

## Microinsurance Network Landscape of Microinsurance Glossary

<b>Accident insurance (commonly referred to as 'Personal Accident')</b>	Insurance that provides compensation for injury, disability, dismemberment or death caused by an event that is unforeseen, unexpected, and unintended.
<b>Acquisition and administrative costs</b>	All expenses incurred by the insurer related to acquiring customers (e.g., marketing, commissions, distribution) and managing policies (e.g., administration, customer service, operations).
<b>Actuary</b>	A technical expert in insurance and applied mathematics, who applies theories of probability, economics and finance to the business of insurance and is responsible for the calculation of premiums, reserves and other valuations.
<b>Agent</b>	An insurance company representative who solicits, negotiates or effects contracts of insurance and provides service to the policyholder on behalf of the insurer, usually for a commission on the premium payments.
<b>Aggregators</b>	Institutions that bring together groups of potential (micro)insurance customers, such as employee groups, community or professional associations, utility providers, syndicates, etc.
<b>Agricultural and trade cooperatives</b>	Organisations run on cooperative principles which bring together farmers or other groups involved in a common trade or activity.
<b>Agriculture insurance</b>	Insurance that covers risks to crops, livestock, fishing or aquaculture.
<b>Airtime</b>	Payment made using prepaid mobile phone credit, where the premium is deducted from the user's airtime balance.
<b>Automatic deduction from loan</b>	Payment mechanism where insurance premiums are automatically deducted from a loan amount at disbursement or from scheduled loan repayments.
<b>Bank transfer or payment order</b>	Payment made through a transfer from a bank account or via a formal payment instruction issued through a banking institution.
<b>Broker</b>	An independent insurance intermediary who acts on behalf of the client to arrange and place insurance with one or more insurers, and to provide advice and related services, without being tied to a single insurer.
<b>Bundled insurance</b>	An insurance product that is either sold in combination with another insurance or non-insurance product or service.
<b>Business interruption insurance</b>	Covers lost income for a business should the business be unable to operate as a result of a covered event.
<b>Cell captive</b>	An insurance or reinsurance captive that is sponsored and operated by one entity, usually an insurance company, but can be used by another entity.
<b>Claim</b>	A request for compensation by an insured party or beneficiary following a loss due to occurrence of an insured event.
<b>Claims paid</b>	Claims filed by customers which are approved and paid by an insurer.
<b>Claims ratio</b>	Calculated by dividing the total amount of claims paid during the year by gross written premiums in the same period.
<b>Claims value</b>	The total amount of money disbursed by an insurer to settle approved claims over a given period.
<b>Coverage</b>	The scope of protection provided under a contract of insurance and any of several risks covered by a policy.
<b>Credit life insurance</b>	Insurance coverage designed to extinguish the outstanding indebtedness of a borrower who dies while indebted.
<b>Crop insurance</b>	Covers farmers against the loss of their crop due to natural events such as drought, flooding, hail and others.
<b>Compulsory insurance</b>	Insurance that must be obtained as a condition for accessing a product or service (e.g. a loan), even if not directly mandated by law.
<b>Digital platform</b>	A virtual space that allows for direct interactions between consumers and providers of goods and services, such as ride-hailing platforms, delivery platforms, e-commerce platforms and freelancer platforms.
<b>Direct debit and standing orders</b>	Payments made automatically on a regular basis from the customer's account to a company.
<b>Distribution channel (also referred to as an 'intermediary')</b>	A person or company that aids the insurer in distributing the product.
<b>Early Warning Systems</b>	Systems that provide timely information about potential risks (e.g. weather events) to help individuals or institutions take preventive actions.
<b>Education coverage</b>	Insurance coverage that provides financial support to cover education-related expenses, such as school fees or tuition, typically in the event of a predefined risk (e.g. death, disability, or loss of income of a parent or guardian).

<b>Environmental, social and governance (ESG)</b>	Factors used for assessing businesses from a sustainability and ethical standpoint and to identify risks and opportunities.
<b>Extended warranty</b>	An insurance or service contract that provides coverage for repair or replacement of a product beyond the manufacturer's original warranty period.
<b>Financial institutions</b>	Formal, regulated institutions offering financial services, such as banking, investment and insurance, to the public.
<b>Fintech</b>	Companies or solutions that use technology to deliver financial services, including payments, lending, or insurance-related services.
<b>Funeral insurance</b>	Covers the costs associated with the insured's funeral.
<b>Fully retained</b>	A situation where the insurer keeps the entire risk on its own balance sheet without transferring any portion to another party.
<b>Group insurance</b>	A policy offered to people belonging to a certain group, such as employees of a company or members of an organisation.
<b>Group/Community saving schemes</b>	Payment made through collective savings mechanisms, such as savings groups or community-based financial arrangements, where members contribute regularly and funds are managed at the group level.
<b>Health insurance</b>	Insurance that provides financial cover for medical and/or associated expenses arising from sickness or injury, in accordance with specified policy terms and benefits.
<b>Homeowners insurance</b>	Insurance that provides financial protection against loss or damage to a home and its contents, as well as liability coverage for accidents occurring on the property.
<b>Hospital cash insurance</b>	Insurance that provides a pre-defined payment to an insured person who is hospitalised, without regard to the actual cost of hospitalisation.
<b>Income protection coverage</b>	Insurance coverage that provides a replacement income or financial compensation to the insured in the event they are unable to work due to illness, injury, or other covered risks, for a specified period of time.
<b>Index insurance/ Parametric insurance</b>	A type of insurance that automatically pays out when a predefined parameter is met (such as rainfall level, temperature, or event magnitude), without the need to assess actual losses.
<b>Indemnity-based Insurance</b>	Insurance that compensates the insured for the actual loss suffered, restoring them financially to their position before the loss, without allowing profit.
<b>Individual insurance</b>	A policy purchased directly by the insured person.
<b>Insurtech</b>	Is a company that uses technology to innovate and improve products, services, or processes in the insurance industry.
<b>Internal turnaround time</b>	The average number of days between a claim being filed and the payout being made by the insurer.
<b>Investment and savings insurance</b>	Life insurance connected to savings or investments. Premiums typically include an insurance component as well as a savings component which is returned to the customer
<b>Legal insurance</b>	Covers legal advice and legal expenses.
<b>Life insurance</b>	Coverage that provides for a payment of a specified amount on the death of the insured person, either to the estate of the deceased or to a designated beneficiary.
<b>Livestock insurance</b>	Covers losses as a result of the death of livestock (may include disease).
<b>Low-income population</b>	For the purposes of the Landscape Programme, individuals earning between international USD 2 and USD 20 per day on a purchasing power parity basis (PPP).
<b>Mandatory insurance (also referred to as 'compulsory insurance')</b>	Insurance that an individual or entity is required to purchase, either because of government mandate (for example, third party liability auto insurance) or as a condition for accessing another service (for example, credit life insurance required when a loan is taken out).
<b>Microfinance institutions (MFIs)</b>	Financial institutions serving individuals and small businesses who lack access to conventional banking and financial services.
<b>Microinsurance (also referred to as 'inclusive insurance')</b>	Insurance products with modest premium levels based on the risks insured and developed specifically to serve the needs of the low income population. The insurer is the risk carrier and the product must be working towards profitability or sustainability and be managed on the basis of insurance principles.
<b>Mobile money</b>	A service which allows customers to make deposits and withdrawals, to transfer money and to access financial services through a mobile phone.
<b>Mobile Network Operator (MNO)</b>	An organisation offering telecommunications services, including wireless voice and data communication, for mobile users subscribed to their service.
<b>Mobile money providers</b>	Providers offering financial services via mobile platforms, including payments, transfers, and sometimes insurance distribution.
<b>Motor insurance</b>	Insurance protection for a car, motorcycle or other vehicle which may cover theft or damage to the vehicle as well as damage caused to the public or another vehicle in an accident.
<b>Mutual or cooperative insurance company</b>	An insurance company owned by its members or policyholders, run for their benefit rather than for external shareholders.
<b>Non-Governmental Organisation (NGO)</b>	A non-profit organisation operating independently of any government body, typically to address a social or environmental cause.
<b>Open insurance</b>	The sharing and accessing of insurance-related data, usually via application processing interfaces (APIs).
<b>People covered (also referred to as Lives covered)</b>	The policyholder as well as others insured under a given policy.
<b>Pension</b>	A financial product that provides income to individuals after retirement, usually through periodic payments funded by prior contributions.
<b>Policy</b>	The specific contractual agreement underlying the terms between the insurer and the insured.
<b>Policyholder</b>	The natural or legal person who enters into the insurance contract with the insurer and holds the contractual rights and obligations under the policy.

<b>Premium</b>	Payments required to activate insurance coverage and keep it in force.
<b>Premiums collected</b>	The total amount of money collected from the policyholders by the insurer.
<b>Property insurance</b>	Covers the loss, or damage to, real and personal property caused by perils such as fire, theft, windstorm, hail, etc.
<b>Protection gap</b>	The difference between total economic losses from risks and the portion of those losses that is insured.
<b>Regulation of insurance</b>	The framework of laws, rules, and supervisory oversight governing insurers and insurance markets, generally aimed at ensuring financial soundness, fair conduct, and the protection of policyholders.
<b>Regulatory sandbox</b>	A framework that allows companies to conduct experiments in insurance innovations under the regulator's supervision.
<b>Reinsurance</b>	An agreement by which an insurance company passes on part of its own insurance liability to another insurance company (the reinsurer) in order to better manage its risk exposure.
<b>Remittances</b>	Money transfers typically sent by individuals (typically migrants) to recipients in another location.
<b>Retailer</b>	A relatively small-scale vendor of goods for individual consumption rather than resale.
<b>Risk-based supervision</b>	An approach to supervision whereby certain rules, such as capital requirements, are set based on the level of risk posed by the business.
<b>Savings and credit cooperative</b>	A cooperative organisation which facilitates savings and loans for members.
<b>SMEs (Small and Medium Enterprises)</b>	Small and medium-sized businesses, typically defined by size, revenue, or number of employees.
<b>Social performance indicators</b>	Metrics that an organisation or company uses to measure its progress in social performance.
<b>Dedicated inclusive insurance providers</b>	An insurance provider focused specifically on designing and delivering products tailored to low-income or underserved populations, typically with simplified regulatory requirements.
<b>Subsidy</b>	A sum of money provided by a government or another third-party so that a product or service can be offered at a low or competitive price point or, in some cases, without cost to the end customer.
<b>Sum insured</b>	The maximum sum that an insurer agrees to pay in the event of an insured event occurring.
<b>Sustainable Development Goals (SDGs)</b>	Seventeen interlinked global goals established in 2015 by the United Nations General Assembly, to be achieved by 2030.
<b>Takaful</b>	A Sharia-compliant insurance model based on mutual risk-sharing, where participants contribute to a common fund used to support members in case of loss.
<b>Telemedicine</b>	Remote delivery of healthcare services through telecommunications infrastructure, such as online or telephone-based doctors' consultations.
<b>Total claims turnaround time (TAT)</b>	The average number of days between the occurrence of an insured event and the receipt of the payout by the beneficiary.
<b>Traditional insurance company</b>	An insurer that offers a broad range of standard insurance products across multiple segments, typically operating at scale through conventional underwriting, pricing, and distribution models, in contrast to specialised microinsurance providers focused on low-income or underserved populations with tailored, simplified products.
<b>Transport/Travel (taxis, intercity travel, etc.)</b>	Covers loss or damage to goods during transportation between locations.
<b>Travel insurance</b>	Covers risks associated with a person's travel, such as medical expenses, trip cancellation, delays, lost baggage, or personal liability.
<b>Voluntary cover</b>	Insurance that is not required by law or regulation or imposed as a contractual obligation and is purchased at the discretion of the policyholder.