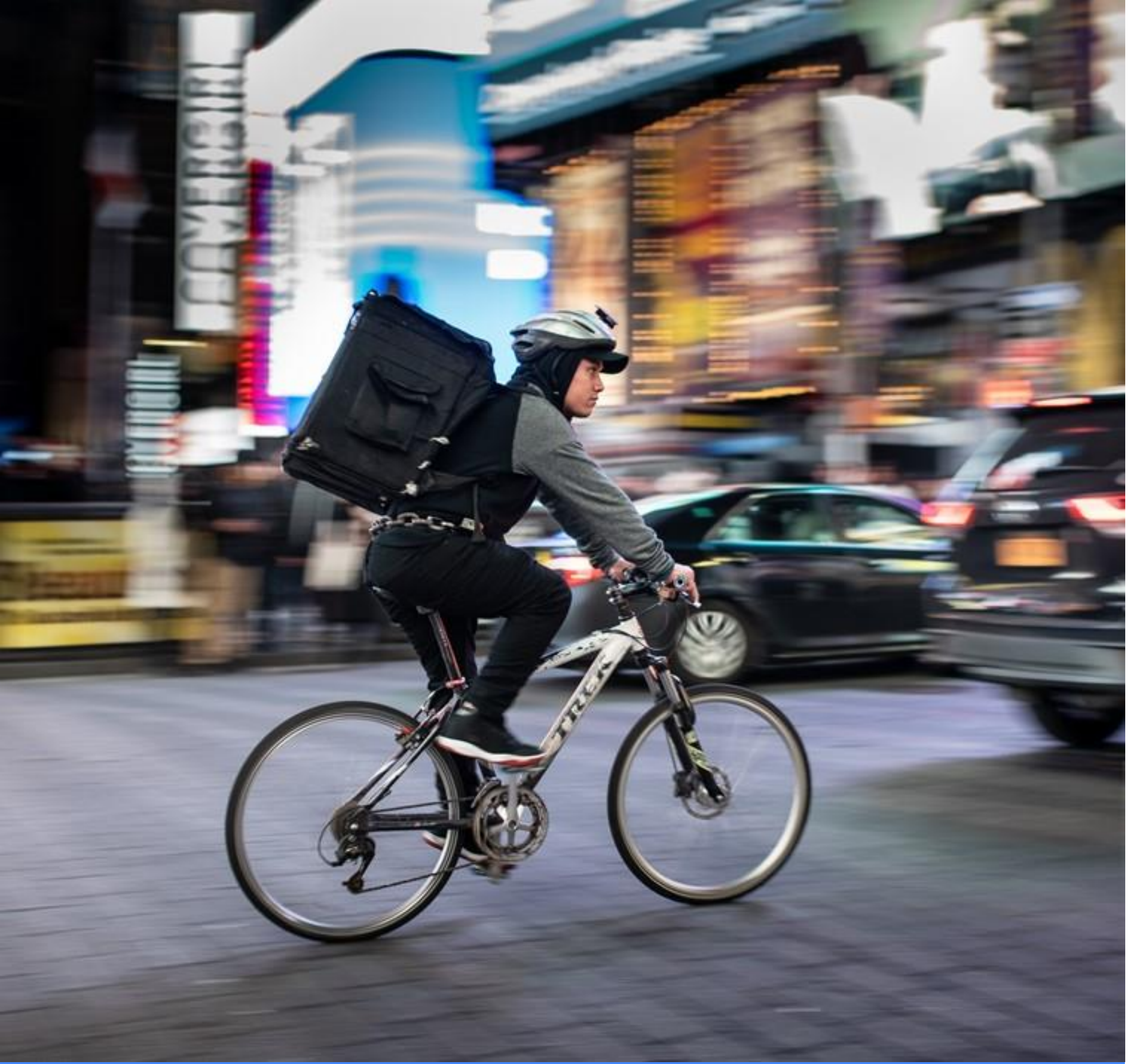

Micro Insurance

Leveraging digital channels for the mass market

Our Story

Micro Insurance Company has built a global distribution network that aims to change the way insurance is brought and sold around the world. Our focus has been on providing a safety net to emerging consumers; people that have not traditionally had access to insurance. We sell via digital channels like banks, telco and e-commerce

STP + MICROENSURE part of the Micro Insurance Company + tonkaBI = Micro Insurance

Micro Insurance Company formed on 1st July 2020 by a merger of an Underwriter (STP), Distributor (MicroEnsure) and A
Specialists to create the worlds first digital micro insurance company able to create, distribute and service products to

Members of this new group have been individually working for the past 20 years creating & selling insurance to tens of
low to middle income families and MSMEs in the American, African and Asian markets

We utilise the knowledge, products and IT infrastructure developed over the last twenty years to enable new partnerships in new countries to flourish. We leverage the ability to reinsure risk to quickly launch without the need to establish an entity in the new country.

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Distribution is the most critical component

- No one wakes up wanting to buy insurance, but they do wake up worrying about the risks they face!
- They are interested in mitigating risk via a brand they trust if the product is simple and if all friction is removed from the customer journey
- Digital platforms have a large number of users, that make frequent transactions and they handle payments = ideal distribution partners!
- Examples: mobile networks, mobile wallets, ride hailing, e-commerce etc

MICRO INSURANCE

Evolution of mobile networks as distributors

1. **Loyalty based free insurance**
   - Aimed at mobile subscribers to increase top up / reduce churn (indirect rev model)
   - The more you topped up the more free insurance you earned
   - Inefficient as it rewards higher spending clients for no change in top up
2. **Target based free insurance**
   - Also aimed at changing mobile subscriber behaviour (ARPU & Churn)
   - Sets a target based on previous top up history
   - More sustainable for telco; but some models emerging where insurer pays
3. **Paid upsell using airtime deduction to pay for premiums**
   - Airtime is much more common that mobile money but you have to compete with other VAS players and telcos / taxes extract a lot of cost
4. **Paid upsell to mobile wallets**
   - Starting to get traction in some countries as wallet penetration rises

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Four ways that insurance can be distributed digitally

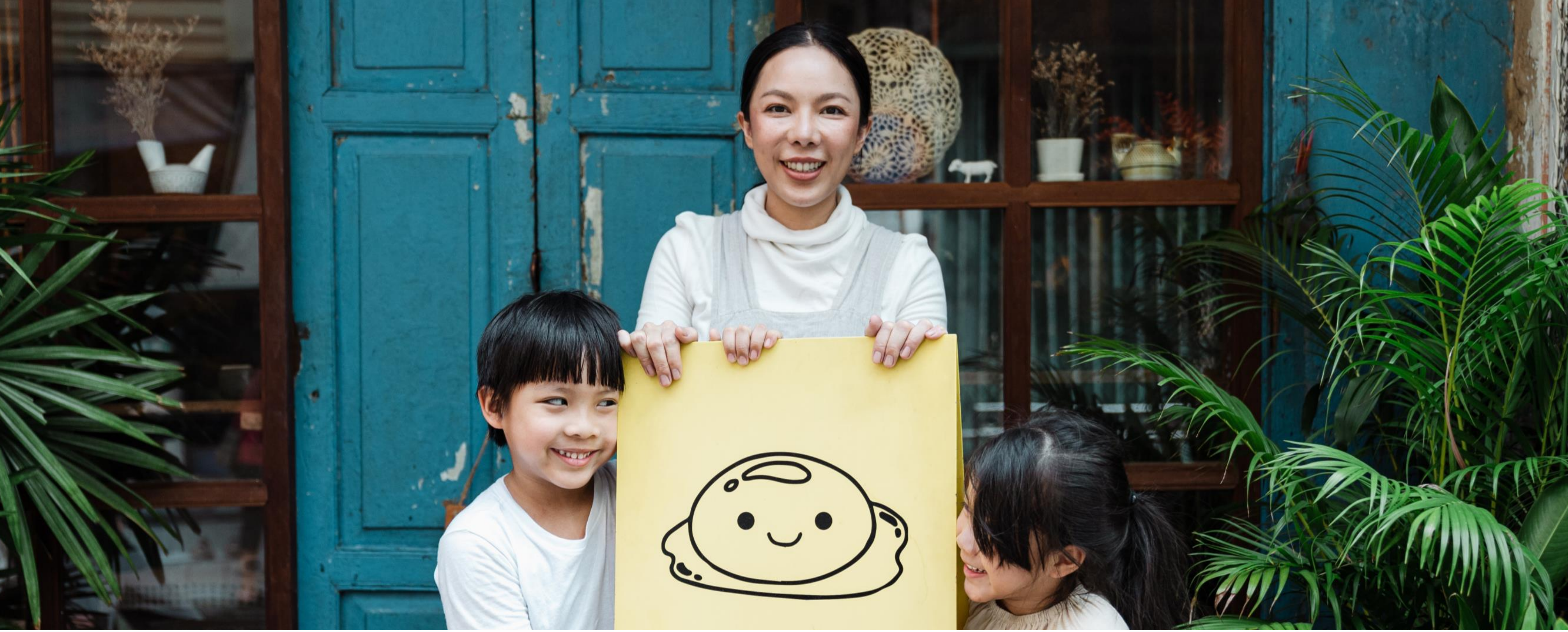
Driving changes to client behaviour
The digital platform provides free insurance in return for a change in the customers behaviour, it's a limited time promo. E.G in a telco its used to drive up ARPU, reduce churn and increase mobile money transactions. Insurance is more effective than other loyalty approaches.

Bundled with other products
No-one really wakes up wanting to buy insurance but we are aware of the risks we face; so we have found that bundling with services that they an use today can significantly increase uptake of a product that helps us sleep easy. E.g. bundled data, music, video and insurance.

Standalone paid for insurance
If you just put insurance on the shelf or enable a marketplace then sales will be low. If the digital platform helps drive uptake by anchoring the sale of the product at key moments then take up increases significantly. E.g. when a client pays schools fees via mobile money its an opportunity to sell education plan.

Protect agents from competitors
Many digital platforms use agents – for example to help facilitate mobile money transactions or gig workers delivering food or driving taxis. Insurance has been used as a loyalty benefit to protect your investment in their training; agents will stay loyal if you offer them insurance for being active.

MICRO INSURANCE



Start to finish insurance for the Unserved

Questions and further information

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