MOBILE INSURANCE LANDSCAPE AND KEY RISKS

MICHAEL KOFI ANDOH

NATIONAL INSURANCE COMMISSION, GHANA

Mobile Insurance Landscape in Ghana

- 2.7 million mobile insurance policyholders as at 2016, 60% of all MI policyholders

- Three types of players:
  - Three MNOs
  - Insurance Companies
  - Technical service providers

- 7 products currently on the Market

Roles of the players

- ## Role of MNO's
  - o "Face" of the m-insurance policy for customers (products are MNO branded)
  - o Marketing of the product

- ## Role of Insurer
  - o Carries the risk. Also does pricing and reserving (often influenced by TSPs);
  - o Very little involvement in marketing, sales, customer contact, discussions with MNOs;

- ## Role of TSP
  - o Owns the operational work. Does marketing, customer registration, complaints, claims administration etc.

Key Risks

Client Value Risk	**Products may not deliver value to the clients or are not appreciated by the clients or not suitable for clients needs.**
Distribution Channel Risk	MNOs may discontinue the product or make sudden changes to an existing product due to either a change in strategy or because they do not see a strong business case.
Marketing and Sales Risk	Product may be mis-sold leading to false policyholder expectation
Legal Risk	There may be lack of legal accountability including unclear or complex dispute settling mechanisms

Key Risks (2)

Systems Risk	**Systems such as MNO's systems, databases, ICT Platforms may break down or be unable to service products effectively leading to loss of client value**
3rd Party Default Risk	The risk of a 3rd party, such as a technical service provider being inefficient, not having the needed capacity or exiting the market.
Insurers' Prudential Risk	The risk that the product may not be commercially sustainable or viable due to due to under-pricing, anti-selection, fraud etc

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Risk Management

- Product approval measures
  - Product and process descriptions
  - SLA
  - Contingency Plans
  - Assumptions and projections

- Product performance monitoring

- Mobile insurance market conduct regulations

- Regulatory cooperation

Challenges

- The question of "which entities should be licensed"?

- Are MNOs "Agents" or "Policyholders"?

- Confidentiality of customers' data.

- Electronic payment system challenges ; airtime credit, taxes, charges.

- Legal definitions to accommodate the nature and roles of the various parties involved.

- What is the best mode of disclosure?

The end

Thank you for your attention