The 2023 Landscape of microinsurance
Emerging trends, Fresh insights

24 October 2023
Thank you for making it happen!
• Tracking the evolution of microinsurance
• Microinsurance: Preliminary Findings
• Fresh insights per product line
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GLOBAL REACH: COUNTRIES OF THE 2023 STUDY
Tracking the evolution of microinsurance...

PRODUCTS COVERED:
- 2020: 589
- 2021: 704
- 2022: 932
- 2023: 294

RESPONDENTS:
- 2020: 194
- 2021: 224
- 2022: 253
- 2023: 36

COUNTRIES COVERED:
- 2020: 27
- 2021: 30
- 2022: 34
- 2023: 36
14% of people in Ghana are affected annually by flooding and droughts.

2.8 BILLION people require some type of microinsurance in the 36 studied countries.

33 M people were affected by flooding in Pakistan.

4 K families in Argentina were affected by flooding.

2 M claims were paid in 2022, totaling 1.8 billion USD.
SOCIAL RESPONSIBILITY

1. No Poverty
2. Zero Hunger
3. Good Health and Well-Being
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation, and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action

Sustainable Development Goals
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ACHIEVEMENTS & MILESTONES

The oldest reported microinsurance is life coverage. After that, credit life, health and funeral insurance start to appear.

First parametric agricultural microinsurance reported.

As a result of the work of the Indonesian Financial Services Authority (OJK), 23 new products were launched in Indonesia alone that year.

Mobile money is emerging as a premium payment method, particularly in Africa.

The pandemic prompted modifications in 1 out of 10 insurance policies, mainly affecting life and health coverage.

The Microinsurance Network was born.
Learn how the industry is changing thousands of people's lives

- More than 300m people in 2022
- 223m people covered in 2021
- 207m people covered in 2020
- 102m people covered in 2019
140 microinsurance products reported data in the last 4 years

<table>
<thead>
<tr>
<th>Year</th>
<th>People Covered</th>
<th>Median Average Premium per Life</th>
<th>Gross Premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>29 M</td>
<td>$11</td>
<td>$145 M</td>
</tr>
<tr>
<td>2020</td>
<td>15 M</td>
<td>$7</td>
<td>$219 M</td>
</tr>
<tr>
<td>2021</td>
<td>35 M</td>
<td>$12</td>
<td>$372 M</td>
</tr>
<tr>
<td>2022</td>
<td>45 M</td>
<td>$21</td>
<td>$418 M</td>
</tr>
</tbody>
</table>
In terms of people covered, microfinance institutions remain as the most used distribution channel.

Although agents and brokers remain the most used channel based on the number of products, in 2022, microfinance institutions are gaining ground.

On average, a microinsurance product uses 1.9 distribution channels.

Aggregators’ market relevance has surged, with usage increasing from 5% in 2020 to nearly one-third of products in 2022.
PAYMENT METHOD & DIGITAL PLATFORMS

Cash is most widespread in Asia, where it is the primary payment channel for 45% of products.

In Africa, direct debit is the most used payment method (42% of cases).

Latin America and the Caribbean is the region where cash is least used (at 19% of products). The most common payment method is direct debit, and credit/loans.
Latin America and the Caribbean

- In Latin America and the Caribbean, “life” products are the most important ones, in terms of people covered and premiums. Claims ratios in the region have dropped in 2022.

Africa

- Since 2019, funeral insurance has gained significantly more prominence in Africa compared to other regions. In 2021, it emerged as the most prominent insurance product, extending its coverage to 16 million people, which accounts for over a third of all individuals insured in the region.

Asia and the Pacific

- Asia stands out as the region with the highest proportion of women covered by microinsurance and women policyholders, especially in the categories of Life, Credit Life, and Agricultural insurance.
<table>
<thead>
<tr>
<th>Year</th>
<th>Claims Ratio</th>
<th># Products that reported claims</th>
<th>Median Internal Turnaround Time</th>
<th>Median Turnaround Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>21.51%</td>
<td>381</td>
<td>7 days</td>
<td>7 days</td>
</tr>
<tr>
<td>2020</td>
<td>15.01%</td>
<td>582</td>
<td>10 days</td>
<td>10 days</td>
</tr>
<tr>
<td>2021</td>
<td>21.80%</td>
<td>641</td>
<td>10 days (488)</td>
<td>19 days</td>
</tr>
<tr>
<td>2022</td>
<td>21.82%</td>
<td>628</td>
<td>15 days (470)</td>
<td></td>
</tr>
</tbody>
</table>
Help us build the knowledge base around microinsurance!

For more information on the Landscape Study or if you are interested in helping us in the next years, please connect with the Microinsurance Network team.

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