

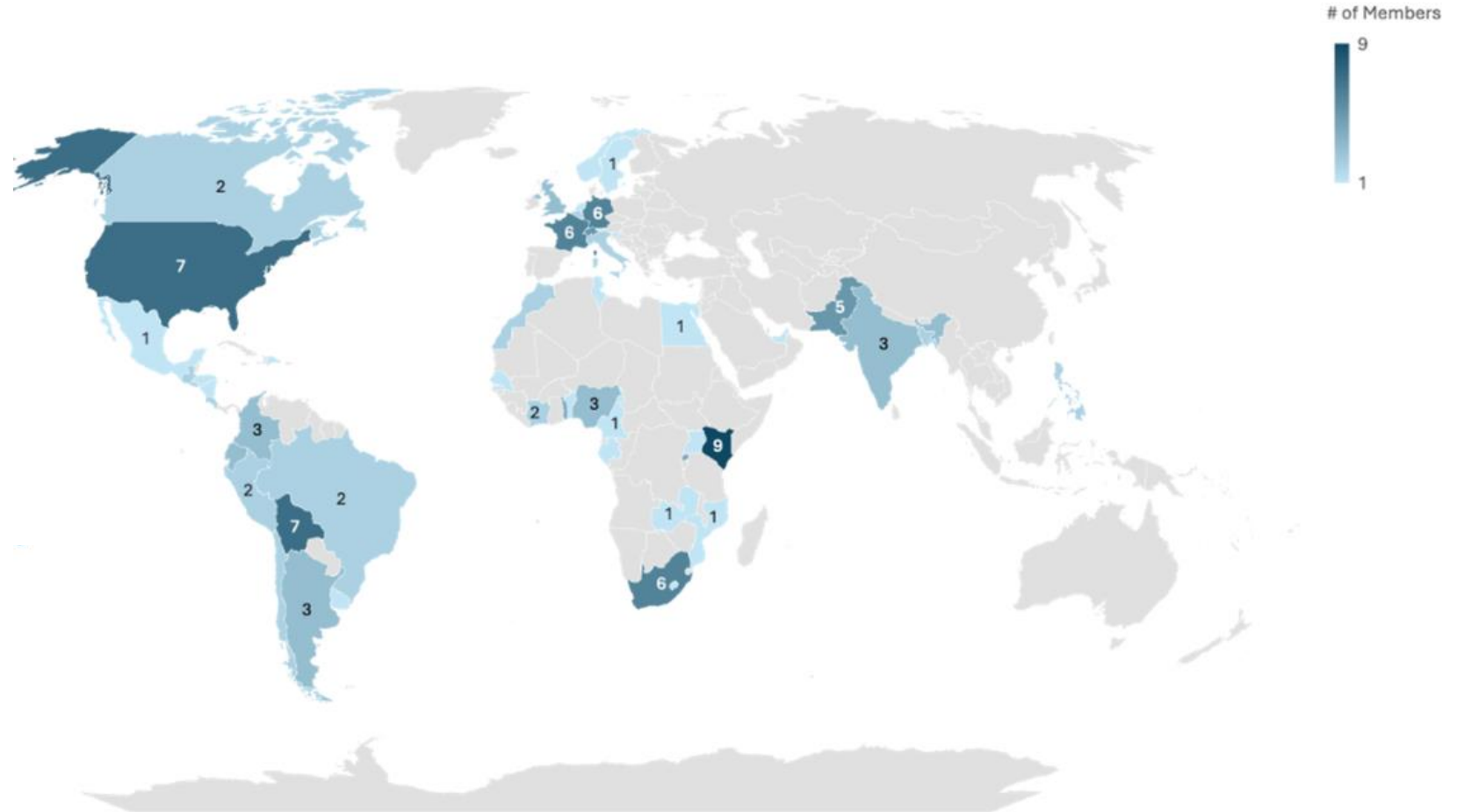


Landscape of Microinsurance

Global and Africa regional-focused insights

African Insurance Organization (AIO) Conference
Egypt, Cairo

Microinsurance Network is the only global platform that brings together all players in the insurance industry to drive risk transfer initiatives and solutions that strengthen the resilience of the most vulnerable populations. We work in close collaboration with international organizations, governments, insurers, reinsurers, various other strategic partners, microinsurance experts and other strategic partners, fulfilling our mission to build a more resilient future for all.



Networking

Market Intelligence

Advocacy & Dialogue

Capacity Building

Our members in Africa: insurers, reinsurers, brokers, insurtechs, insurance supervisors, national insurance departments, microinsurance experts

Integrated platform for inclusive insurance insights

The missing piece of Financial Inclusion strategies



- **Insurance is a critical financial tool** to improve the resilience and long-term well-being of low- and middle-income communities – **88% still excluded**
- Despite its importance, insurance to this day remains fairly excluded from overall financial inclusion policies, as well as from Financial Inclusion studies.
- **Measurement and analysis is critical to inform decision making at public and private levels**

The Landscape of Microinsurance Programme

- The Landscape of Microinsurance provides a **unique benchmark**, tracking uptake of inclusive insurance, along with **insights into emerging trends**. Based on extensive primary research, the report and data **provide information** from over 35 low- and middle-income countries.
- With the addition of the **Data Hub** and **Resource Hub**, the programme evolves into an **interactive platform**. Stakeholders move from passive consumption to active engagement, able to interrogate data, extract insights, and translate evidence into policy and market action.



294 insurance providers

Primary research, based on voluntary disclosures

Supervisors supported

Data collection in 20 countries

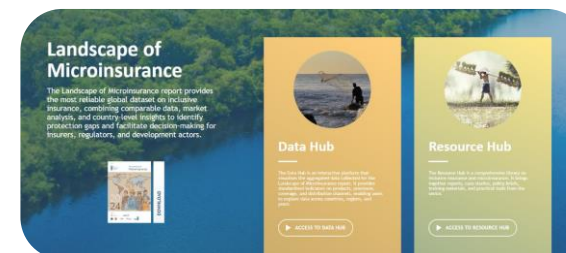
29 collaborators

Primary research

11 experts interviewed

And 8 case studies

landscape.microinsurancenetworg.org



Why is the inclusive Insurance important?

The microinsurance industry holds immense potential, yet persistent myths and misconceptions hinder its growth. **This report leverages data to challenge and debunk six of the most common misconceptions.**



Microinsurance offers limited business opportunities and scalability



Insufficient information or capacity to grow microinsurance



Microinsurance cannot drive financial inclusion



Reaching the target population is challenging



Regulation is a constraint for microinsurance development



Some risks are just uninsurable, or unaffordable

Global overview



344 million people covered in 2023

The potential market is 2.988 million, out of which 2.64 million are still uninsured.

Regional Breakdown

Asia and the Pacific

Covering up **12.7%** of the population

and capturing **36%** of the market value.

Africa

covers **8.2%** of its target population

capturing **4%** of the market value.



Latin America and the Caribbean

cover **9.2%** of the population

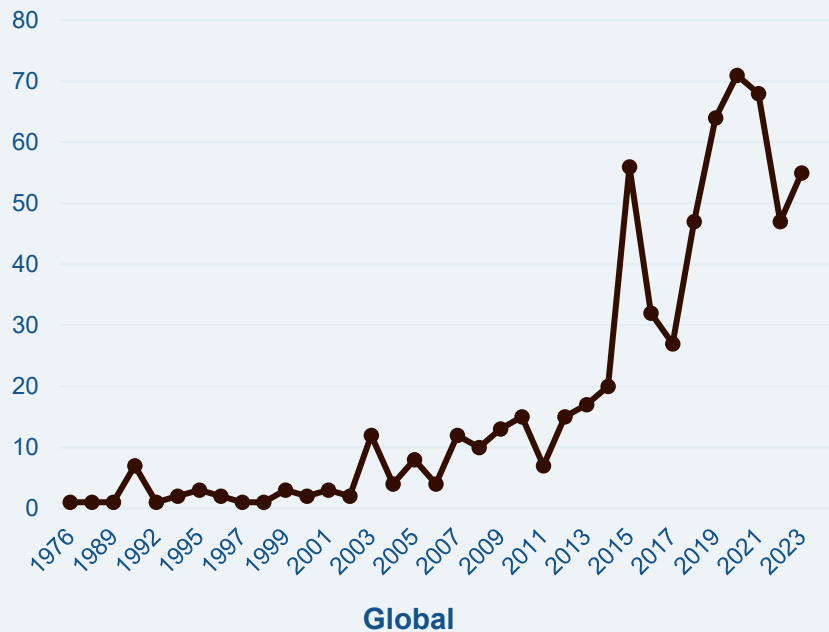
capturing **5%** of the market value.

Insights

A total of **344 million people** are covered by microinsurance products across 37 countries, representing only **11.5%** of the low- and middle-income population in these regions.

Insurance providers collected **USD 6.2 billion** in microinsurance premiums, which accounts for **16%** of the total estimated market value of **USD 38.3 billion**.

Premiums collected from microinsurance grew by over 50% between 2021 and 2023.



Number of microinsurance products launched by year

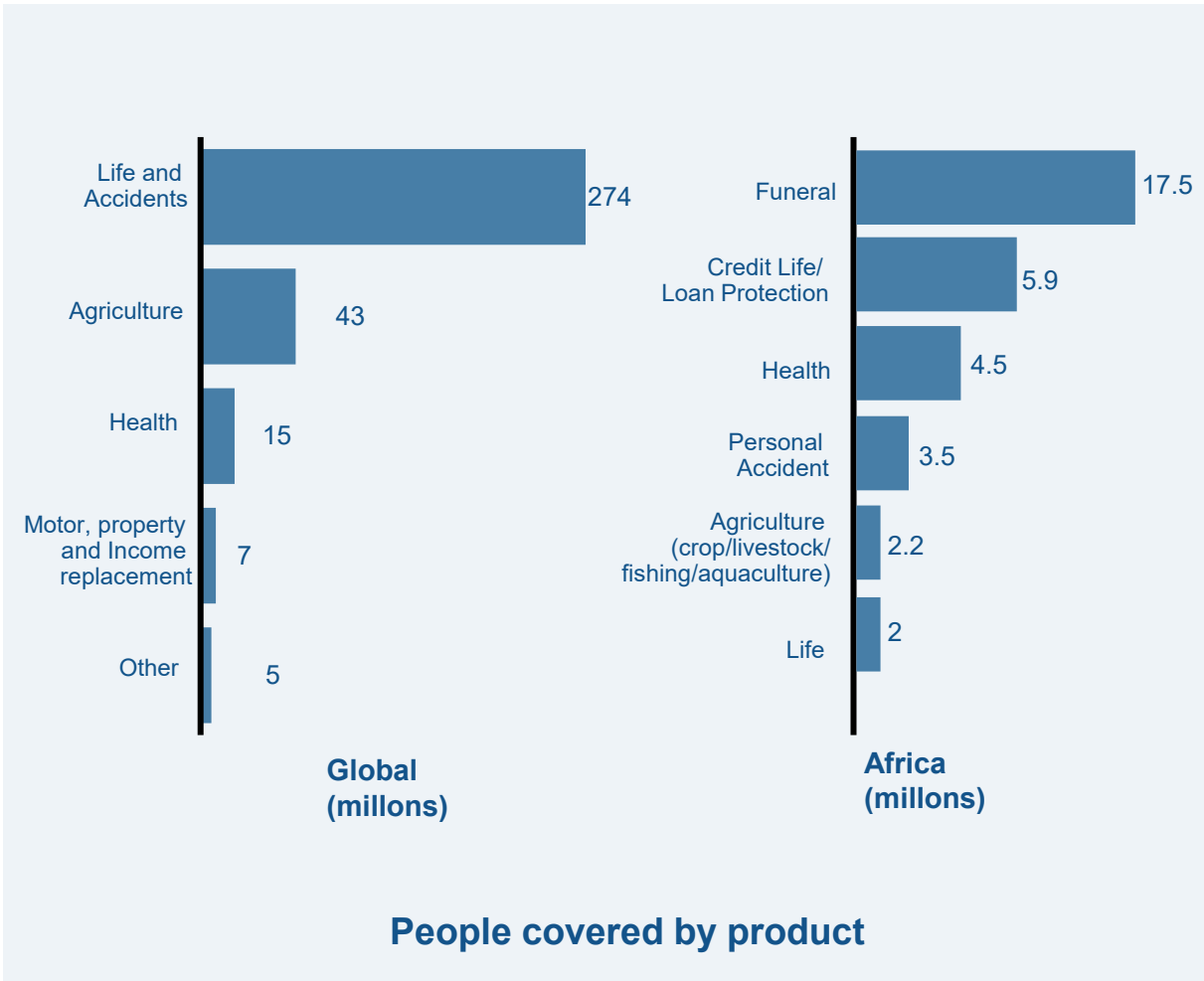
Insights

Some microinsurance products have been in the market for years, leading to a significant accumulation of practical experience.

As microinsurance products grow in scale and coverage, they provide valuable data on customer behavior, claims process efficiency, and profitability.

Africa highlights

Across Africa, **microinsurance products have been in the market for years, generating valuable data on customer behavior, claims efficiency, and profitability.** The region has seen a notable acceleration in product launches, particularly from 2015 onwards, reflecting growing regulatory support and increased market interest in expanding coverage to underserved populations.



Insights

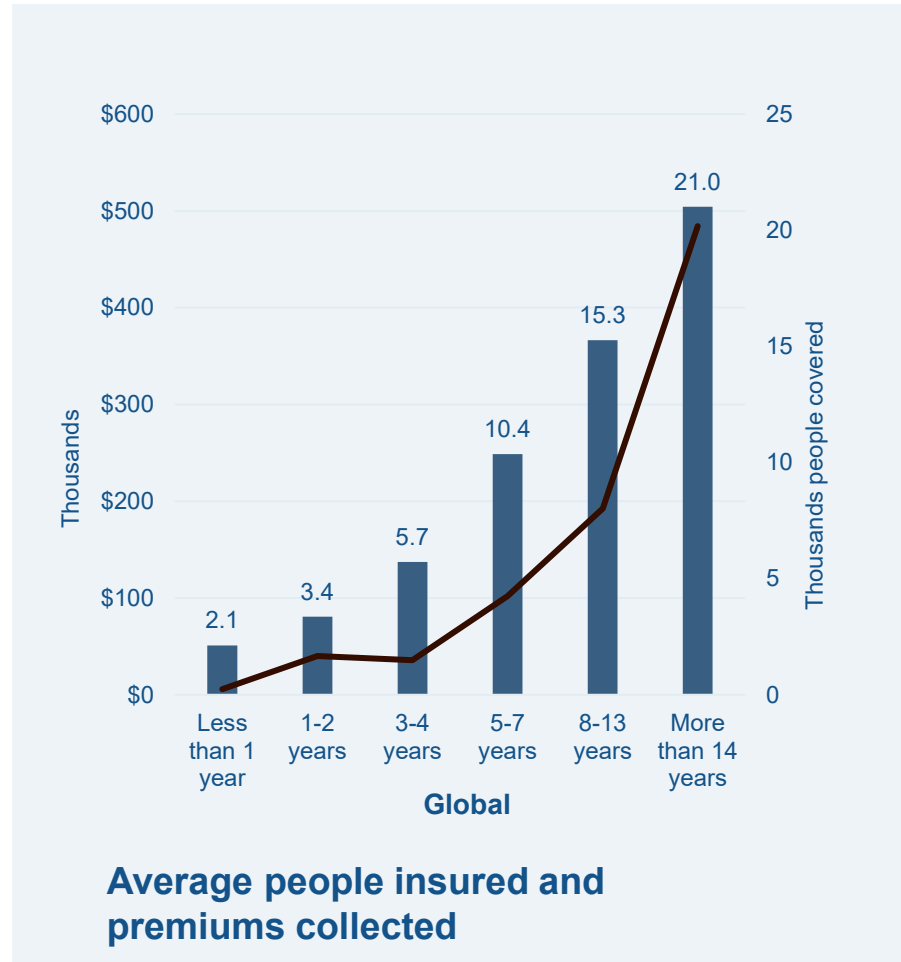
The market offers more than 13 different product lines, ranging from life, health, and personal accident insurance to specialized products like agricultural insurance and business interruption insurance.

Health microinsurance is also gaining traction. Coverages like hospital cash or insurance that combines telemedicine services are emerging.

There is a growing emphasis on developing new distribution partnerships, to expand the reach of microinsurance to underserved communities

Africa highlights

In Africa, **funeral insurance is the dominant product type with 17.5 million people covered**, followed by Credit Life/Loan Protection with 5.9 million and Health with 4.5 million. Personal Accident covers 3.5 million people, while Agriculture (crop/livestock/fishing/aquaculture) and Life products cover a smaller portion with 2.2 million and 2 million people respectively.



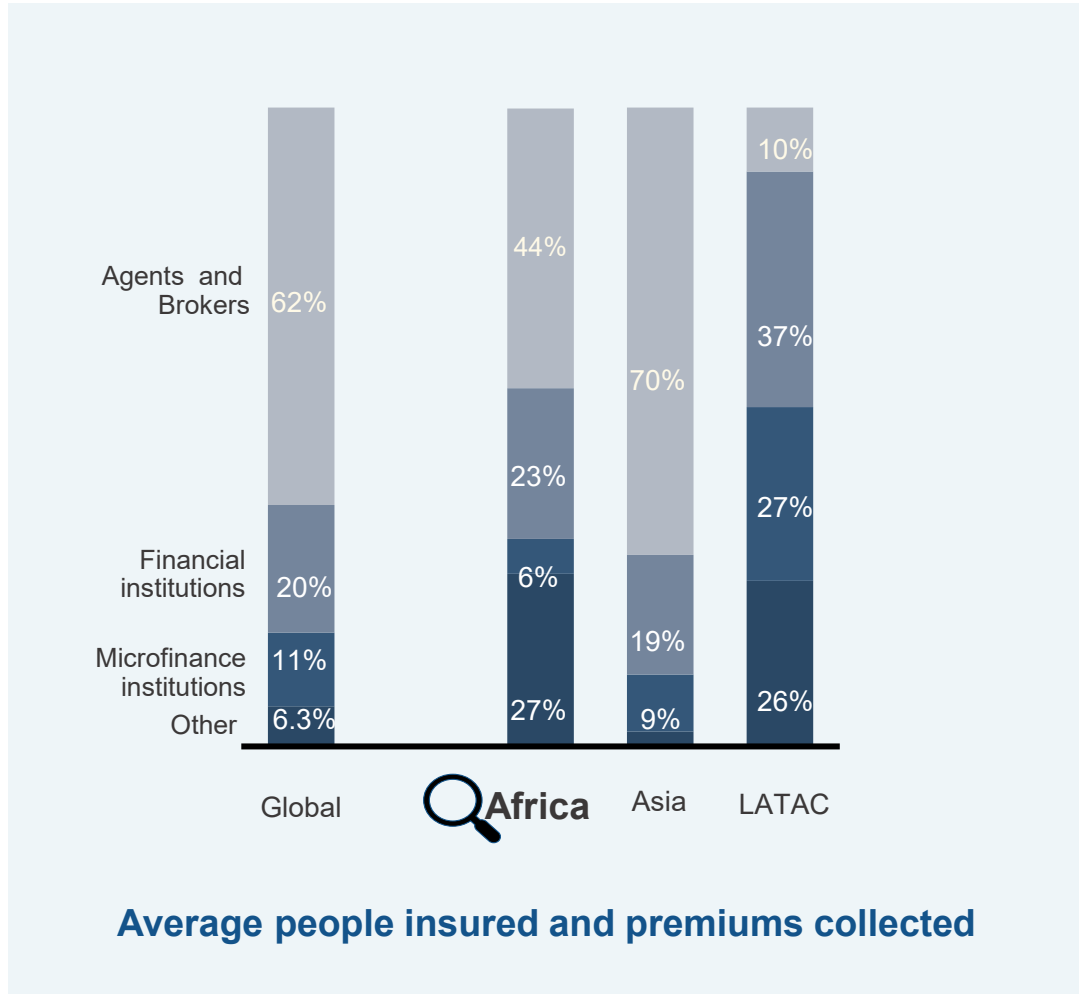
Insights

Microinsurance can be **financially sustainable over time** by achieving sufficient scale.

Microinsurance products in the study reached a **median value of over 10,000 people**, with some products like credit life and funeral insurance covering over 29,000 people.

Microinsurance products typically take **3-4 years to reach significant growth**.

As products mature, both the number of customers and premiums collected increase significantly.



Insights

Traditional channels lead: Financial institutions and brokers dominate distribution channels.

Digital channels are gaining importance, particularly with mobile network operators (MNOs) in Africa.

Innovative partnerships: NGOs and digital wallets extend microinsurance to underserved populations.

Insights

Value lies not only on paying a claim, also on the **overall experience and time to pay**

Multiple factors influencing claims ratios, years in the market is a significant one.

The **cost of distribution is another critical component in the price of microinsurance**, ultimately affecting the claims ratio of a product.

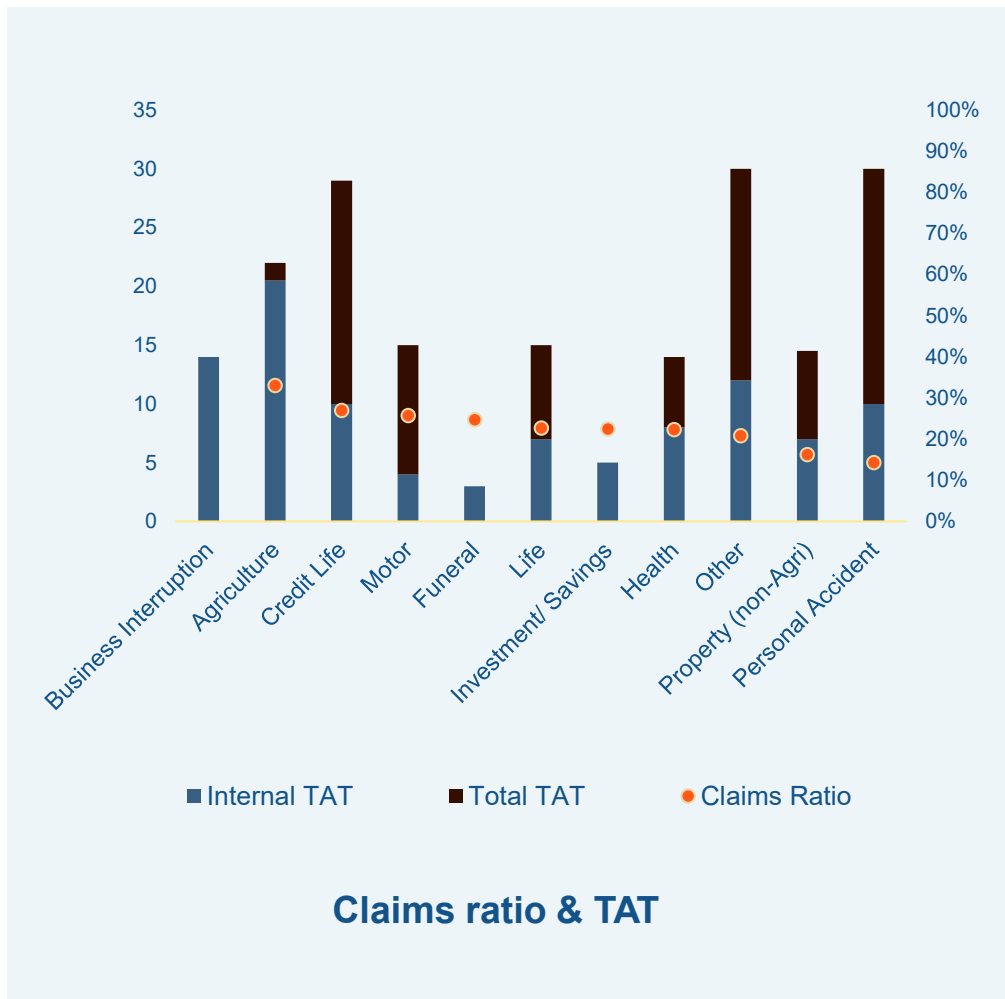
Product simplification, less documentation requirements, & technology can be significant enablers.

Efficient claims payments are crucial; poor handling harms the market up to ten times

Africa highlights

The median claims ratio was 23,38%. In terms of total turnaround time, Africa has a **median of 5 days** for microinsurance products, measured from the occurrence of the insured event to settlement.

Given the voluntary nature of the report, these figures reflect only a portion of the market and may vary. Additionally, this measure may differ from regulatory timelines of each country, which typically apply different starting points, such as from the moment the claim is accepted by the insurer



Insights

Gender-specific data remains limited, **45% of products provided information on gender**

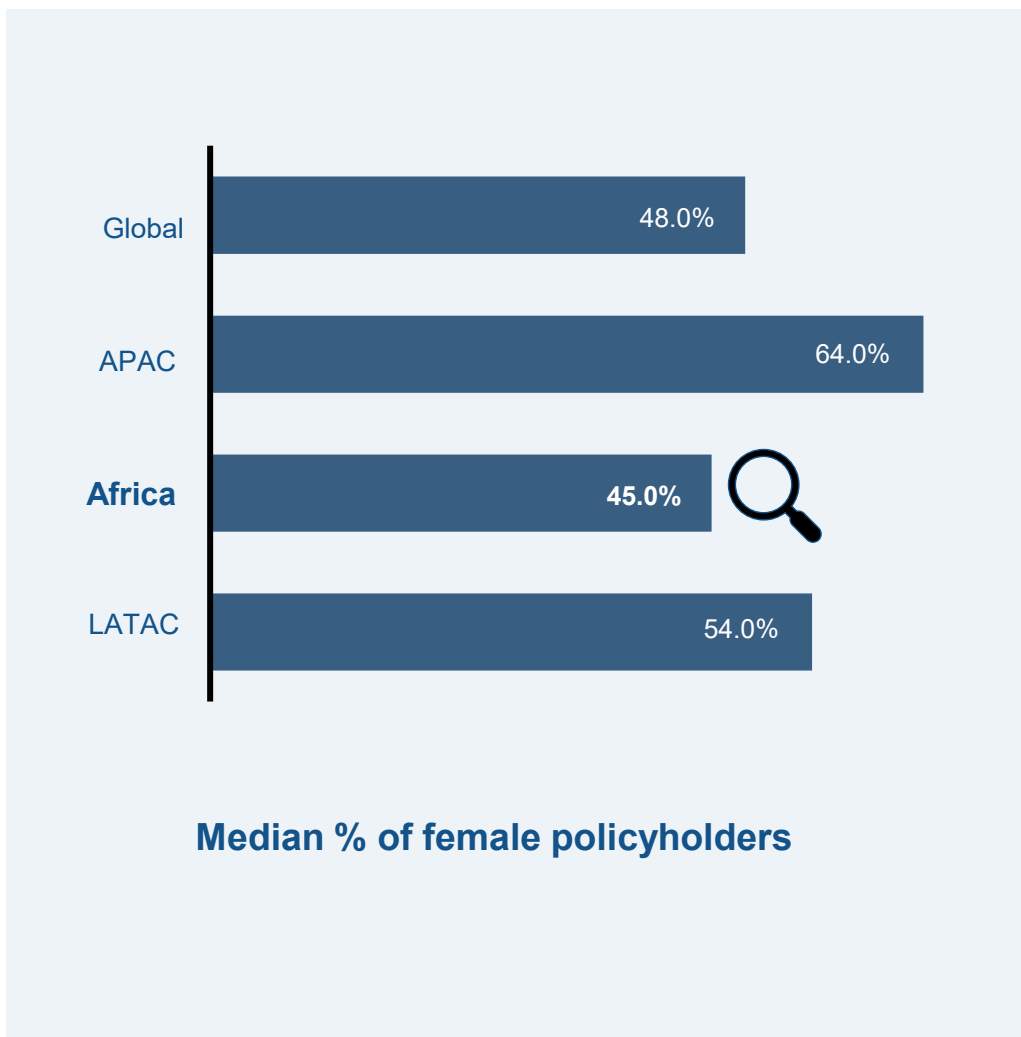
48% of policyholders and 49% of lives covered are women where data was reported.

Some products are specifically designed with women in mind, addressing their unique needs.

Africa highlights

Where gender data was provided for the countries in Africa, the median percentage of female lives covered was 45%, close to the 50.5%.

However, only three products were identified as specifically designed for women, all focused on life insurance — suggesting a **significant opportunity to expand gender-targeted offerings into other lines**. Improving the availability of gender-disaggregated data remains key to closing this gap



Microinsurance-
regulation world map



● countries **developing** regulation

● countries **with** regulation

Africa **with** regulation

Insights

Currently, 16 countries are developing specific regulations for microinsurance, while 40 jurisdictions already have some form of regulatory framework in place.

Regulators are actively collaborating with the industry and international organization, where the regulatory process was highly participatory, involving insurers, cooperatives, and international bodies.

Many regulators are promoting the use of technology and innovation, facilitating initiatives like regulatory sandboxes and open insurance

Africa highlights

Dedicated microinsurance regulatory frameworks across the region

Several African countries have developed dedicated microinsurance regulatory frameworks designed for low-income individuals and underserved populations. These frameworks introduce specific licensing categories for microinsurers, built on principles of inclusion, accessibility, affordability, and sustainability, while promoting consumer protection, simplified governance requirements, and the use of digital channels and mobile network operators to facilitate distribution

Insurance providers

- Client-centric approach
- Simplicity
- Multiple partner eco-system
- Efficiency in claims management/payment and complaint management
- Long term strategy



Thank you!

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