



# **What We Learned: 10 Years of Mobile Insurance**

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**AXA Emerging Customers**

# Mobile Insurance at Scale: A Brief History



After watching Leo in Namibia, Tigo Ghana becomes first sustainable scale product >1m, expands to Tanzania and Senegal

# 2010: Tigo Family Care Sets High Expectations

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.

- ✓ Strong telecom brands, highly trusted due to frequent use
- ✓ Multi-SIM, prepaid markets and ease of switching between networks posed challenges for telecoms to win market share and retain customers
- ✓ The low-income market wants insurance and will change behavior for it
- ✓ Freemium model proved to drive ARPU and churn (Leo/Trustco Namibia)
- ✓ Paid up-sells after free insurance showed a path to scale and monetization

**94%** of clients can explain the product

**42%** of Ghanaian public aware of product

**28.98%**

Total microinsurance coverage ratio  
7,664,084 lives insured Year: 2014



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## 2012: Key Players Emerge

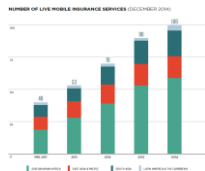


- Launched by team with telecom background
- **Product:** Began with Life, moved largely toward Personal Accident in this period
- **Distribution:** SMS + field, call center agents
- **Partnership:** Telecoms as investors, but business driven largely by Bima
- **Economics:** Bima captured value from reinsurance as well as telecom revenue share



- Began as non-profit, became for-profit 2012
- **Product:** Began with Life, moved toward Hospital Cash in this period
- **Distribution:** Primarily SMS and USSD
- **Partnership:** Most distribution and marketing determined by telecoms
- **Economics:** MicroEnsure generated more typical intermediary commissions

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**15**  
COUNTRIES

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# 2014: Arms Race

- Bima and MicroEnsure both signed multi-country deals with telecoms in 2013-2014
- MicroEnsure largely stuck with “freemium” model; Bima moved toward agent-sold, paid products
- Bima launched mobile health services in 2015, a critical new vertical

## 2014 – Airtel Africa launches 8 products with MicroEnsure



# 2014: Airtel Ghana Free to Paid

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

Monthly Top-up	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+	GHS 2,500	GHS 2,500	GHS 150

**airtel**

## Phase 1 – January 2014

Monthly Top-up	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+	GHS 2,500	GHS 2,500	GHS 150

## Phase 2 – February 2015

- Double cover:
  - Pay GHS 1 per month to double your “3 for free” cover.
  - Enjoy up to GHS 5,000 in life and accident cover and GHS 300 in hospital cash
- Family cover:
  - Pay GHS 3 per month to double your “3 for free” cover and give the same coverage to a loved one

Current T&C, managed since 2017 by Bima and AirtelTigo in Ghana:

<https://www.airteltigo.com.gh/learn-more/airteltigo-insurance-terms-and-conditions>



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2010

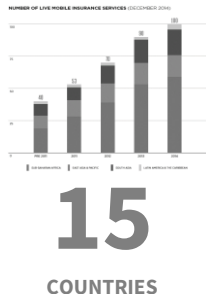
2012

2014

2016

2018

2020



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MTN invests in market via aYo JV while other telecoms lose prior interest

Bima raises \$100m for mobile health, but footprint shrinks to pre-2014 levels

MicroEnsure reaches 20m w/ Telenor India, but Telenor acquired & product closed down

<20 programs as of 2018 >1m active users

# 2016-2018: What Happened?

## The Seduction of Scale

Mobile market is actually ... small?

Market growth is a silent killer

“Marketing budgets with towers”

“Digital-only” failed

## Too Many Mouths to Feed

Telecoms are from Mars, insurers are from Venus

Airtime is great – especially for taxes

Insurers’ eyes bigger than our stomachs

Few lasting industries have 5-10% COGS

## Big Expenses, Small Revenues

18-month sales cycle; avg product duration <24 months

The Payment Persistence Problem

Regulatory inconsistency leads to inefficiency

# 2016 Case Study: Airtel Zambia

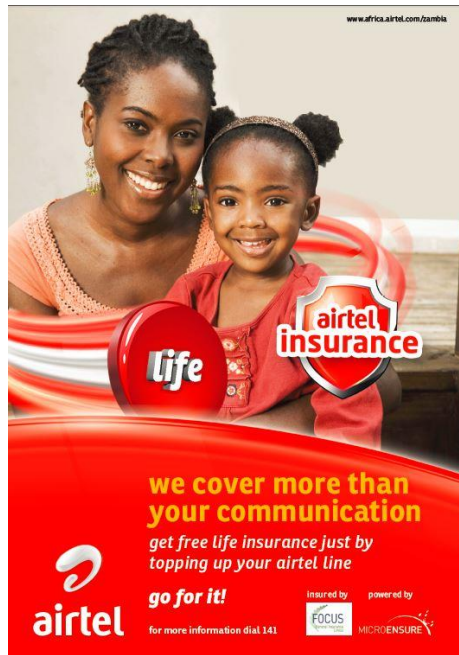
## A strong start...

Launched 2014, eight weeks after initial pitch meeting with Focus and MicroEnsure

Automatic life cover for all 4m subscribers

Increased penetration from 1% to 16% overnight

**Collapsed in 2016 after less than 18 months live**



## What killed the product?

Initially launched due to short-term competitive pressures

Immediate pressure on freemium payments

Frequent management turnover challenged pivot

Telecom lost appetite to grow from free to paid insurance

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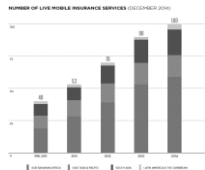
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## **Emerging consensus:**

Don't put the telecom in the driver's seat

Distribution via call center with automated smart payments

Focus on product value

Freemium down, not out

# 2020: Looking Ahead

## What Mobile Insurance got right:

- Insurance is an exciting product for emerging customers
- Mobile forces SUAVE insurance better than many other channels
- Mobile insurance can change a market, e.g. Ghana: 2% to 30%
- Digital can do some of the work: all channels must be activated

# 2020: Looking Ahead

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## What will success look like in 2025?

- Telecoms will become more passive, with sharp global growth in digital payments
- Heavier reliance on physical distribution
- Freemium will continue to lower CAC but insurers can't be greedy; bundling can work
- Insurers will be forced to be more agile
- Value-added services, especially health, will continue to grow in importance
- Mobile more important to brand than to GWP
- Lower, slower, more sustainable growth



**Thank You**