

Insuring the Poor and Vulnerable



Helping the poor weather life's storms

Richard Leftley - CEO, MicroEnsure

MicroEnsure is the worlds largest platform dedicated to providing microinsurance for the poor.

Pioneer in providing insurance products to the poor

- Started in 2002 as a wholly owned subsidiary of Opportunity International to offer microinsurance to OI's clients.
- Additional funding from Gates Foundation in 2008 allowed for increase in geographic & product coverage.

With strong reach and engagement

- Serving 3.4m clients and \$17m in premiums by end of 2011.
- Growing in excess of 200,000 new clients per month.
- Currently operating in Ghana, Tanzania, Rwanda, Mozambique, Kenya, the Philippines and India.

And growing sustainability

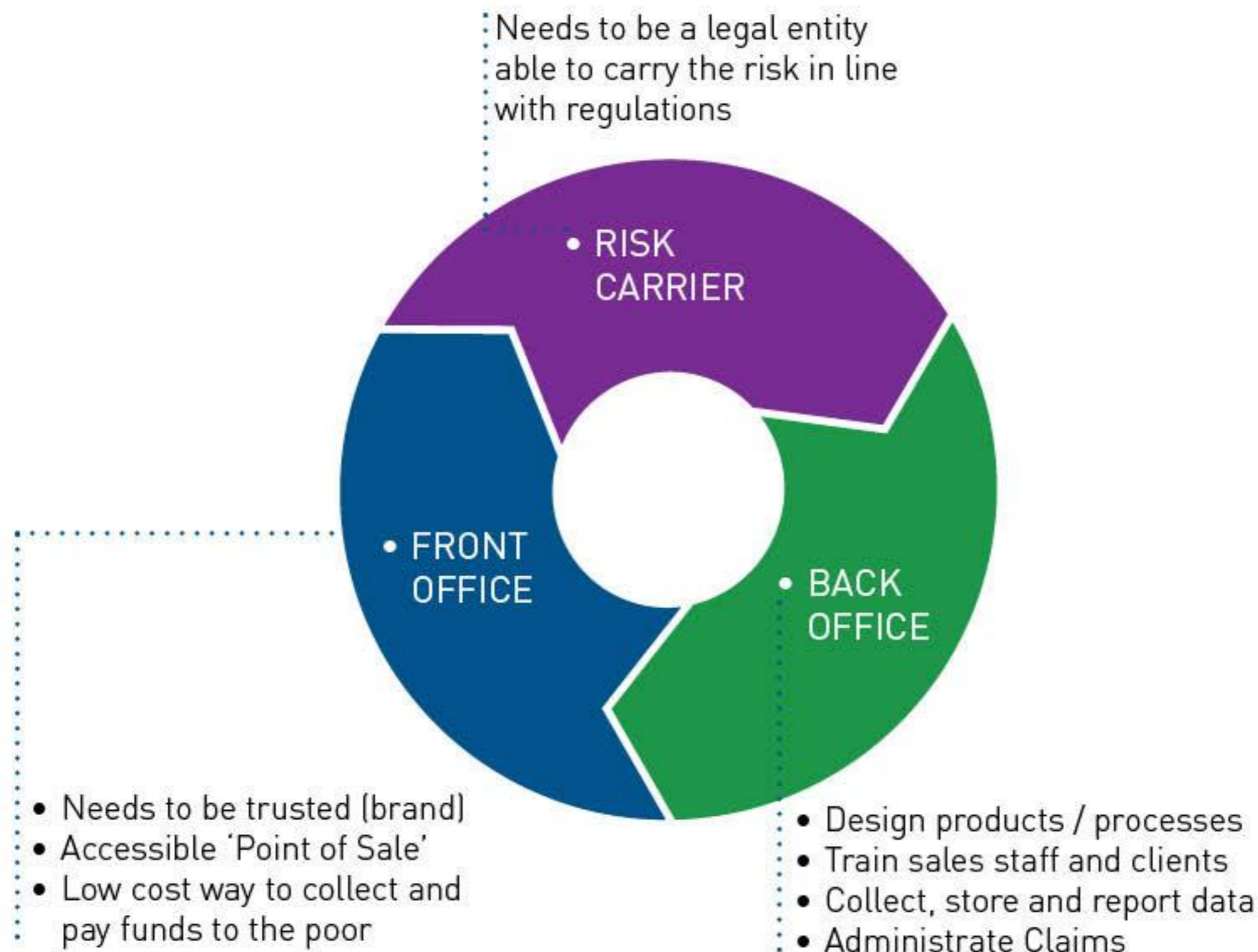
- Sustainability increased from 36% to 56% during 2011.
- Poised to commercialize in partnership with key distributors including mobile networks.

Insurance is a key safety net



- Developed world spends 9% of GDP on insurance; but <2% in developing countries.
- The poor face huge risk which is financed informally
 - Poor value for money
 - Insecure as unregulated
- Insurance is safety net
- 24% of those entering hospitals leave below the poverty line

Framework for Microinsurance



Risk Carriers

- Initially started partnerships with local insurers, but did not get the desired products and service level.
- Using global reinsurers, such as Swiss Re, for catastrophe products.
- Established own reinsurance vehicle, hosted by Hollard Insurance, with ability to design products, guarantee claims and earn underwriting profit.

Front office

- Partnerships with 67 MFI's, which offer credit life but struggle to scale complex products.
- NGO's, VSLA's and churches lack ability to transact cash in and out.
- TIGO, MTN, YU and major Asian based telco emerging as key distribution channels.

Back office

- Innovative product design
- Customer education
- Data management and analytics
- Reporting & claims control via proprietary systems

MicroEnsure is structured to be a broker, cell manager, third-party administrator, and consultant

Clients trust their network provider; they don't trust insurers!

Start by embedding simple product into the sale of airtime. Increased loyalty pays for the “free” product and exposes clients to offering.



Second stage is to offer a “freemium” product (i.e.,) increase the benefit or include spouse / relative for a small fee



Third stage is to sell a stand-alone product, such as health, with premiums deducted monthly from mobile wallet

MicroEnsure Experience - Tigo

Tigo Family Care Insurance: Tigo Ghana & Tanzania

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.



Thank you for using Tigo! Based on your Tigo usage in December, your free life insurance is XXX cedis for January. Use more Tigo, get more insurance!

Life insurance sold to Tigo subscribers

Free to subscribers on an opt-in basis

Distributed by dedicated agents

SMS sent to customer once per month

Cover based on monthly airtime usage



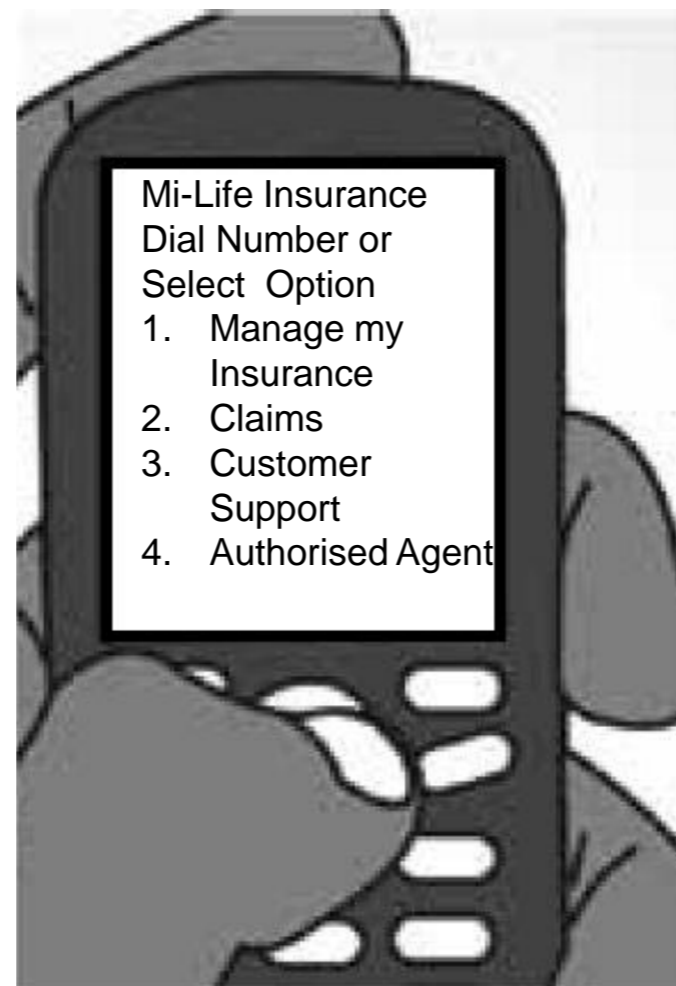
MicroEnsure Experience – MTN Ghana



Sign up today for Mi-Life insurance through MTN Mobile Money - it's easy!

Peace of mind	For a small payment every month, you can know that if something happens to you or your next of kin, your family will have money in time of need.
Convenience	Just keep your MTN Mobile Money wallet topped up, and your monthly premium will be deducted automatically each month.
Flexibility	You can change your policy anytime - just visit the *165# menu on your phone to check your status or make changes.
Reliability	Claims are easy to file, and the payment will come within two weeks.
Trust	Supported by MTN - underwritten by UT Life in partnership with MicroEnsure, MFS Africa and Hollard International

Mi-Life Insurance: MTN Ghana



- Life insurance sold via Mobile Money
- Buy, manage and claim via phone
- Monthly premium/life: US\$0.35 – \$1.75
- Life insurance benefit: US\$350 - \$1,500
- Recurring deduction of premium via Mobile Money



MNOs are key to growth strategy

Ghana experience shows that telecom operators are a large source of growth

- Doubled the number of people insured in Ghana during 2011.
- Enrolling 5,000+ people per day in a small country.
- Tigo is backing the model and expanding it to other countries – already in Tanzania with others in the works.
- New products sold via Tigo will drive up revenue: “Xtra” implemented

Emerging JV with Asia telco will drive growth and revenue through broker and cell captive model.

Clear that we need to capture more underwriting profit to reduce risk and exposure to commission only model.

Challenges & Risks



- Scale, scale, scale
 - Commission model results in low revenue per policy.
 - Can increase revenue through a JV model or by taking underwriting share.
- Reliable execution across geographies is critical. Need to keep investing in systems and people.
- Strong partnerships are important, but must balance with overexposure to a single distributor.
- Regulatory risk remains, especially in the interface between insurance and branchless banking.
- Execution challenges of managing a global operation.
- Need to achieve the right balance between delivering at scale and continued innovation.
- www.microensure.com or email us at info@microensure.com