



Federal Ministry  
for Economic Cooperation  
and Development

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**giz**



# How supervisors can unlock responsible mobile insurance and promote access to insurance?

4 November 2020



# Agenda

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1. The context
2. The need to look at the “big picture” – it is not only about regulation!
3. What do we need to look at to ensure that the regulatory and supervisory framework promotes responsible mobile insurance?



# The context (1)

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## What are we talking about?

“Mobile insurance is the **distribution and administration** of insurance through digital devices (primarily, mobile phones) utilizing digital technology, interfaces, platforms and processes to support the insurance process across the value chain”.

*Mobile Insurance Regulation, Access to Insurance Initiative (2018)*

## Why mobile insurance is relevant to access to insurance?

Mobile Insurance is seen as an opportunity to reduce the insurance protection gap.

The potential:

- Barriers of supply (examples)
- Barriers of demand (examples)

More obvious impact during Covid-19



## The context (2)



### The challenges

For **industry players** this requires investments, space for innovation, new partnerships, and a huge effort in learning.

For **supervisors**, mobile insurance brings new challenges, particularly in terms of assessing the value of products, partnerships, consumer protection, and effective supervision.

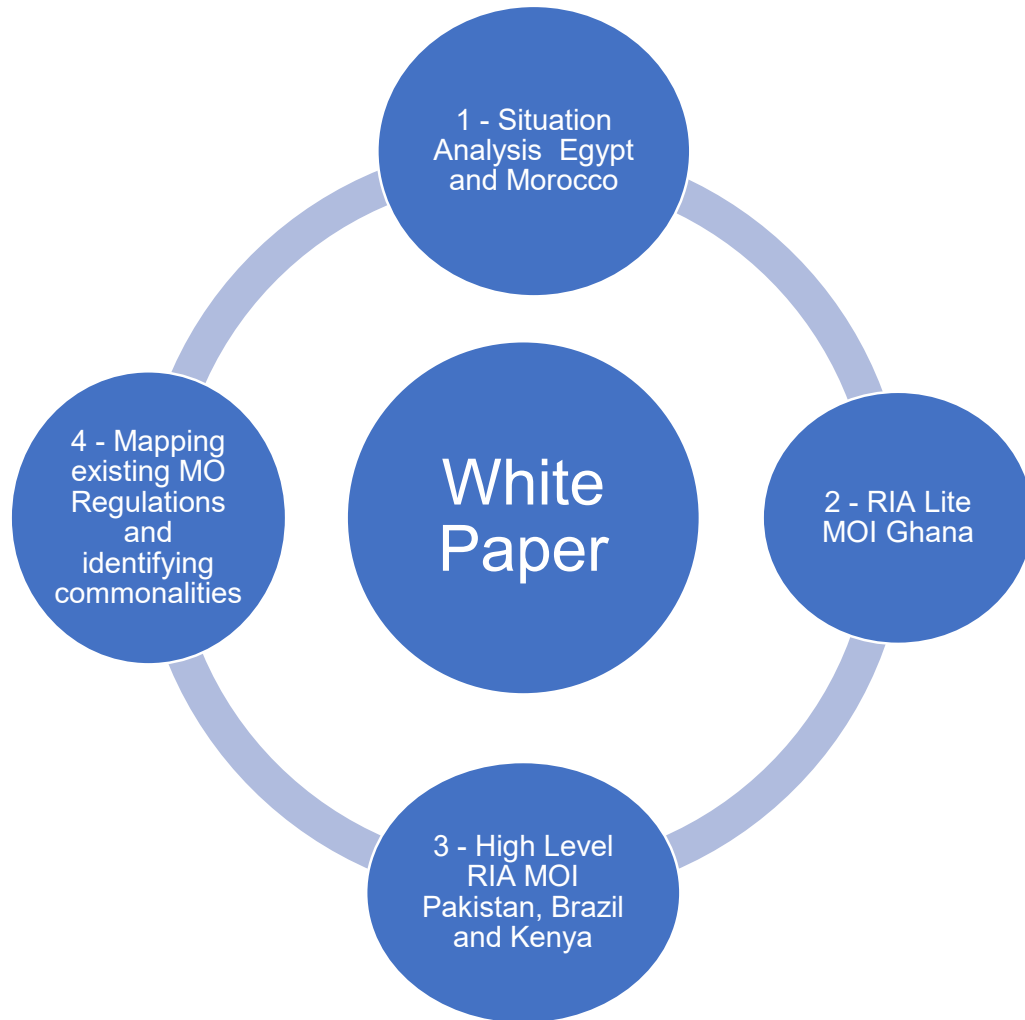
### The need

Need of guidance for supervisors to strike the right balance between enabling innovation and ensure that consumers are effectively protected and markets are stable.





## The context (3)



### The objective of the Project

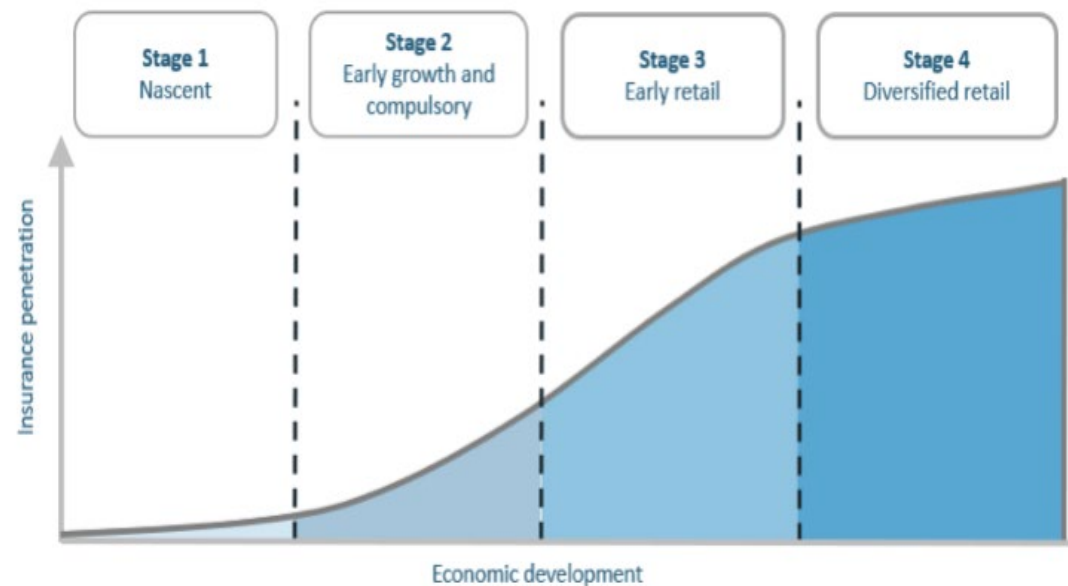
1. Analyse the **impact of the regulatory frameworks** applicable to mobile insurance in certain countries and how it has supported the development of mobile insurance (Egypt, Morocco and Ghana).
2. Identify **best practices** for proportionate regulatory approaches to mobile insurance
3. Draft a **White Paper** to guide decision-making on mobile insurance regulation and supervision of supervisory authorities and other interested parties



# Looking at the big picture - The first step: Understanding the market

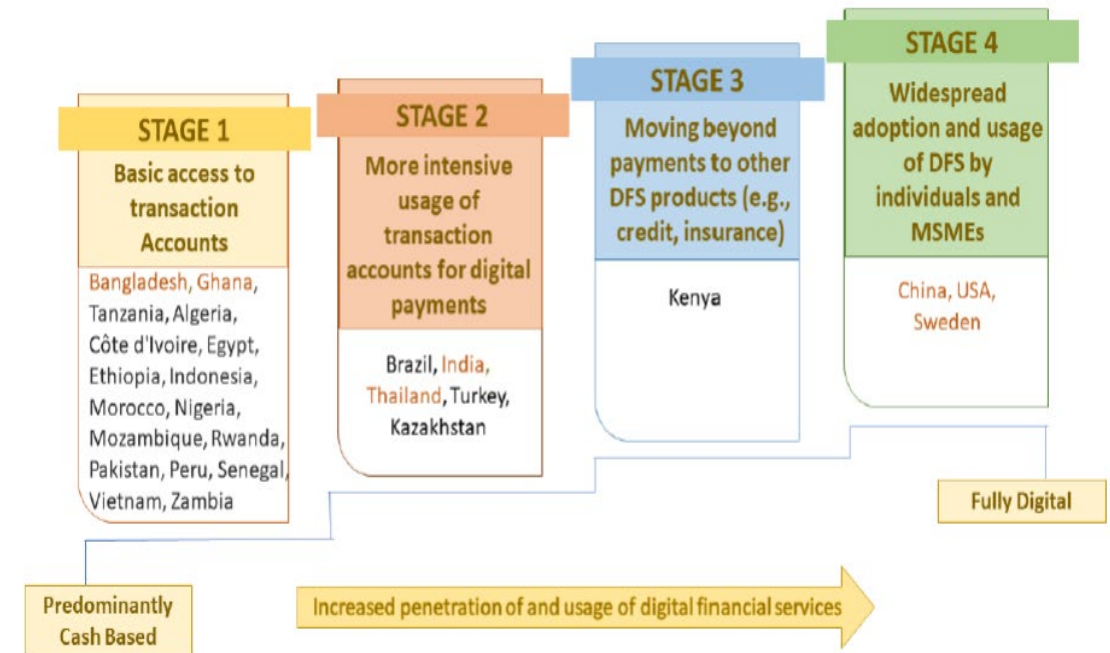


## Insurance market development



Source: Cenfri, Chamberlain, Camargo and Coetze, *Funding the frontier: the link between inclusive insurance market, growth and poverty in Africa*, 2017

## Digitalization development



Source: WB, *Digital Financial Services*, 2020





## ... It is not only about regulation! - The second step: Look at all the enablers



### Supply

- Digital information technology and infrastructure available
- Diversity of providers and models
- Interested and innovative providers – business case
- Valuable products

### Policy environment

- Digital financial inclusion as a priority
- Consumer education on DFS
- Digitalization of other sectors that can unlock MI opportunities  
→ For instance, AG tech

### Demand

- Digital culture
- Liquid customer engagement
- Digital empowered customers

### Regulation & supervision

- Digitalization of the insurance value chain
- Innovative providers and technologies in responsible models
- Efficiency and collaboration of authorities involved



# A tool to assess the level of appropriateness of the regulatory and supervisory framework to enable responsible mobile insurance



- This tool is simple and practical and can be used as a self-assessment by supervisors in the future.
- It can also inform due diligence processes of providers aiming to assess the regulatory framework of a jurisdiction where they want to operate.

## The three dimensions



**1. The level of digitalisation of the insurance value chain allowed by the regulation**



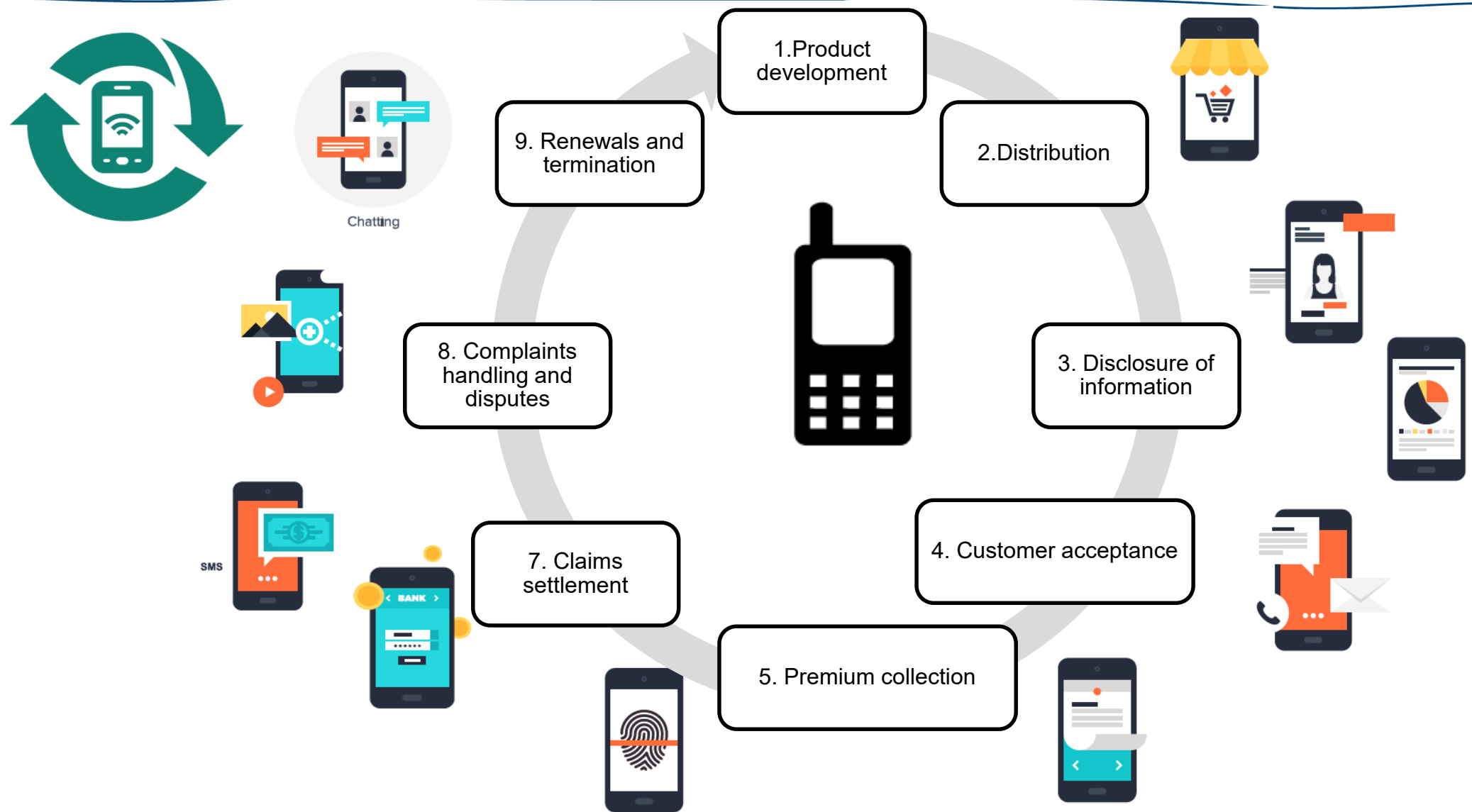
**2. The possibility to use of innovative providers and business models**



**3. The level of efficiency and collaboration of authorities involved**



# Dimension 1. The level of digitalization of the insurance value chain allowed by the regulation





## Dimension 2. The use of innovative providers and business models

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### Key questions:

1. Are key stakeholders that generally participate in mobile insurance **allowed by the regulation to participate in the design, delivery and distribution of insurance?**
2. Are **innovative business models** supported on the use of technology allowed?
3. Does the regulation ensure that **consumers are effectively protected** when innovative channels and models are used?



## Dimension 3 – The efficiency and collaboration of authorities involved



### **Key questions:**

1. Which regulatory and supervisory **authorities** are **involved** to enable mobile insurance ecosystems?
2. How do they **coordinate or collaborate** to ensure smooth processes of supervision and implementation?
3. What are the **mechanisms used by supervisors** to keep track of market development?
4. How to ensure that **products are valuable and responsible**?





Thank you!