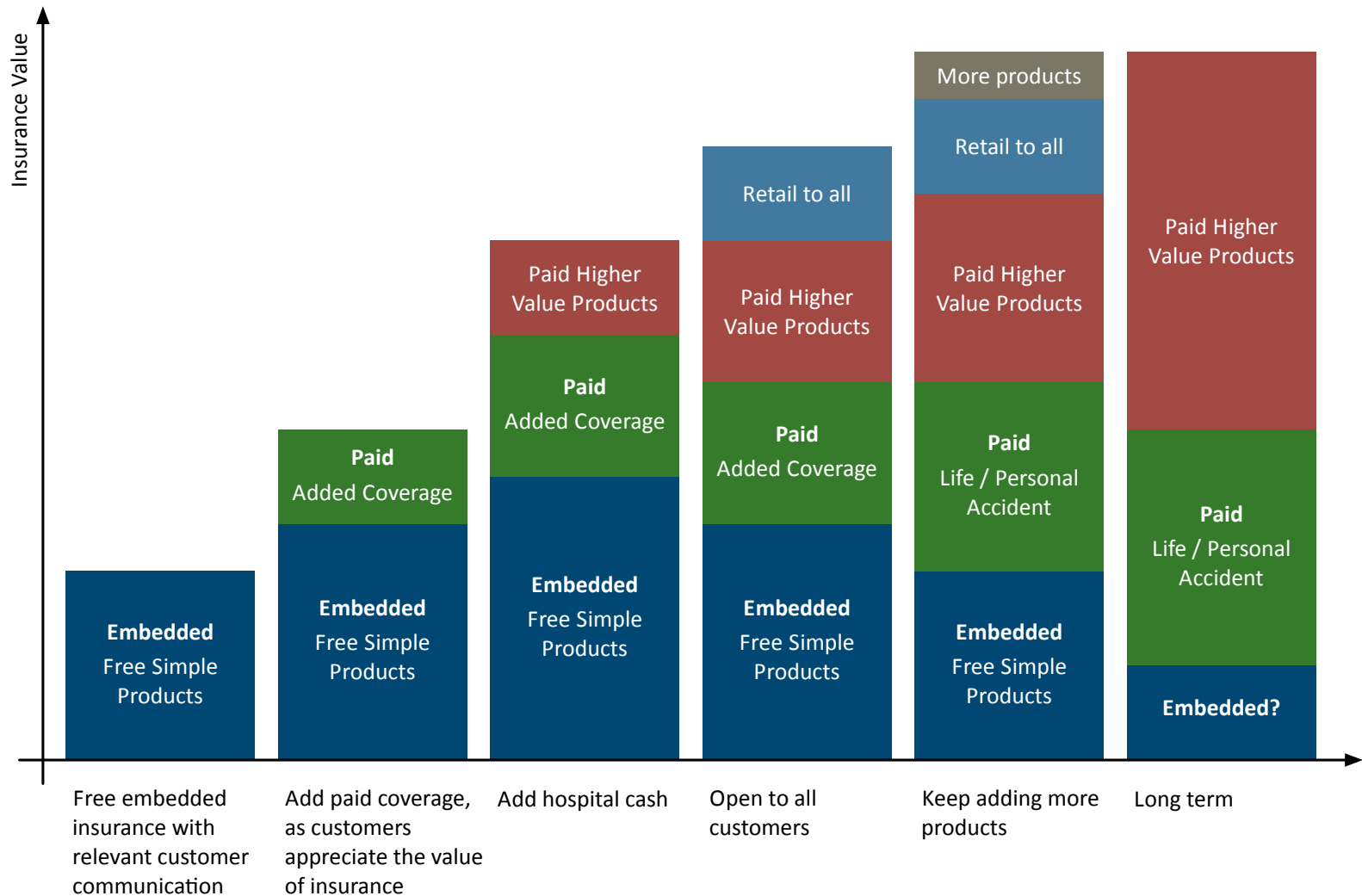
**covered for life, insured for 5**  
top up with 5 GHC or more in a month and get free insurance  
*how a registered airtel subscriber earns insurance cover:*

Monthly Airtime Top Up in A Month	Life Cover in The Next Month	Accidental Disability Cover in The Next Month	Hospital Cash Cover in The Next Month
GHS 5 - 9.99	GHS 250	GHS 250	GHS 25
GHS 10 - 19.99	GHS 500	GHS 500	GHS 50
GHS 20 - 49.99	GHS 1,250	GHS 1,250	GHS 100
GHS 50 and up	GHS 2,500	GHS 2,500	GHS 150

**airtel**

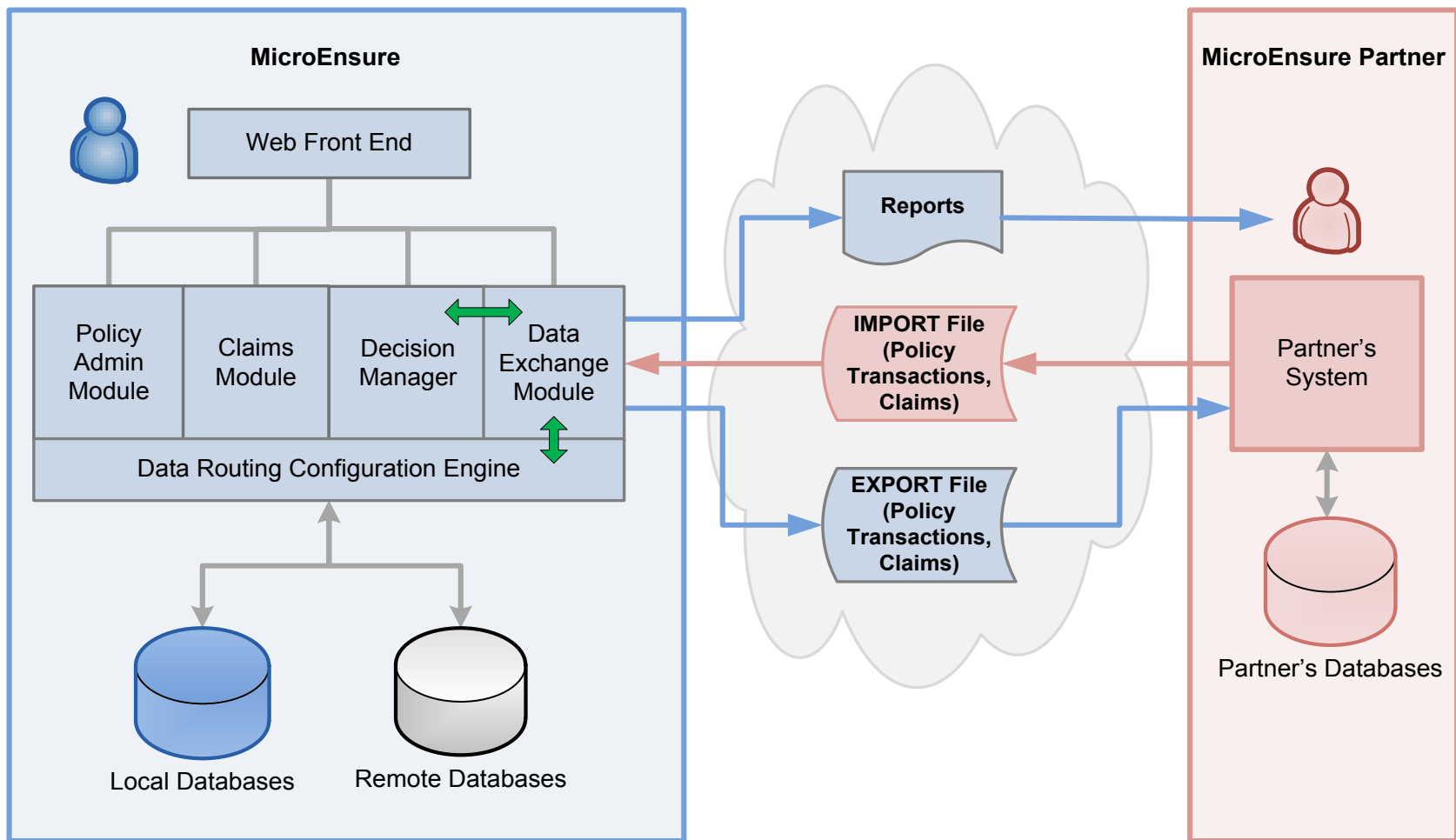
MICROENSURE enterprise

# Embedded leads to paid uptake



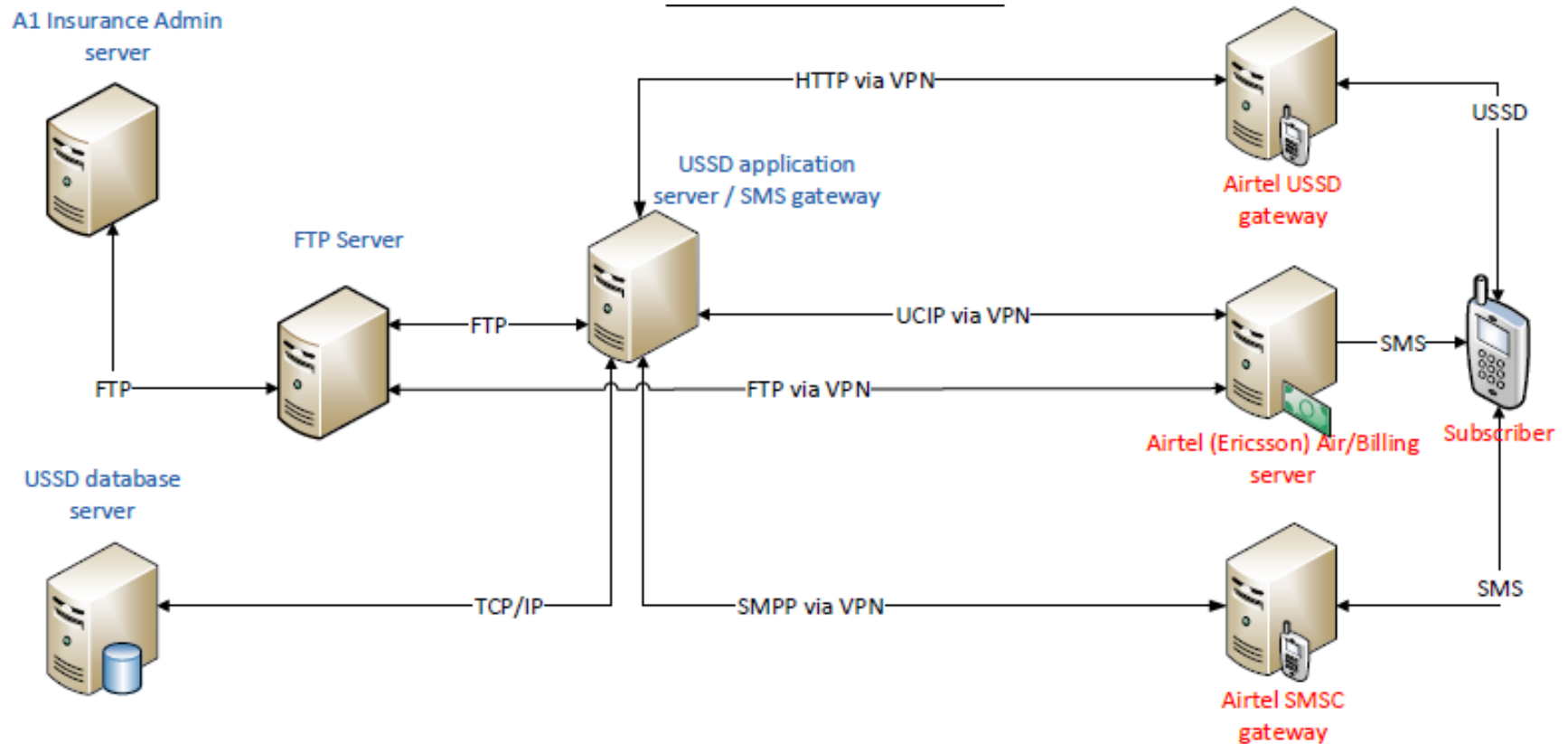
Embedding entry strategy educates the market

# MicroEnsure 'Lite' Systems Approach



Capacity: 1.2 million new policies per hour in any risk class

# Network Traffic Diagram





# Tapping into the Opportunity

# Appeal to the Aggregator's Core Interests

How is the Chief Marketing Officer's annual bonus determined?

## Revenue

- Acquire new customers
- Sell more widgets
- Achieve higher per ticket sales
- Up-sell products

## Footfall

- Increase transactions per customer
- Increase store visits per month
- Cross-sell new products and services

## Loyalty

- Reduce churn
- Consolidate spending
- Build brand
- Enhance trust
- Show social responsibility

*- This is not traditional affinity insurance - it's placing insurance at the front of a product as a marketing tool.*

# How do I Serve 10 Million Customers?

Test operations for scale, or find scalable partners:



Can we serve 10 million customers in each of these stages? If we can't, who can?

Can simple technology help us to do any of these things faster and cheaper?

# Technological Applications - Mobile Insurance

Pricing and Product Design	- “Big Data” from telecoms / MFS co’s / retailers / banks
Marketing, Client Education, Enrolment	- USSD, SMS, IVR, Outbound calls
Administration	- Outsource majority to application business rules engines
Premium Collection	- Mobile money and airtime auto-deduction - Airtime loans repaid via top-up
Claims Servicing	- Mobile money payments - Camera phones for documents
Training	- Mobile applications are cheaper than expected - Videos can be used for field agents
Customer Feedback, Market Research	- Long-form SMS tests with two-way feedback

## 4 Steps to Maximizing the Value of Technology in Mass-Market Insurance :

1. Hire a young developer who is aware of technology news and networks.
2. Task your operations teams with streamlining existing processes.
3. Be open to using technological applications everywhere in your business.
4. Keep an eye out – new applications are developed every day





# Thank You

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