



**The Landscape of Microinsurance 2022:
Key Findings with a focus on
Coping with rising natural catastrophe in Africa**

Microinsurance Network

**1.8
TRILLION
USD**

Global protection Gap in
Premiums

90%

Estimated
Protection Gap
in Africa

300,000

Homes destroyed
by an earthquake
in Morocco

1,434

Death toll from
Cyclone Freddy
in Mozambique

**1.6
Million+**

lives affected
by recent
flooding and
cyclone in
Eastern Africa

34

killed in wildfires
in Ageria

**The most affected are the low-
and middle-income
populations, who earn
between US\$2 and US\$20 per
day.**

**Insurance Makes a
difference. Insurance
can change lives!**

The Landscape of Microinsurance

2023

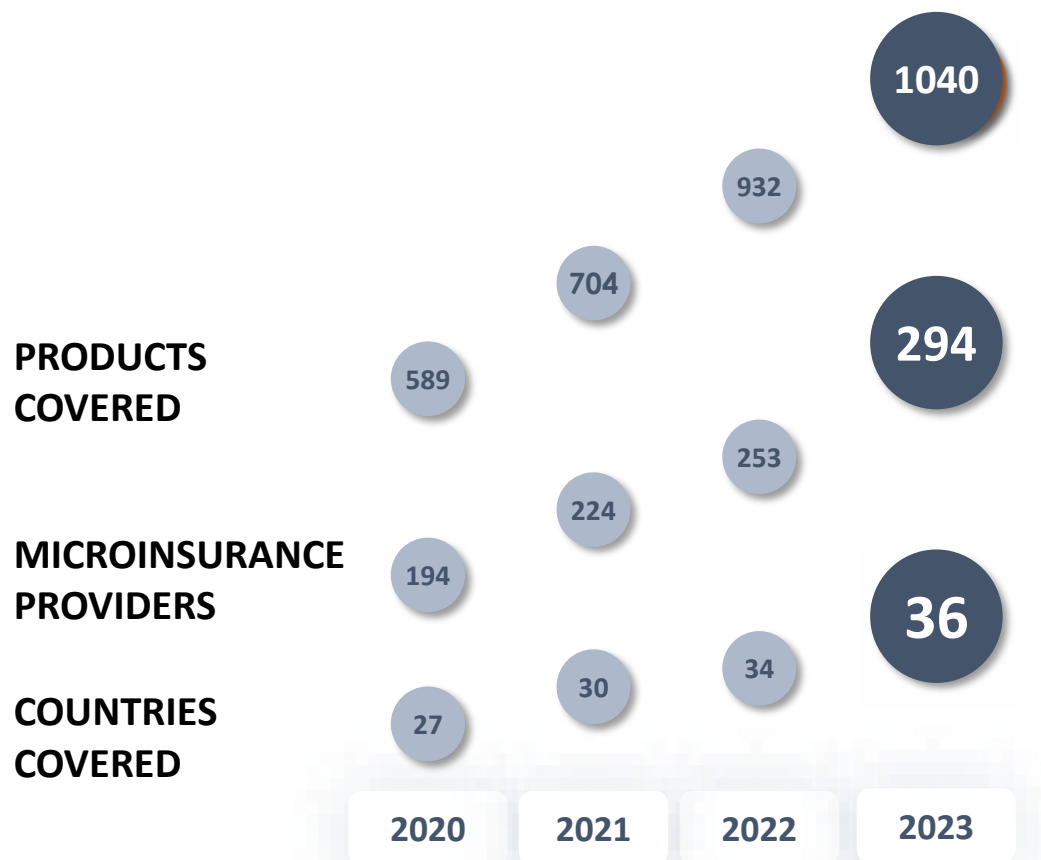


Inclusive Insurance is critical in promoting development and protecting the masses!

The MiN has been documenting the evolution of the Inclusive Insurance landscape across Africa, Asia and LAC Regions for the last four years

The Landscape of Microinsurance: unique primary research conducted annually

A widening scope since 2020



A collective, multi-disciplinary effort

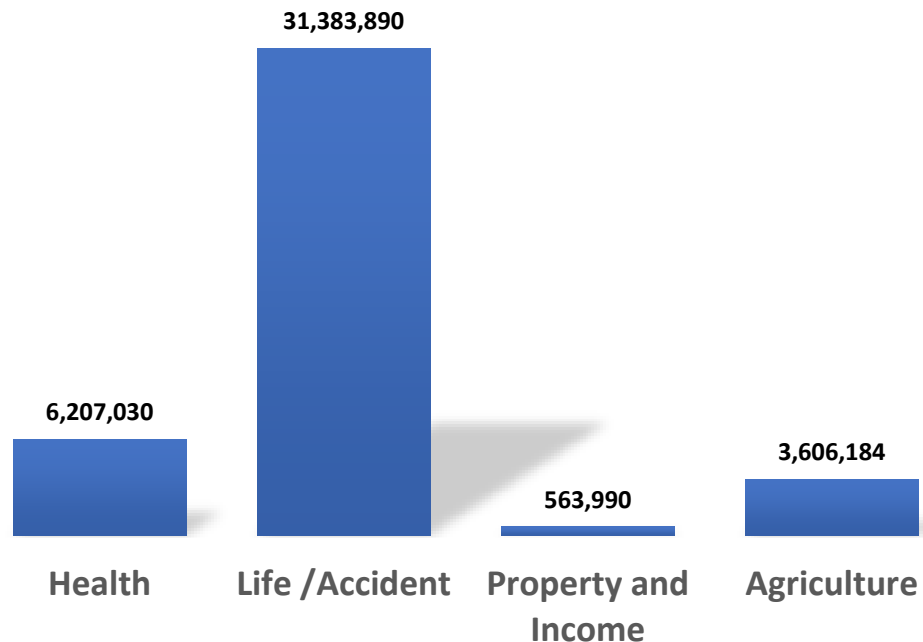
- Primary research, based on voluntary disclosures by insurance providers.
- + 26% increase in products reported in Africa since launch
- +33% increase in companies participating in the study
- Call to action for more companies to participate and contribute to the study

The protection gap: microinsurance remains vastly scarce

REGION	Number of people reached by microinsurance	Share of the target population covered	Weighted average premium per person covered	Estimated value of the microinsurance market in target countries (USD)	Proportion of the estimated microinsurance market value captured
Focus countries in Africa	Up to 44.1 million	Up to 9.4%	28	6.9 billion	6%
Focus countries in Asia and the Pacific	Up to 238 million	Up to 11.9%	13	25.1 billion	21%
Focus countries in Latin America and the Caribbean	Up to 48.4 million	Up to 11.9%	25	9.3 billion	8%
Focus countries in all regions	Up to 330 million	Up to 11.5%	17	41.4 billion	15%

Main risks covered by Microinsurance

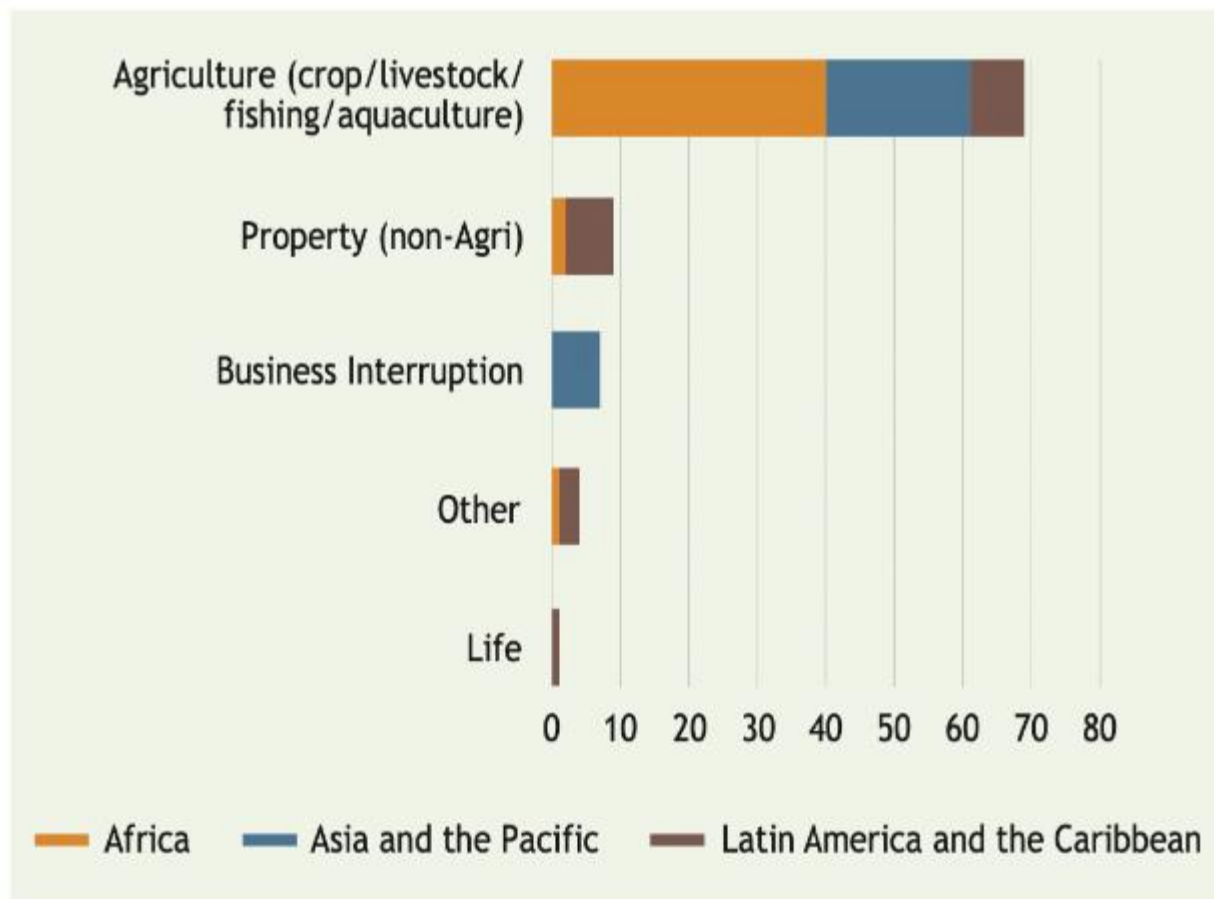
People covered by product in Africa



Key Findings

- **Life and accident represent the largest category covering 71% of the people. Globally life covered 49% .**
- **Funeral is dominant in Africa covering approximately 35% of the population.**
- **While Agriculture products reported covered only 8%, there is potential for the sector to expand in the context of climate change.**

PRODUCTS INCLUDING CLIMATE COVERS



Climate Risk Covers

- 50 products reported in Africa of which 8 were launched in 2021.
- Most agriculture products are linked directly with natural perils and disasters
- Subsidies could improve affordability. Only 2% of schemes reported as subsidized in Africa against 11% of all schemes reported
- The market is far from saturated, representing a business opportunity and a development necessity.
- Some agriculture covers (18%) are bundled with additional, secondary risks, including income protection, medical expenses or third party liability.

Profiling the Agriculture Portfolio in Africa

\$59.2 Mn

Premiums collected in
2022

79%

Products covering climate
disaster as main risk

\$ 32.39

Median Premium per
person covered

23.39%

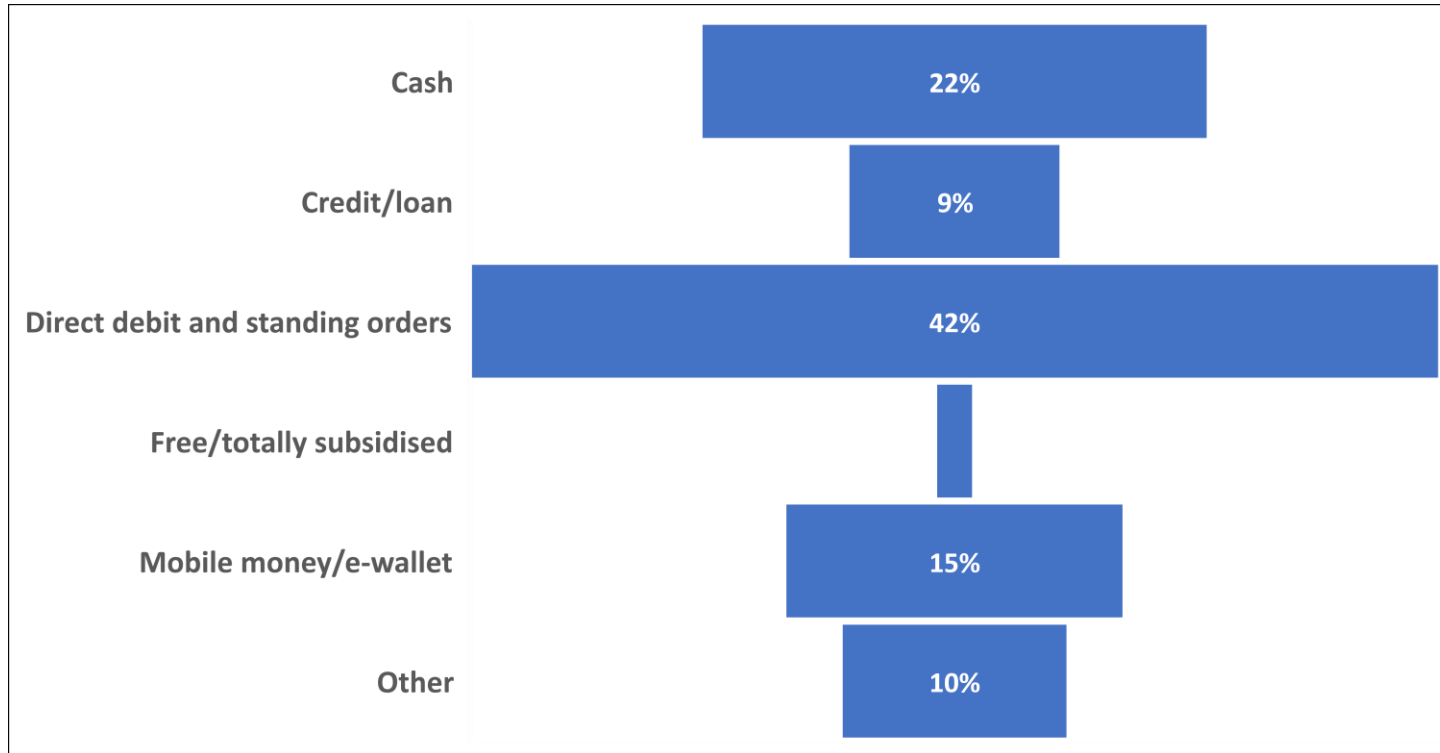
Claims ratio for
Agricultural products

0.4%*

Estimated penetration of
MI Agriculture market

Payment methods: dependency on the broader financial inclusion ecosystem

% of reported products using each payment method in Africa



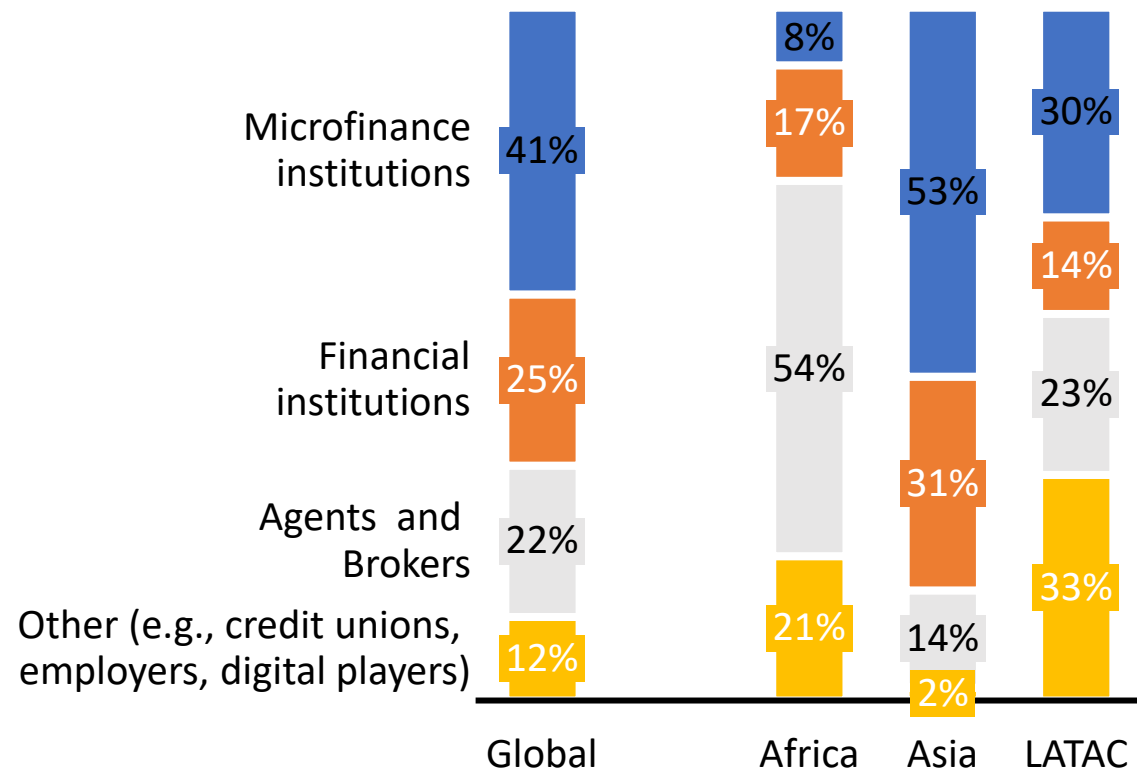
- Financial institutions and mobile money agents offer possibility to increase capillarity and convenience
- Usage of electronic payment methods for insurance payments supports efforts-towards a cashless economy
- Alternative payment methods are still relevant (payroll discount, airtime, bill deduction).

Most used method for products reported in each region



Distribution: Physical networks remain key to microinsurance uptake, they do more than selling

Insured people by distribution channel (% over total people covered)

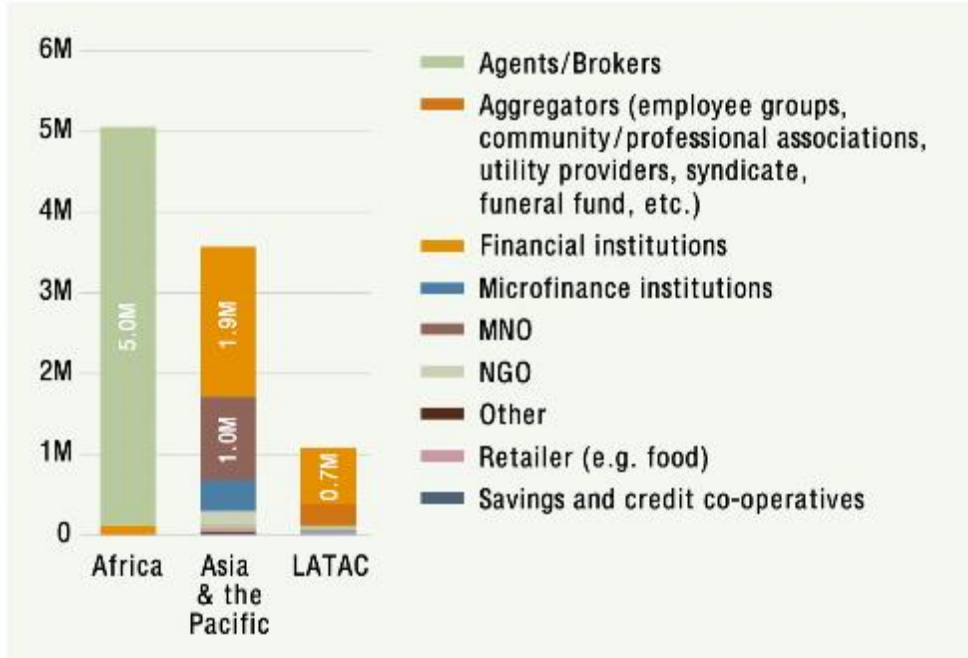


Key insights

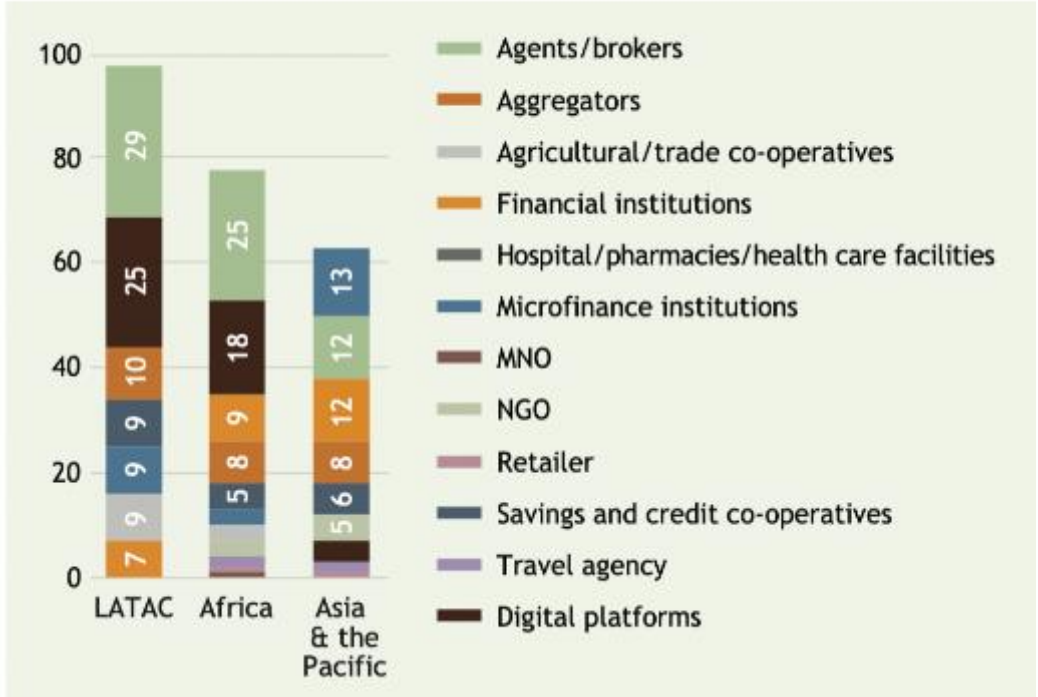
- Agents and Brokers are the most dominant channel in Africa.
- 58% of Agriculture products in Africa distributed through Agents
- Physical networks still dominate insurance distribution
- Emerging models on digital, but still not the norm
- Distribution mentioned as a major challenge in Microinsurance

Distribution: Health Insurance

THE NUMBER OF PEOPLE COVERED FOR HEALTH PRODUCTS BY PRIMARY DISTRIBUTION CHANNEL

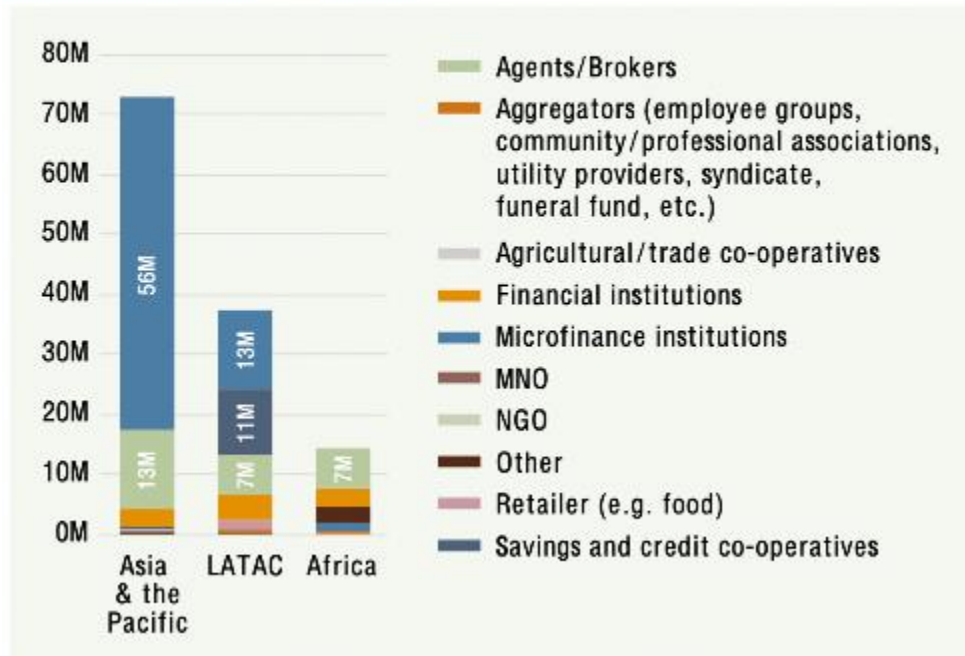


THE NUMBER OF PRODUCTS THAT MAKE USE OF EACH DISTRIBUTION CHANNEL

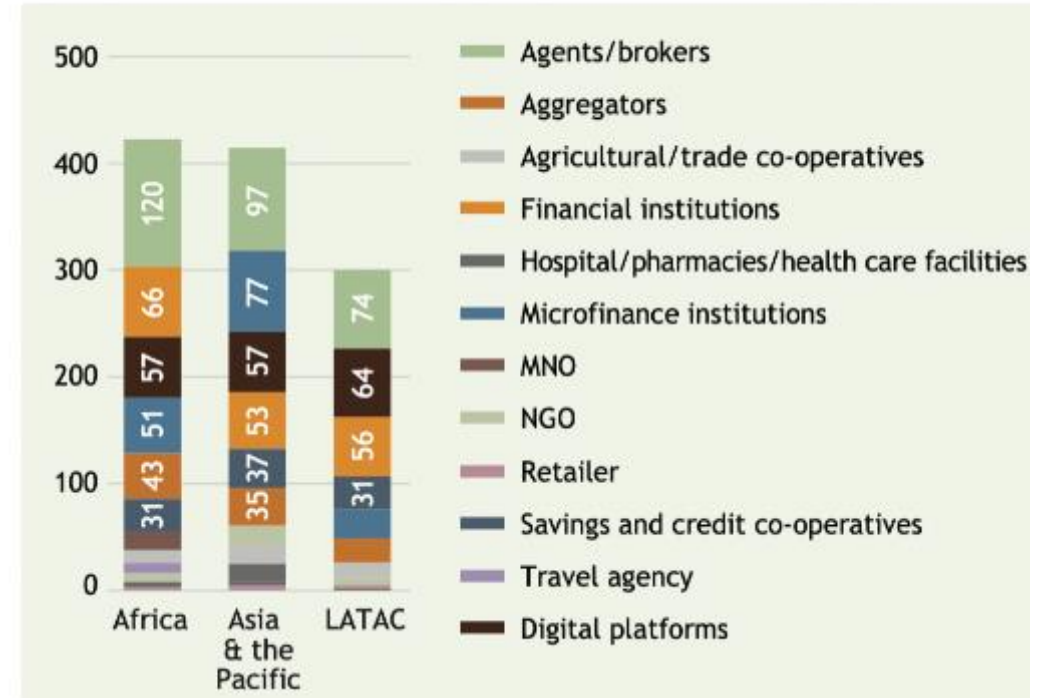


Distribution: Life and Accident

THE NUMBER OF PEOPLE COVERED BY PRIMARY DISTRIBUTION CHANNEL IN LIFE AND ACCIDENT PRODUCTS

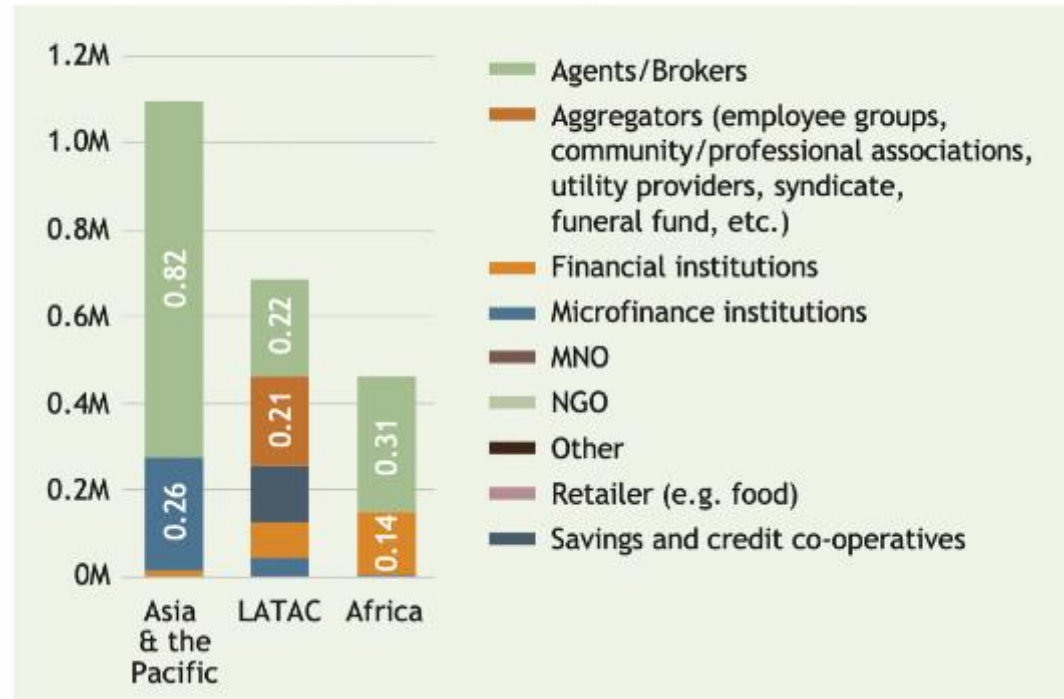


TOTAL LIFE AND ACCIDENT PRODUCTS BY DISTRIBUTION CHANNEL

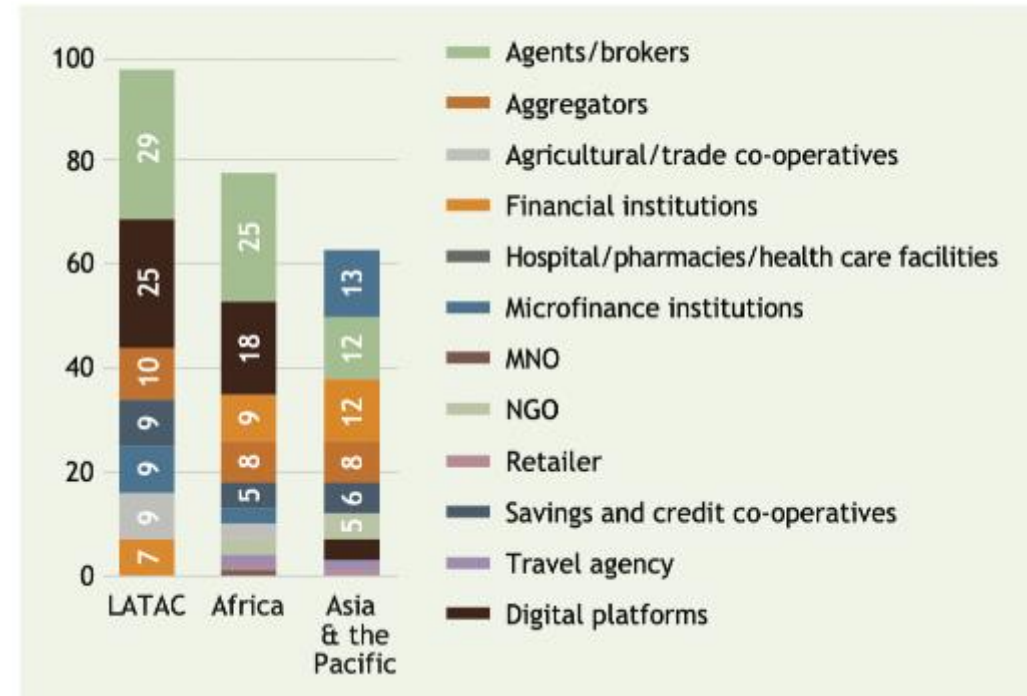


Distribution: Property and Income

THE NUMBER OF PEOPLE COVERED BY PRIMARY DISTRIBUTION CHANNEL



THE NUMBER OF PRODUCTS THAT MAKE USE OF EACH DISTRIBUTION CHANNEL



Beyond research: measurement for more efficient decision making

How stakeholders are using The Landscape of Microinsurance

Insurance supervisors and associations

- Clarify definitions
- Establish measurement indicators
- Inform regulatory design

Other public and international organizations

- Inform policy decision making
- Evaluate program implementation
- Design national risk transfer plans

Insurers, intermediaries, reinsurers

- Performance benchmarking
- Value proposition design
- product development decisions

“With the information provided by the Landscape study, we can assess where we stand in relation to emerging trends in our region and revise our inclusive insurance strategy, if necessary. The study also helps us to identify new leads to develop inclusive insurance to build the resilience of vulnerable populations.”



Nilofer Sohail
Deputy General Manager
EFU Life
Pakistan

Published by



The Landscape of
Microinsurance

2023



Contribute to vision of building the knowledge base around microinsurance!

Data Collection for 2024 has kicked off in 15 Countries in Africa .

Dissemination of the 2023 results at a country level.

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