

Insuring the Poor and Vulnerable



Helping the poor weather life's storms

Richard Leftley - CEO, MicroEnsure

The poor do not buy insurance – why?



	Premiums (in USDmn) 2009	Premiums (in % of GDP) 2009	Premiums per capita (in USD) 2009
North America	\$1,239,586	7.9	\$3,635
Latin America & Caribbean	\$110,910	2.8	\$192
Europe	\$1,610,620	7.6	\$1,862
Asia	\$989,451	6.1	\$243
Africa	\$49,287	3.3	\$49
World	\$4,066,095	7.0	\$595
Industrialised Countries	\$3,532,716	8.6	\$3,405
Emerging Markets	\$533,379	2.9	\$92

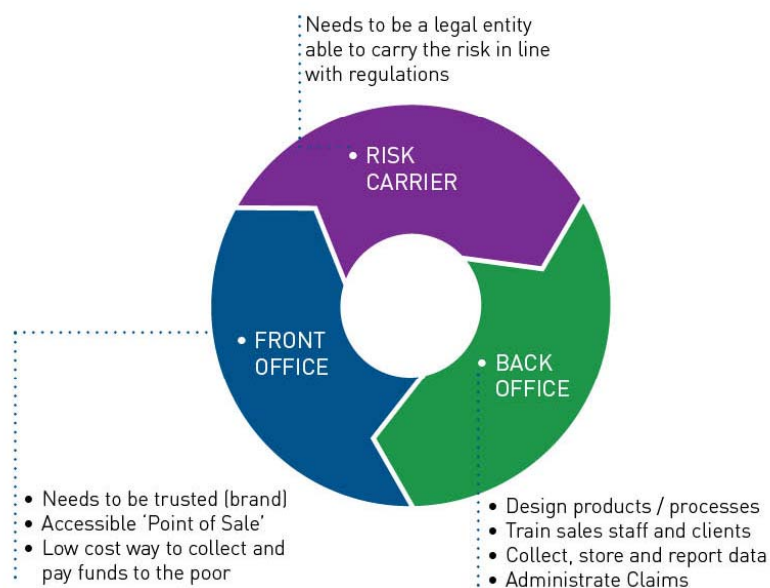
Source: Swiss Re Sigma No2/2010

Microinsurance landscape



- Market estimated to be 3bn people by Swiss Re
- Less than 3% have access to any insurance products
- Most dominant form of micro insurance is credit life sold to borrowers of MFI's
- Limited benefit to the poor person; it protects the lender
- Strong demand for a "safety net" from the poor
- Increasing interest in the market from insurers
- Issue is how to cost effectively provide access, education and claims servicing whilst generating profit across the value chain.

Framework for Microinsurance

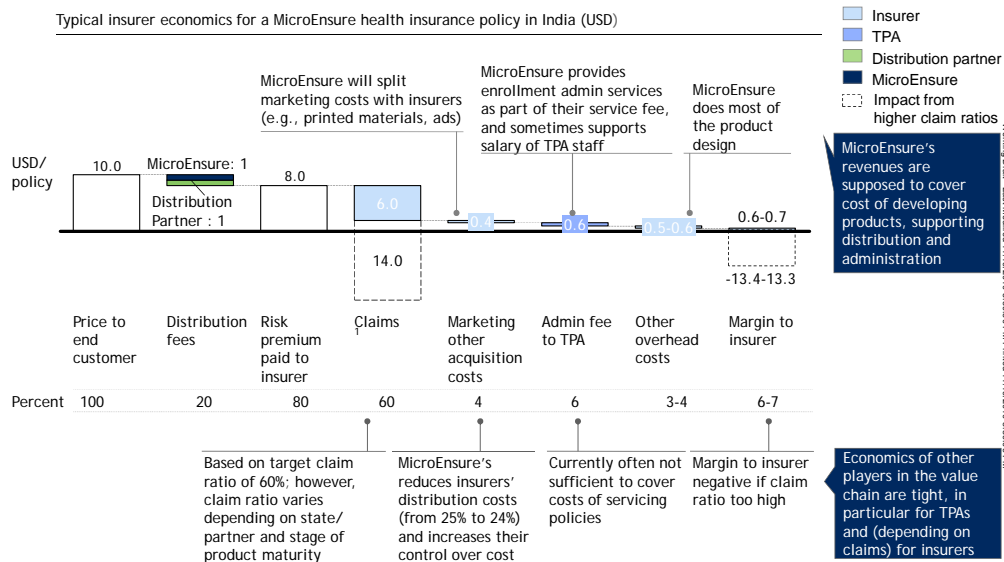


Microinsurance challenges



- **Risk carrier:** relatively easy to find willing risk carrier for life and property, weather index and health are harder.
- **Back office:** key driver to cost but more importantly a key driver to level of service and hence "success"
- **Front office:** we have to "white label" with companies that have existing client bases. Why will they partner with us?

The economics of the current model for UIIC, TPA and MicroEnsure

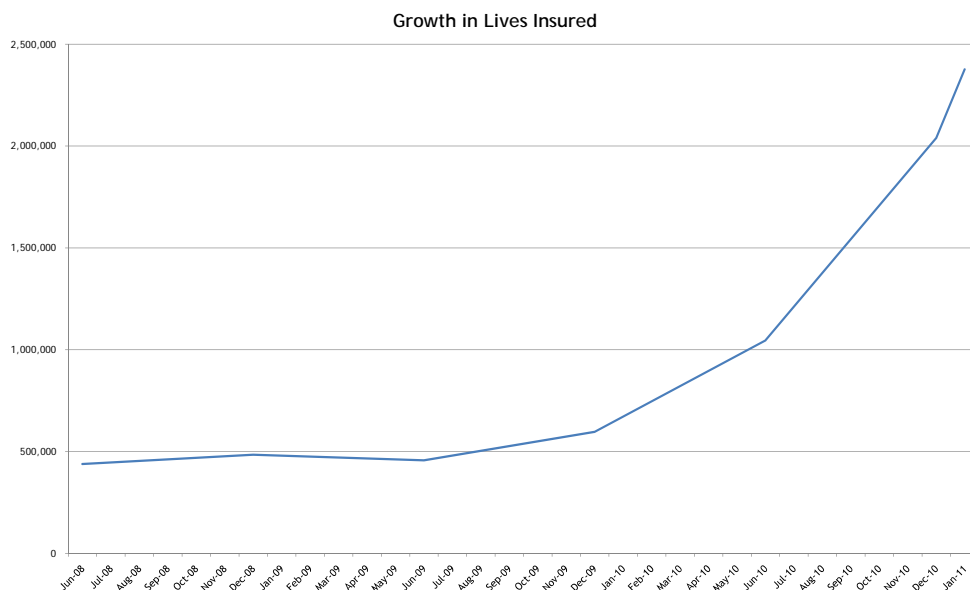


Profit drives scale



- MicroEnsure works with a range of “front office” partners
- Strong brand, accessible points of sale and ability to transact cash are all key attributes for a “front office”
- Started by partnering with microfinance lenders
 - 67 MFI's together serving 12m active borrowers
 - To date, less than 1m insured with MicroEnsure
 - Economics: loan = \$10, insurance = \$0.20
- Now working with mobile network operators, doubled the Ghana life insurance market this year. Why? Economics!

MicroEnsure growth





Thank you for your attention

For more information please
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