

Welcome!

We will begin shortly

BECOME A MEMBER



- Gain access to peers and influence best practices
- Share your expertise and get insights from experts
- Receive invitations to exclusive events
- Stay informed on the latest microinsurance news
- Shape our agenda and participate in decision-making

HOW TO JOIN

Contact:

info@microinsurancenetwork.org

Or apply online at:

www.microinsurancenetwork.org/member

Connect. Participate. Influence

Expert Forum: Microinsurance in Africa

Module 3: Distribution



Brandon Mathews

Stonestep

*Chair – Distribution Expert Group
Microinsurance Network*

MICROINSURANCE NETWORK

The global platform for insurance in emerging markets

> 80
INSTITUTIONS

300
EXPERTS

> 30
COUNTRIES

- Highlight the role of **insurance for development**
- Advocate for fair and **proportionate regulation**
- Promote the microinsurance **business case**
- Engage the **insurance industry**

Connect. Participate. Influence

micro
insurance
network

- **Expert Forums provide you the opportunity to interact with others who are working in microinsurance**
- **Organised by the Network, forums are planned to occur on a monthly basis**
- **Participation is strongly encouraged. There are many experienced people online and all questions from anyone are welcomed**
- **This is the last in a series on Africa. Prior topics covered:**
 - **The Landscape of Microinsurance and product innovation** – Michael J. McCord (MicroInsurance Centre), David Ashiagbor (MFW4A), Saagar Khimasia (APA Insurance), Daniel Lemu (Oromia Ethiopia), Luc Noubissi (CIMA), Afua Donkor (Star Microinsurance Ghana), Munya Javangwe (Zimnat Zimbabwe)
 - **The business case of microinsurance in Africa** – Michael J. McCord, Bert Opdebeeck (BRS), Alex Kuhnast (KGA Life), Agnes Chakonta (Mlife), Israel Muchena (Africa Re).

Today's Session

- **Distribution is vital to the business and impact case of microinsurance**
 - **Four types: Embedded, Compulsory, Opt-in/freemium, and Voluntary**
- **Today's session covers three topics**
 - **Features of different distribution channels – Martin Kgoale**
 - **Roles in the microinsurance value chain – Tughral Ali**
 - **Cracking the distribution challenge – Isaac Magina**
- **Each topic will follow the same structure:**
 - **Poll -> Research Findings -> Speaker -> Discussion**
 - **Research will be shared by Michael McCord**
- **Concluding remarks on from Henk van Oosterhout and David Ashiagbor**



Housekeeping Items

- Today's forum is planned as a discussion. You are encouraged to participate and ask questions.
 - Submit via the "Q & A" feature
 - Use "Raise Hand" to speak / lower and mute after
- Participants are muted by default to make it easier to hear presenters
- During polls, you have 20-30 seconds to select your answer. Make sure to click "submit" at the bottom right
- This session is being recorded and content will be available afterward.
- For technical issues, pls message the MFW4A Secretariat in the chat box

Expert Forum: Microinsurance in Africa

Module 3: Distribution



Michael J. McCord

President

MicroInsurance Centre

*Chairman of the Board
Microinsurance Network*

Q: What is the most promising channel for microinsurance over the next 3 yrs?



Select your answer:

- A. Corporate supply chain**
- B. Mobile / MNO**
- C. Financial institutions**
- D. Retailers**
- E. Agents/brokers**

RANGE AND FEATURES OF MICROINSURANCE CHANNELS

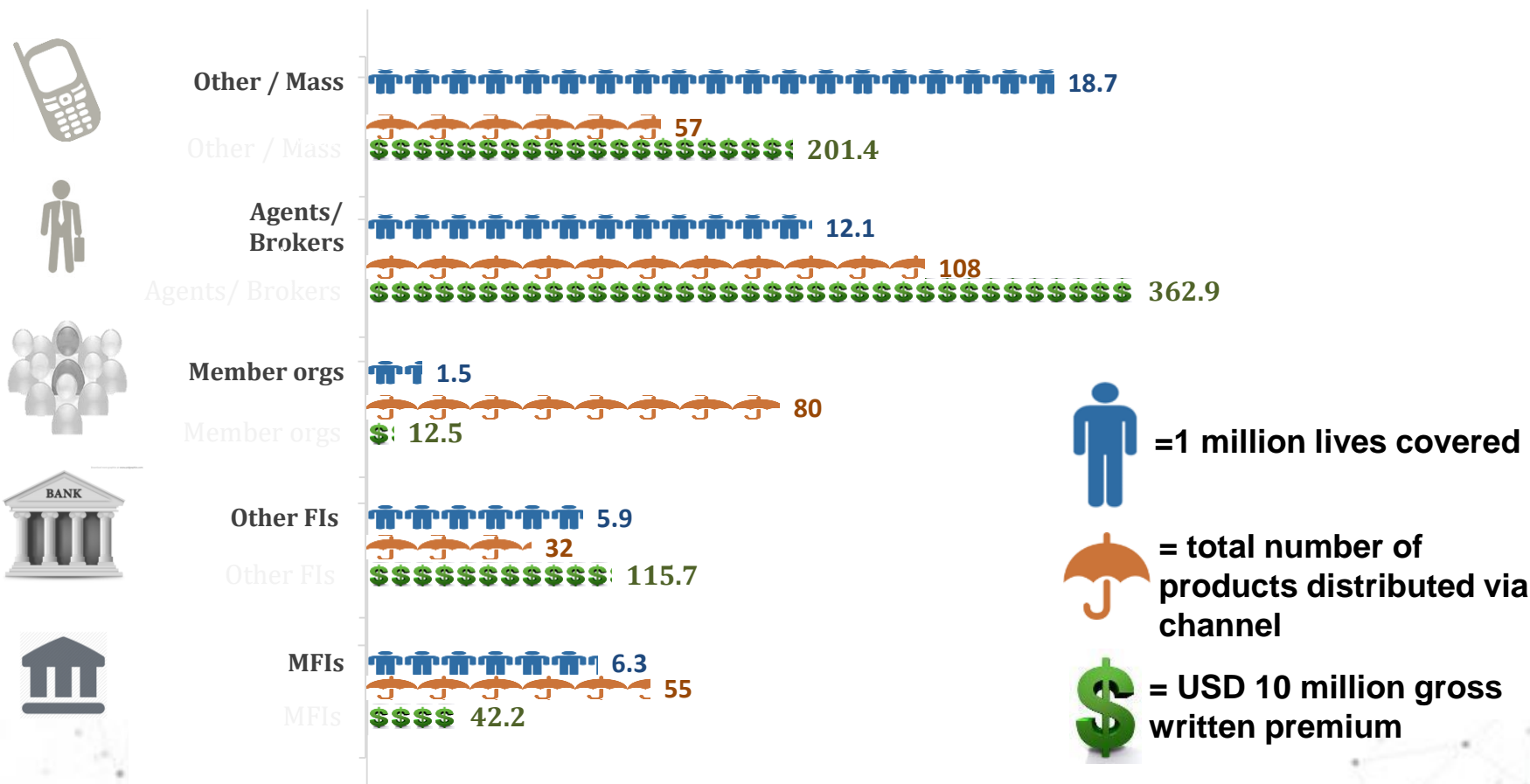


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Variety of channels in use

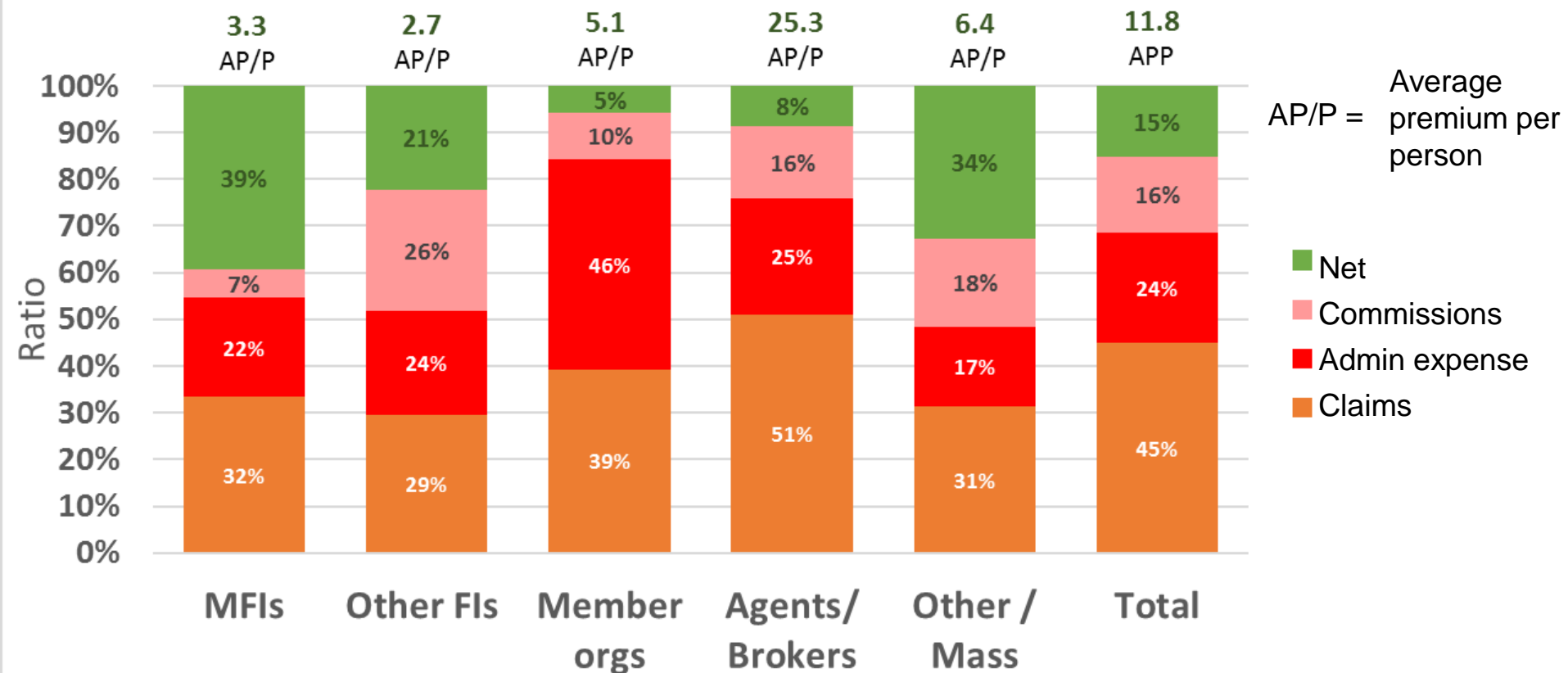


Which are successful at generating volumes of clients and profits for the insurer?



Data subset consists of 219 products for which premiums, lives covered, and distribution channel information were provided; together they account for 97% of identified premiums and 72% of identified lives covered.

Revenue and expense by channel



Data subset consists of 132 products for which premium, claims, expenses and distribution channel information were provided; together they account for just under 1/3 of the total premiums and lives identified by the study.

Range & features of channels



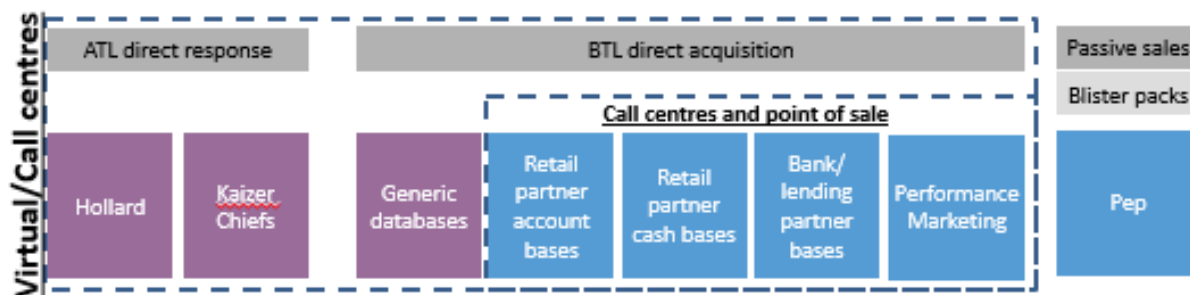
Martin Kgoale

Director of Sales and Distribution

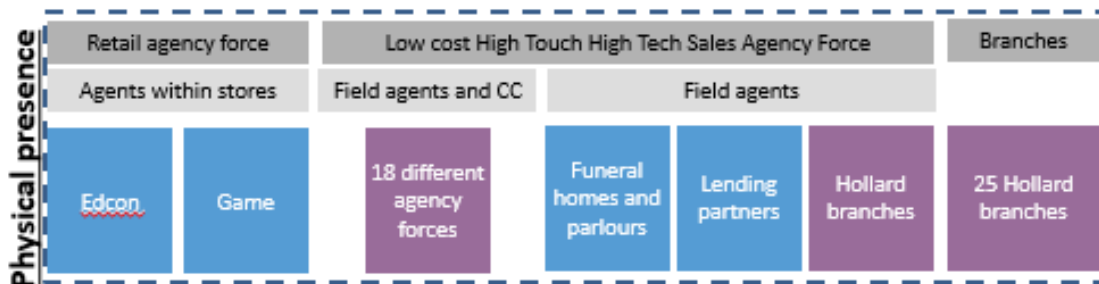
Hollard, South Africa

OUR DISTRIBUTION CAPABILITY SPANS ACROSS MULTIPLE CHANNELS & PARTNERS

*the best
THINGS
in
LIFE ARE
3*



■ Hollard control
■ Shared with partner



SOME OF THE INSIGHTS FROM PARTNER INFRASTRUCTURE...

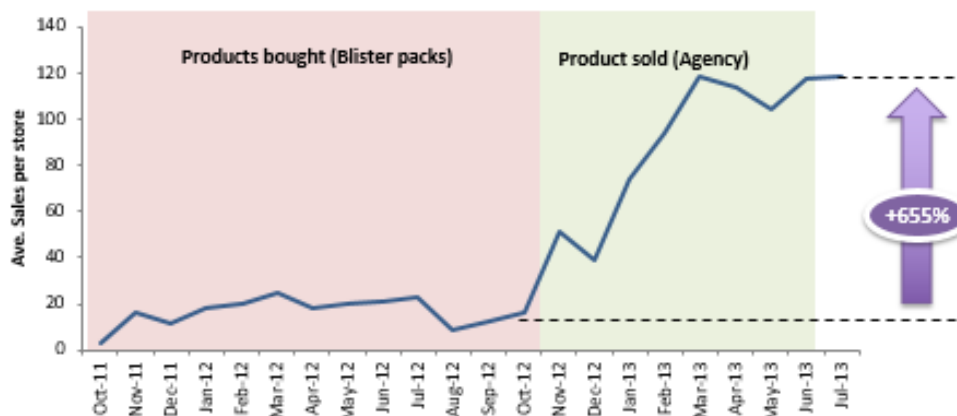
...INSURANCE IS BOTH BOUGHT AND SOLD

- Fairly significant sales numbers achieved through passive insurance packs in retail stores (in the store payment queues)
- However, sales grew significantly when agents were placed in store to promote the insurance packs

the best
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LIFE ARE
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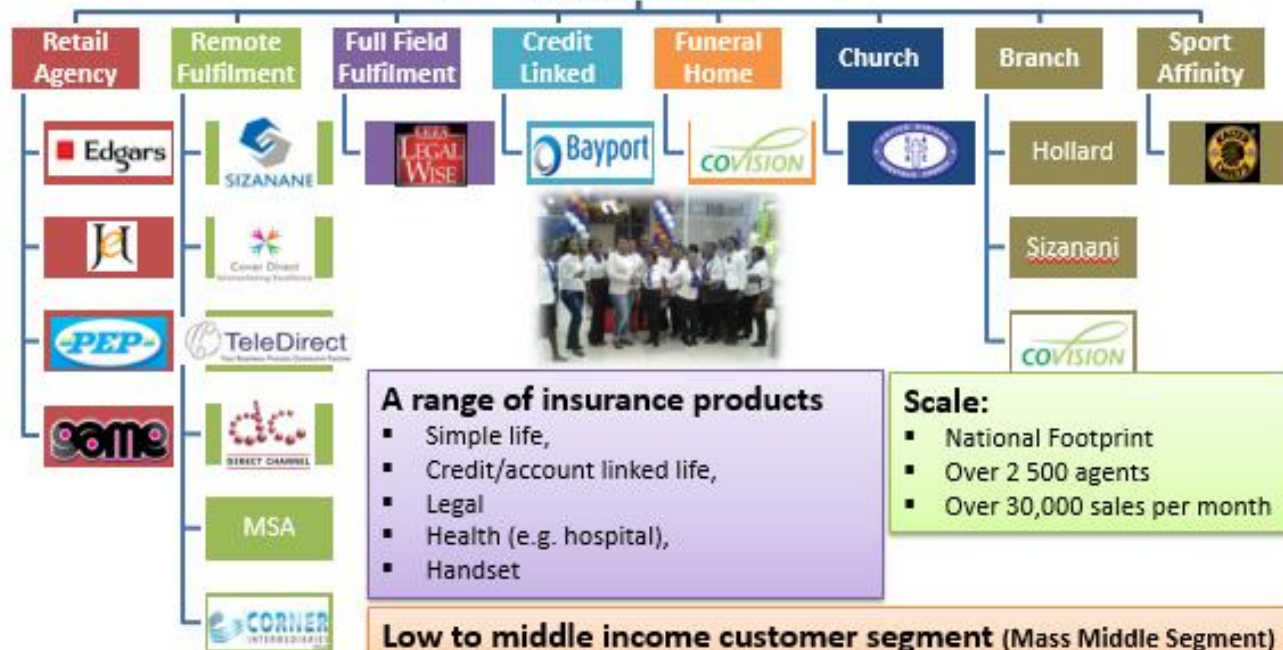


Ins. Sales through a Retailer



WE HAVE SIGNIFICANT EXPERIENCE IN OPERATING LOW COST, HIGH TOUCH, HIGH TECH SALES AGENCY FORCE WITH OUR PARTNERS (reaching areas that are difficult to reach through traditional means)

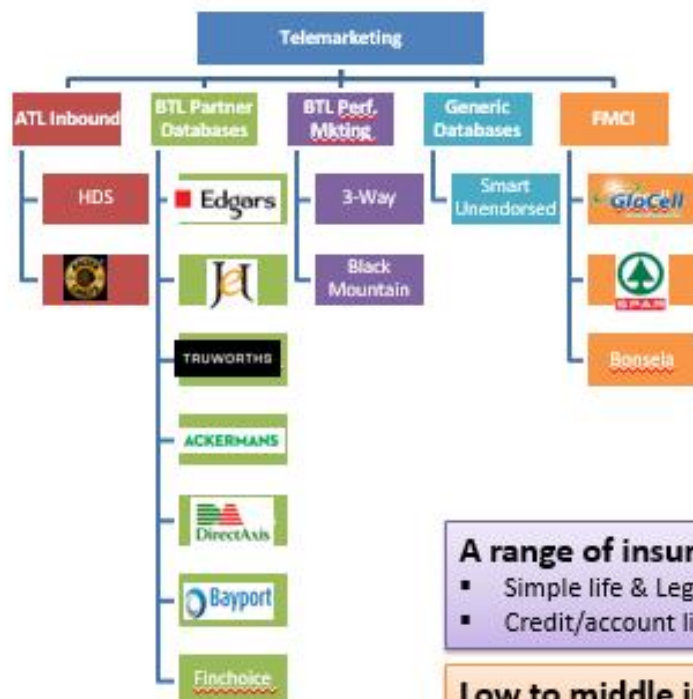
Low-cost High Touch, High Tech Sales Agency Model



the best
THINGS
in
LIFE ARE
- 3 -



...IN ADDITION SALES AGENCY CAPABILITY, WE HAVE A SIZEABLE TELE-MARKETING OPERATION



A range of insurance products

- Simple life & Legal
- Credit/account linked life,

Scale:

- JHB & DNB
- Over 250 agents

Low to middle income customer segment

- Approx. ZAR 1 600 – ZAR 20 000 pm (US\$ 160 – 2000)



ROLES & REMUNERATION IN THE VALUE CHAIN



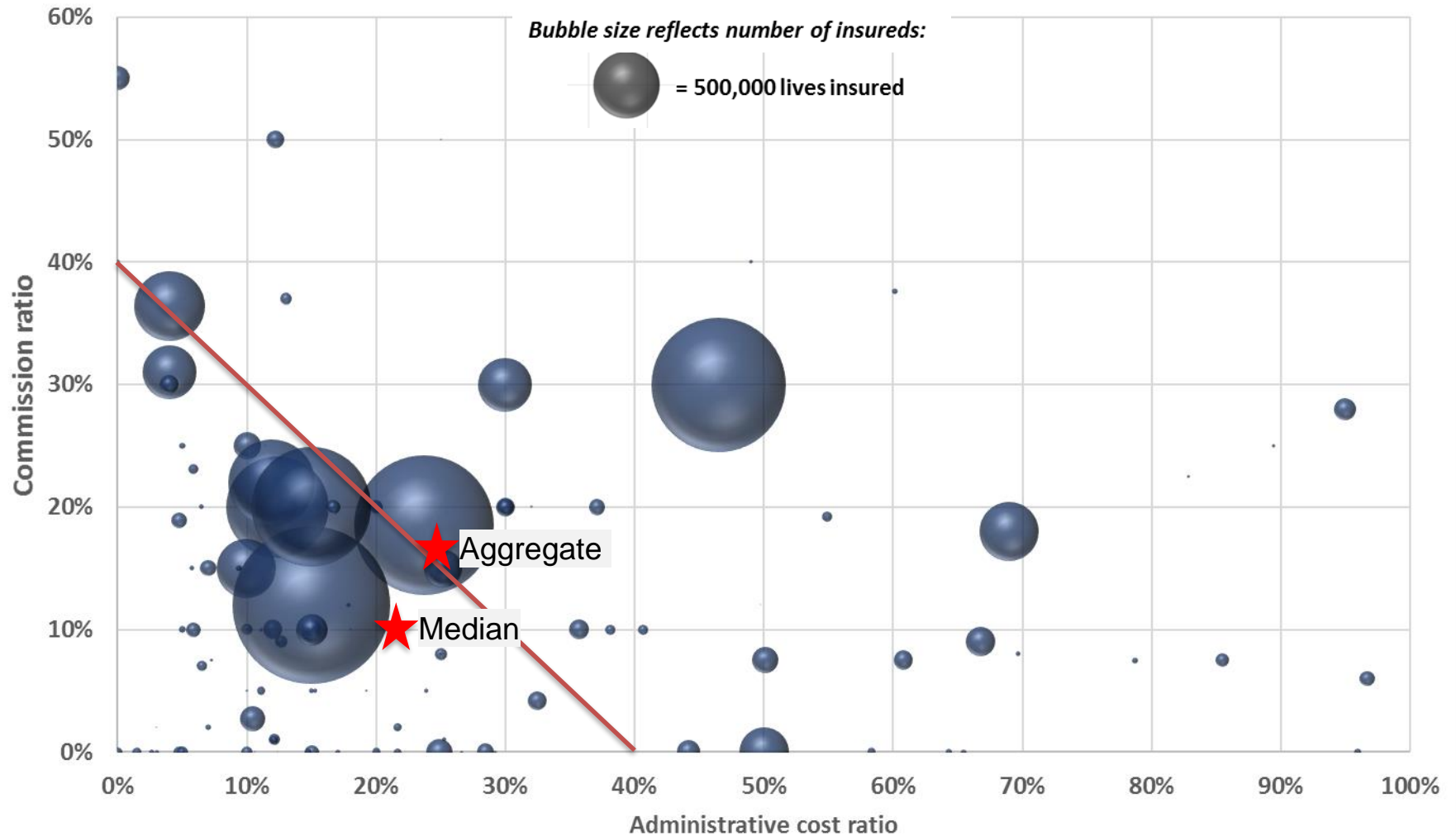
Q: All can be necessary but which institution is uniquely required for distribution success?



Select your answer:

- A. Regulator**
- B. (Re)Insurer**
- C. Broker**
- D. Technical service provider**
- E. Distribution channel**

Commissions vs. Admin
....do higher commissions lead to lower admin expenses for insurers?





Tughrul Ali

Head of MicroEnsure Africa

CRACKING THE DISTRIBUTION CHALLENGE



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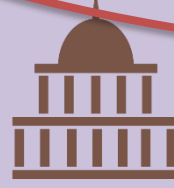

Q: You lead an MI Co or Dept. How much time do you allocate for distribution?



Select your answer:

- A. Equal time with product, claims, finance, HR, etc**
- B. Around 30-40%**
- C. Whatever it takes**

Africa 2014 and LAC 2013: What are the top five things that if changed would have the greatest impact on the development of microinsurance in your country?

	Africa rank	LAC rank
 <p>Market education and financial literacy efforts for consumers</p>	1	1
 <p>Market demand studies to help insurers better understand clients' needs</p>	2	5
 <p>More and better distribution channels</p>	3	3 (tie)
 <p>More favorable regulations</p>	4	2
 <p>Information technology systems specific for microinsurance</p>	5	3 (tie)

Cracking dist. in Agric.



Isaac Magina

Senior Client Manager Africa

Swiss Re

MICROINSURANCE IN AFRICA

EXPERT FORUM SERIES

WRAP-UP





**Henk van Oosterhout, Executive Director,
Microinsurance Network**



David Ashiagbor, Coordinator, MFW4A



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Thank You!

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