



Innovative distribution models to increase outreach

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MicroEnsure overview



- Founded in 2002 by Opportunity International
- Received a \$ multi-million grant from the Bill & Melinda Gates Foundation
- Current investors: AXA, IFC, Omidyar Network and Sanlam
- We design, implement and operate mass market products worldwide
- Cover various classes of risk; life, inpatient/outpatient health, political violence, micro asset, accident and disability
- 12 Mobile Network operator partnerships
- 90+ banking and microfinance partners
- 70+ insurance partners
- 4 time winner of prestigious Financial Times / IFC awards including the 10 year anniversary “Excellence in Transformational Business Award” in 2015
- Shortlisted for 2016 Financial Times / IFC award in ‘Achievement in transformational finance’ category
- 3 time Kalahari Awards winners

Key figures

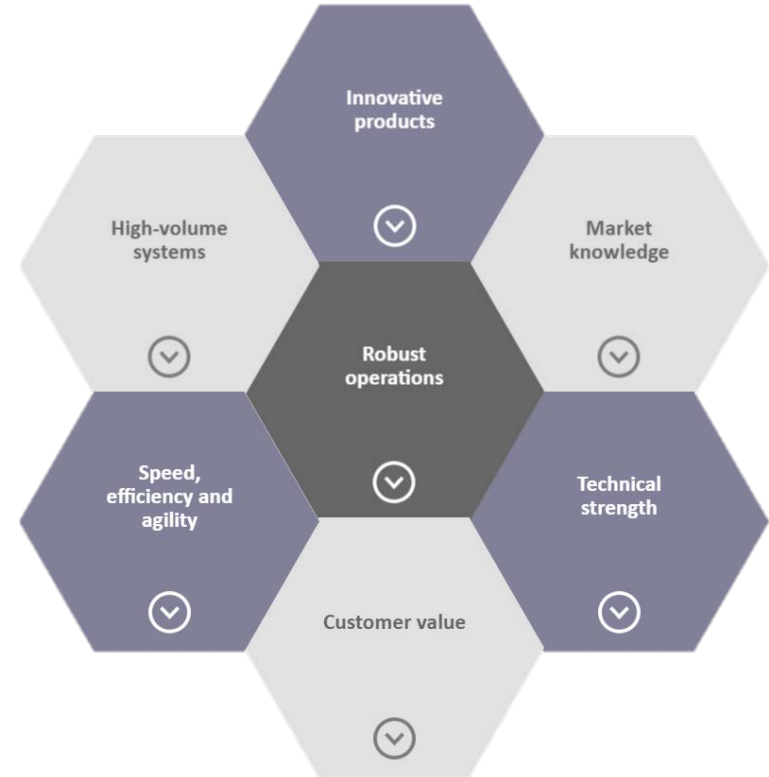
+40m People served

People are new to insurance **85%**

12 Countries in Africa and Asia



Business model



Innovative approach to grow outreach

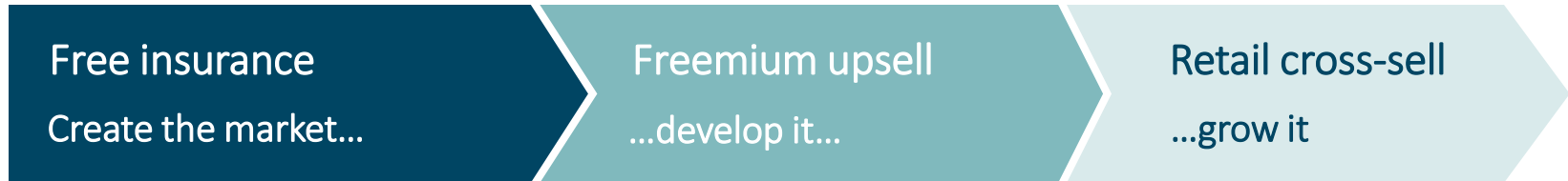
Freemium model

Context

- People do not wake up wanting to buy insurance but they do wake up worried about the risks they face in everyday life
- Consumers are unsure/unaware of the potential benefits of insurance
- Front-office organizations such as MNOs, MFIs, Banks etc face challenges with growth in revenue and customer loyalty

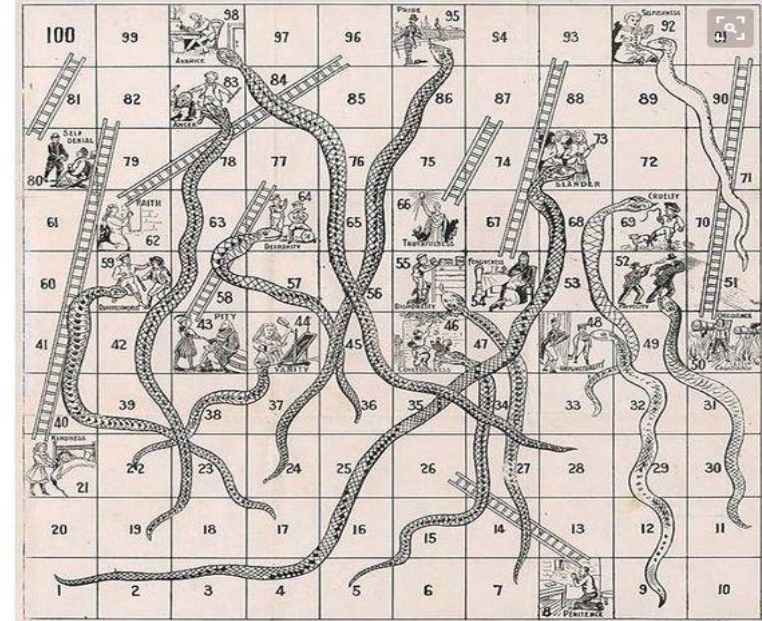
***We combine these factor to create a
win-win approach***

- A three phased insurance program to maximize customer preference and generate additional revenues



Addressing specific risks

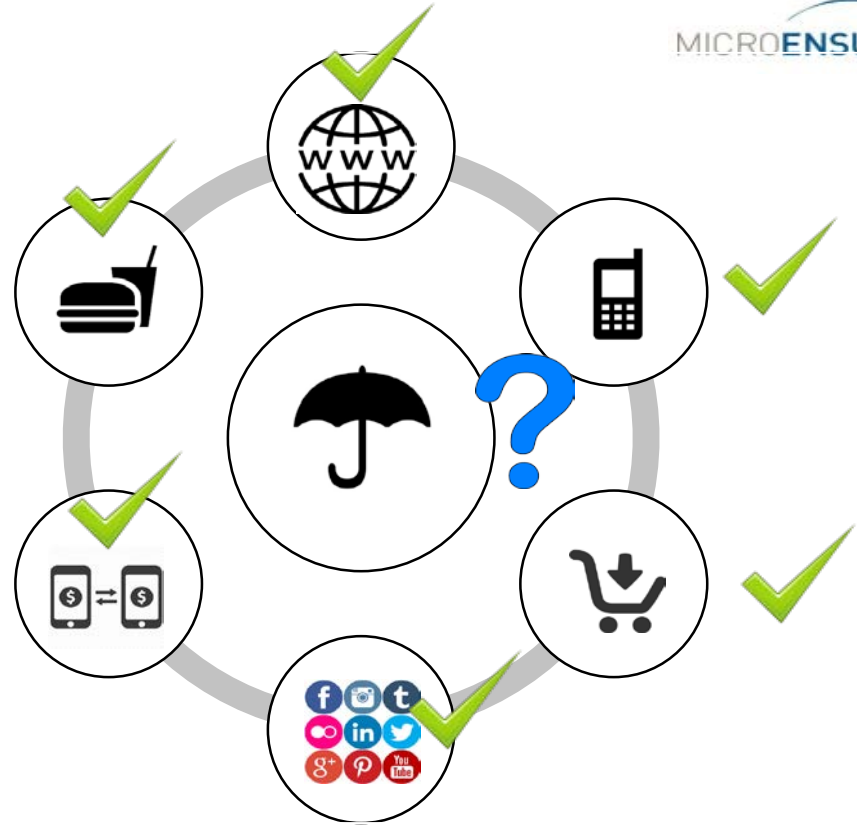
Temporary disability
Pests damage crops
Food insecurity
Mugging/ Attack
Illness
Theft of assets
Accident
Hospitalization
Family death
Drought damages crops
Divorce / separation
Natural disaster
Fire
Loss of income source
Damage of two wheeler
Chronic illness



Appropriately price risk, reduce cost through tech-based processes

Just enough - just in time

- Why these products and services have better acceptance in poor people than insurance?



Value for Money

Understanding

Relevance to need

Instant
gratification

Radically simple products

Innovative
products

Insurance must work like any other FMCG offering

Explained in full, in two minutes or less

It must be bought, not sold

Exciting for the customer base

Provide fast and helpful customer service

Flexibility to be customised by the service provider at short notice

Microinsurance defies the traditional insurance rules



No or minimal
exclusions



No claim forms



No medical exams



No or minimal
waiting periods



No long /
complicated policy
documents

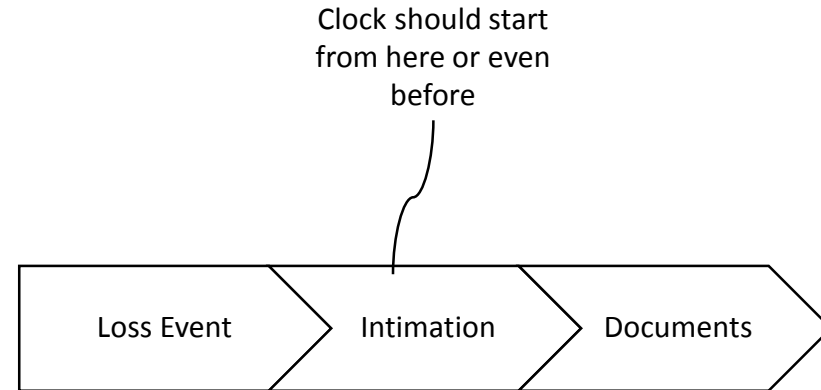
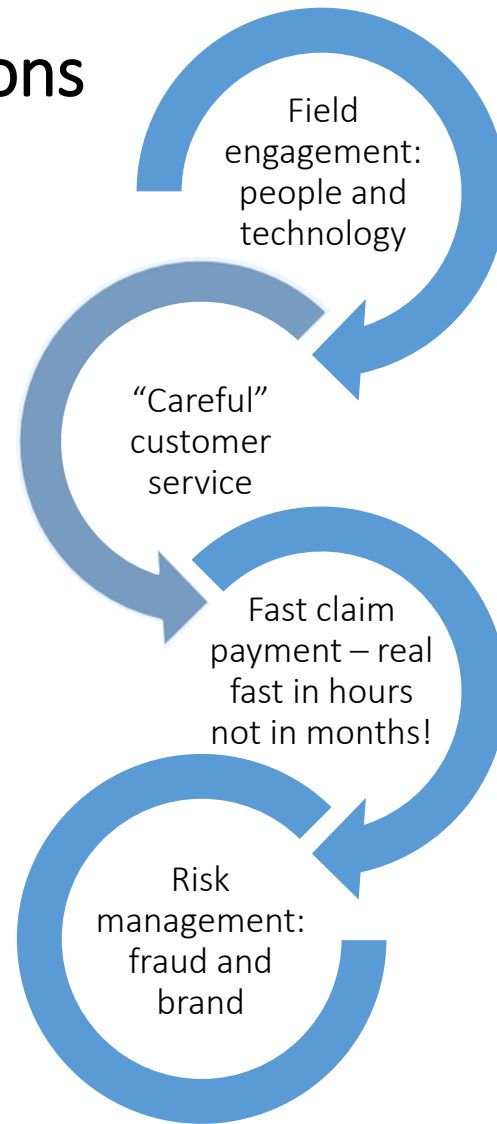


No ID documents

Right distribution channel

Channel	Setup Cost	Outreach	Small Ticket Feasibility	Scalability	Mis-selling
Career agents	High	Low	Low	Low	Medium
Banks	Low	Medium	Low	Medium	Medium
Brokers	Low	Low	Low	Low	Low
Employees	High	Low	Low	Low	Low
Internet	Medium	Medium	High	Low	Low
Worksite marketing	Low	Low	Low	Low	Low
MFIs	Low	High	High	Medium	Low
M-Insurance	Low	High	High	High	Low

Robust operations



Clear delivery model

Front office partner	Brand, promotion, distribution , monthly enrolment data, premium payment, first tier customer service
MicroEnsure	Product and process design , pricing, training, customer field engagement, second tier customer service, policy administration, claims management, impact and risk monitoring and KPI measurement
Insurer	Underwriting, regulatory liaison and claim payment

Case studies



Telenor Suraksha - India

Case Study

Strategic focus

1. **Gain market share:** new SIM cards are provided with two months free insurance. They are then offered a “target” top up amount in order to maintain free cover.
2. **Drive ARPU:** all existing customers are made a “Target offer”, they can opt in but to qualify for insurance they have to increase top up and hence this drives revenue.

The business case for this product is therefore immediate and at the individual subscriber basis.

Product overview



No documentation - No medical exam - No age limit - No exclusions

- **Product type** – Life insurance paying a lump sum in the event of death due to any cause
- **Age limits** – Minimum 18 years with No maximum age cap
- **Enrolment channels** – Branded Retail, POS, SMS, USSD, IVR & Call center
- **Claim settlement turnaround time** – Within 7 days of document completion
- **Penetration**
 - Suraksha in a year: Over 30 Mn Customers
- **Insured clients profile** – 100% prepaid subscribers, most of them living in rural areas. Over 95% of all clients never had any form of insurance before

Recharge Slab (for Target List generation)	Insurance Cover
1 – 49 > Rs. 20 Incremental Recharge	Min. Insurance of Rs. 5000. Post Rs. 5000, based on Actual Recharge done.
50 – 99 > Rs. 20 Incremental Recharge	Actual Recharge Amount * 100
100 – 299 > Rs. 40 Incremental Recharge	Actual Recharge Amount * 100
300 – 499 > Rs. 50 Incremental Recharge	Actual Recharge Amount * 100

Key learnings

Favourable factors

- ✓ Over 95% uninsured market
- ✓ 48Mn+ Telenor India Customer base with no Insurance in mass and rural market prepaid clients
- ✓ Insurance product launched with a Major Activity of Brand change from 'Uninor' to 'Telenor'
- ✓ First of its kind product launched through a Telecom operator in India

Challenges

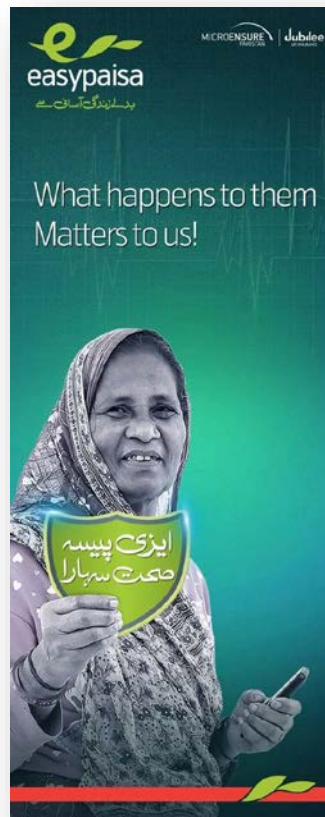
- Training all touch points (specially Call center & distribution POS) to spread the product benefits to the rural markets
- Changing perception of consumer, that Insurance can as simple as recharging your phone regularly
- Setting up system to manage millions of customers as per the projection
- Low awareness of documents required during filing claims

How we fixed them?

- Dividing work load between Business & training team within Telenor with support from ME team in making the training content easy to understand
- Several marketing campaigns through Hoardings, Newspaper Ad, posters at retail channels, etc.
- Training emphasis on
 - Zero documentation on enrolment
 - Easy documentation during claim
 - No exclusions
- On time launch of Customer Engagement Portal by ME
- Simple claims process/ documents ensures processing of 100% claims without 7 days.
- Support in arranging documents through Telenor retail

Impact

MicroEnsure Impact	MNO Impact
Introduced millions of subscribers to the concept of insurance, 95% of which never had exposure of any insurance	Informal: Expected increase in additional revenue through incremental recharge by the customer
Insured 7m+ customers in first two months	Help in using the brand more, specially in the market where consumer uses multiple SIM cards
Started working on other type of Insurance products, such as weather insurance, health insurance, etc.	Increase in Retention of customers
	To be launched



Easypaisa Sehat Sahara - Pakistan

Case Study

Strategic focus

1. **Address Health Needs:** Lack of access to health care is amongst the leading reasons for low life expectancy in Pakistan. 63% Pakistanis bear the financial cost of illness by using their savings, borrowing money or even selling household assets to overcome major health catastrophes*
2. **Drive Sustainability:** A clear revenue model for the supplier parties yet making commercials viable enough that it presents good value for money for the insured population

Product overview



No documentation - No medical exam – Limited exclusions

- **Product type** – Hospital cash insurance paying a daily allowance for each night spent in a hospital and a weekly indemnity for each one week of temporary disability due to injuries
- **Age limits** – Minimum 18 years to 65 years
- **Enrolment channels** – Call Center, USSD, Retailers
- **Claim settlement turnaround time** – Within 7 days of document completion
- **Annual premium** – USD 9 per person
- **Product uptake** – Over 100k sign ups in first ten months of launch
- **Insured clients profile** – Over 50% clients live in rural areas. Almost all of them (over 99%) never had a health insurance experience before
- **Paperless processes** – Claims settlement including claims payment is done through mobile phone using mobile wallet

Key learnings

Favourable factors

- ✓ Over 95% uninsured market with even low health insurance penetration
- ✓ Strong Telenor and Easypaisa brands with strong penetration in rural markets
- ✓ Enabling payment environment through mobile money platform
- ✓ First of its kind product launched through a Telecom operator in Pakistan

Challenges

- Distrust of masses on ability of insurance products to pay in case of claim and especially their doubting low price product being too good to be true
- Unwillingness of insurers to participate due to high medical insurance frauds – a perception carried from traditional niche market health insurance
- Low awareness of insurance products and unfamiliarity with documents required during filing claims
- Fast claim payment to gain trust

How we fixed them?

- Strong Easypaisa brand and set the right price to gain customer trust
- Supported with evidence of similar and other products from Pakistan and other similar markets
- Robust processes to leave limited room for fraud
- Simple product explainable in less than two minutes local language
- Paperless enrollment, service and claims process
- Proactive customer service and claim 'chasing' approach
- Allowed admission to any hospital with no condition of panel hospitals
- Fast documents collection process use mobile technology
- Use of mobile money to disburse claims within hours

Impact

Client Impact	Easypaisa Impact	MicroEnsure Impact
Thousands of health claims have been paid for inpatient hospitalization and disability	Great contribution to their financial inclusion efforts	Solved complex puzzle of providing sustainable health to masses especially rural population
Per client claim paid so far – Maximum: USD 570 Average: USD 57 Minimum: USD 9.5	Source of revenue by way of new mobile wallets, increased retention and insurance distribution revenue	Better understanding of the health needs of low income population for better products and pricing
Numerous testimonials to show that the product saved clients from borrowing to cope with health event	Helped grow brand equity and social impact	Replicating knowledge and learnings from this product to other similar markets

Thank you