

FROM CONNECTIVITY TO COVERAGE

Scaling resilience through
mobile-enabled microinsurance





The GSMA is a global organisation unifying the mobile ecosystem to discover, develop and deliver innovation foundational to positive business environments and societal change. Our vision is to unlock the full power of connectivity so that people, industry, and society thrive.

Representing mobile operators and organisations across the mobile ecosystem and adjacent industries, the GSMA delivers for its members across three broad pillars: Connectivity for Good, Industry Services and Solutions, and Outreach. This activity includes advancing policy, tackling today's biggest societal challenges, underpinning the technology and interoperability that make mobile work, and providing the world's largest platform to convene the mobile ecosystem at the MWC and M360 series of events.

We invite you to find out more at www.gsma.com

Authors

Gianluca Storchi and Rishi Raithatha – GSMA.

Contributors

Richard Leftley and Kavita Tailor – independent consultants.

Acknowledgments

The authors are grateful to the following people for peer reviews and input: Ashley Olson Onyango with GSMA, and Matthew Genazzini, Sara Orozco, Asier Achutegui and Nicolas Morales with The Microinsurance Network.

Marketing support was provided by Joyce Kong, GSMA.

GSMA Mobile Money

The GSMA's Mobile Money programme works to accelerate the development of the mobile money ecosystem for the underserved.

For more information, please contact us:

www.gsma.com/mobilemoney

mobilemoney@gsma.com



The Microinsurance Network is the global multi-stakeholder platform for professionals and organisations that are committed to making insurance inclusive. Membership-based, we bring together diverse stakeholders from across the value chain who share our vision of a world where people of all income levels are more resilient and less vulnerable to daily and catastrophic risks. We encourage peer-to-peer exchange and learning, facilitate the generation of knowledge and research, and act as advocates, promoting the role that effective risk management tools, including insurance, play in supporting the broader development agenda.

www.microinsurancenetwork.org

Gates Foundation



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG

This publication was supported by the Gates Foundation and the Government of Luxembourg.

Contents

	Executive summary	04
01	Introduction	06
02	Market overview	12
	2.1 Unpacking the insurance value chain	13
	2.2 The rationale for group policies	16
	2.3 Key success factors for aggregators	17
	2.4 How microinsurance is sold to consumers	18
	2.5 The global microinsurance market	20
	2.6 Mobile-enabled microinsurance trends	22
03	The regulatory framework for microinsurance	24
	3.1 Regulatory innovation in microinsurance	26
	3.2 Persistent regulatory challenges in microinsurance	27
	3.3 Does mobile money prevalence impact microinsurance?	29
04	Charting the growth of mobile microinsurance	30
	4.1 The freemium model	32
	4.2 The opt-in or paid-for upsell model	33
	4.3 The current models used for mobile-enabled microinsurance	34
	4.4 Looking to the future of mobile-enabled microinsurance	37
05	Barriers to growth and enabling factors	39
06	Strategic recommendations	43
	Annexes	46
	A1 Methodology	47
	A2 List of interviewees	48

Executive summary



Insurance provides a vital safety net to communities globally, but insurance penetration continues to be extremely low across emerging economies. The global target market for the microinsurance industry stands at 3 billion people. Of these, only 12% are estimated to hold at least one policy. In the same year, there were at least 1.8 billion registered mobile money accounts. This shows a significant potential to close the protection gap through mobile-enabled insurance.

Mobile network operators (MNOs) and mobile money providers (MMPs) are seen as natural distribution partners for insurance, given their reach, consumer trust, and digital payment infrastructure. The microinsurance value chain blends three main actors: aggregators (like MNOs and MMPs), technical service providers (TSPs who design and operationalise products), and risk carriers (like local insurers). While business-to-business or business-to-business-to-consumer models dominate, emerging joint ventures use close alignment and embedded insurance to drive scale and impact.

Africa remains the global leader in mobile-led microinsurance distribution, largely due to the success of mobile money on the continent. The number of mobile-enabled microinsurance products more than doubled from 135 in 2020 to 282 in 2025. However, MNOs and MMPs are the primary distribution channel for only 1% of people covered by microinsurance, behind traditional agents, brokers and financial institutions. The main payment method for premiums for almost half of all microinsurance products worldwide is either cash, or direct debit and standing orders. Mobile money is the primary payment method for 15% of products in Africa, 9% in Asia, and 3% in Latin America and the Caribbean.

Microinsurance is delivered to end users through several models, each affecting product uptake and customer awareness differently. With embedded insurance, coverage is bundled with core MNO and MMP services like data packages. This maximizes reach but may reduce customer awareness and claims uptake. Opt-out insurance provides automatic coverage unless declined. This leads to high adoption, but awareness remains a challenge. Under the opt-in model, insurance is purchased voluntarily. This results in lower uptake and requires active selling but improves consumer awareness.

Microinsurance delivery models have evolved over time, from the freemium model to standalone voluntary products, hard bundles, and digital marketplaces. The freemium model for mobile microinsurance provided free insurance conditional on users meeting transaction thresholds such as airtime top-ups. While this approach successfully drove behavioural change and introduced millions to insurance for the first time, the effect was generally short-lived. Ultimately, the freemium model struggled with sustainability, with only 4% of mobile-enabled microinsurance products using this approach in 2025.

In many cases, the freemium model was replaced with an option for customers to up-sell and start paying for themselves or family members. This voluntary opt-in or paid-upsell insurance model often works via digital platforms or marketplaces within MMP apps. Although digital marketplaces lower entry costs and broaden product visibility, adoption rates remain low without additional marketing and engagement.

Currently, the dominant distribution models include standalone voluntary products, hard bundles, and digital marketplaces. Standalone products require active customer enrolment, higher engagement, and seamless premium collection mechanisms—often only possible in markets that permit recurring mobile payments. Hard bundles combine insurance with products like data plans or other value-added services, allowing customers to benefit from insurance embedded in everyday purchases. Across all models, recurring payment capability and contextual marketing are crucial to driving uptake and retention.

The research findings suggest four strategic actions needed to unlock the potential of mobile-enabled microinsurance. Automatic recurring payments are crucial to the success of microinsurance and require further regulatory and technical solutions. Providers should leverage timely and contextual microinsurance product offerings using mobile data insights, which will need coordinated data sharing across stakeholders. Insurance products should address core customer concerns, such as income loss in the gig economy. New products, like device insurance, that will be relevant for MNOs and MMPs to distribute to users should be explored. Device insurance is not common across many low- and middle-income countries, despite phones being essential assets to their owners.

Following these recommendations in a coordinated manner could enable better collaboration between microinsurance providers and the mobile industry. This in turn could improve financial inclusion and lead to greater resilience among vulnerable communities.

01

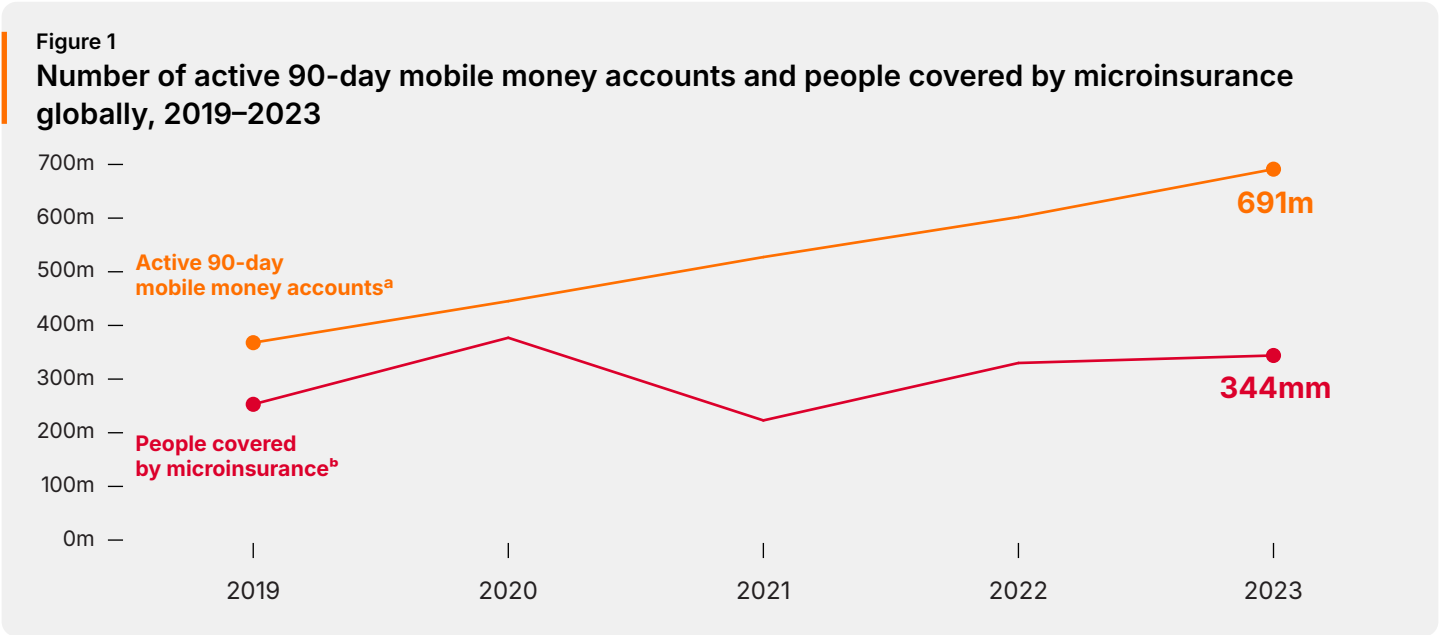
Introduction



Insurance provides a vital safety net to communities globally, without which affected communities and individuals could grow poorer every time a disaster or an unexpected event occurs. Yet, insurance penetration and the protection it provides continue to be extremely low in nearly all emerging economies. Globally, the insurance penetration rate has remained relatively flat, only increasing from 7.1% in 2022 to 7.4% in 2024.¹ In Africa, where mobile money adoption is high, insurance penetration was around 2.8% in 2019. As of 2024, this had grown to around 3.5%.²

Conversely, the take-up of mobile phones and mobile money is high in several low- and middle-income countries (LMICs). Both indicators have grown in emerging economies in recent years. Mobile network operators (MNOs) and, in particular, mobile money providers (MMPs) are looking to offer their customers a wider range of services. Both MNOs and MMPs have long been considered an obvious fit for insurance, which could lead to exponential growth in insurance uptake in LMICs. However, this has not happened.

The number of mobile money accounts has grown faster than the number of people covered by microinsurance policies in recent years.³ Between 2019 and 2023, the number of people covered by microinsurance globally grew by 36% to 344 million (Figure 1). Over the same period, the number of active 90-day mobile money accounts⁴ expanded by 88% to 691 million.



Source: GSMA Mobile Money (a) and the Microinsurance Network (b)

1

Allianz Research. (2025). Allianz Global Insurance Report 2025: Rising demand for protection

2

Cytonn Financial Services Research Team. (2025). Kenya Listed Insurance FY'2024 Report.

3

The Microinsurance Network defines microinsurance as products with modest premium levels based on the risks insured. The term can be used interchangeably with 'inclusive insurance'. Microinsurance products are developed to serve low-income consumers and may include products that are not considered microinsurance by national insurance supervisors, since definitions vary across countries.

4

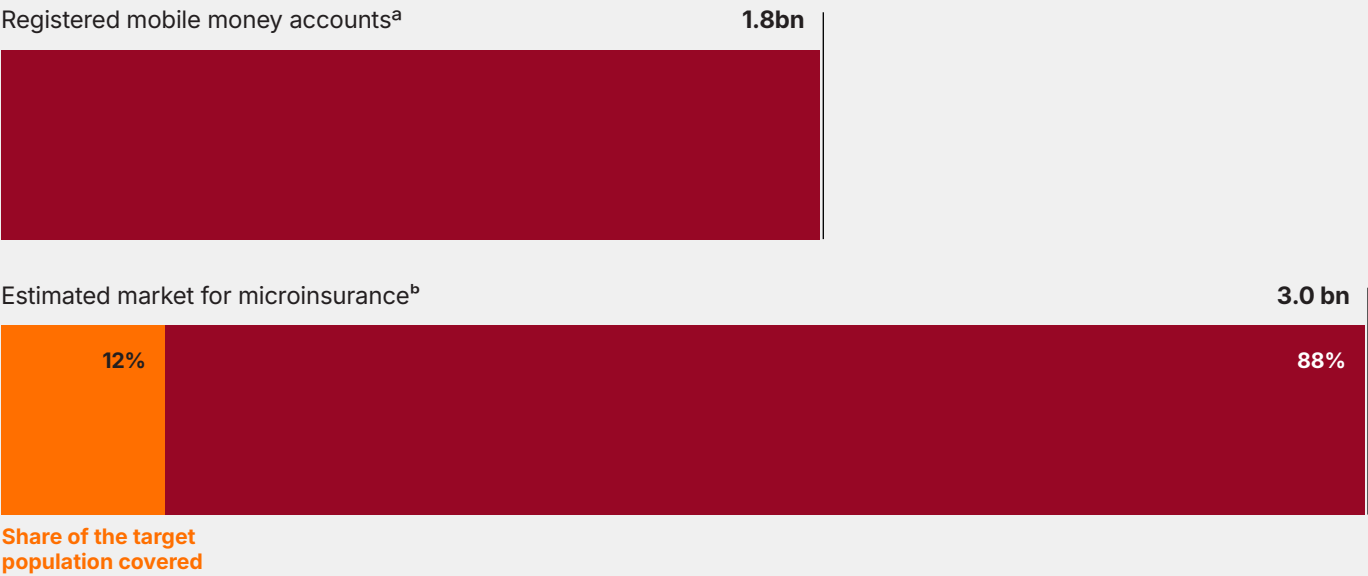
Mobile money accounts that were used at least once within the preceding three months.

The global target market for the microinsurance industry stands at 3 billion people. Of these, only 12% are estimated to hold at least one policy (Figure 2). In the same year, there were at least 1.8 billion registered mobile money accounts. When considered alongside the total uncaptured market, this shows significant potential to close the protection gap through mobile-enabled insurance.

12%

Only 12% of the target population for microinsurance is covered.

Figure 2
Registered mobile money accounts and the estimated market for microinsurance, 2023



Source: GSMA Mobile Money (a) and the Microinsurance Network (b)



Purpose of the report

Despite the growth of mobile money over the past 20 years, many MMPs and insurers have been slow to invest in microinsurance. This has significantly limited the insurance offerings needed to generate value for clients and strengthen the resilience of underserved households and small businesses. In a global context marked by growing threats such as climate change, it is more urgent than ever to expand the reach of insurance solutions and educate consumers so that they can use them as risk management tools.

While several MNOs and some MMPs offered insurance prior to 2021, more have launched products since then. The need to offer new products beyond payments has seen growing intersection between the insurance and mobile industries. However, there has been limited awareness of recent developments

and innovations in this space. To the detriment of both industries, little has been done in the last five years to promote possible partnerships and product development opportunities, possibly foregoing a significant financial inclusion opportunity.

This report aims to overcome this gap in knowledge. It will demonstrate the commercial viability of inclusive insurance through MNOs or MMPs. Mobile technology can play a role in closing the protection gap for the millions in LMICs who lack access to adequate and affordable insurance products. It encourages greater participation and innovation in the sector, as well as a fresh look at existing enablers and barriers. The report is aimed at the mobile industry, mobile money providers and fintechs, technical service providers, underwriters, and reinsurers.

Methodology

This project relied on a blend of primary (expert interviews) and secondary (desk research, data scraping, and analysis) research. These methods were used in a complementary way:⁵

- Experts were asked to share their experiences of legacy microinsurance models that were launched from 2009 onwards.
- Desk research on the current models used by MNOs and MMPs showed the range of services on offer.
- Based on this, the experts were then asked to identify the challenges that the industry should tackle for potential scale in the future.
- Data on microinsurance and mobile-enabled insurance was sourced from the GSMA's Insurance Tracker and the Microinsurance Network's Landscape of Microinsurance 2024.
- The results of these efforts were discussed by the project team to determine which findings would be relevant to raise for the target audience.

⁵ Please see the Annex for further details on the interviewees, data sources and the report methodology.

Is insurance necessary for the mass market?

Before starting this project, it was necessary to ask whether insurance is necessary for the mass market. Specifically, what the benefits of providing insurance are to the stakeholders involved.



Benefits to end users

Consumers face multiple risks in their daily lives, which are growing in both the number of risks as well as the severity of the losses incurred (i.e., “protection gap”). When unexpected risks affect a family, they may be forced to use disposable income, savings or liquidate assets to meet costs. Over time, families may struggle to meet these rising costs and, as a result, can fall back into poverty. Many high-income countries have private or public safety nets in place for communities to avoid financial ruin following an unexpected event. These safety nets typically differentiate high-income from low- and middle-income countries. Creating high insurance adoption among the mass market can directly help to build robust societies.



Benefits for MNOs and MMPs

MNOs and MMPs need to differentiate their products and offer a sticky value proposition to customers, beyond payments and credit. Commissions from insurance premiums are generally higher revenue earners than other value-added service (VAS) products. Many MMPs are committed to improving financial health in the communities they serve. Insurance includes products that can mitigate the risks that most customers may face. Encouraging a culture of insurance and savings can help people during times of need and lead to a positive brand image associated with supporting affected families.



Benefits for insurers

Insurance requires diversified risk: covering more families can be a good outcome for insurers. The premiums from selling insurance to MNO and MMP customers can help to grow an insurer’s revenue. Industry experts interviewed for this study reported that historically, the number of claims arising from products sold via digital channels has been lower than predicted. However, better use of digital distribution and payments can help to show the value of insurance and potentially lead to increased customer uptake.



Benefits for insurance regulators

For insurance regulators they have a duty to both protect consumers whilst also helping develop and grow the market. Insurance penetration (measured as premiums as a percentage of GDP) in emerging markets has remained stubbornly low. In 2020, it was 3.3% across a range of emerging markets, far below the Organisation for Economic Co-operation and Development (OECD) average of 9.4%.⁶ Unlocking MNOs and MMPs as a distribution channel should be a key focus for regulators that want to see more people have access to insurance.

6 Index Insurance Forum and Geneva Association. (2024). [Insurance development in emerging markets: The role of public policy and regulation](#).



Benefits for technical service providers

Technical service providers (TSPs) create, implement and provide back-office support for many insurance products distributed via MNOs and MMPs. The TSPs typically receive a small fee for each policy, but incur significant costs in getting the products launched – usually for creating the necessary technology infrastructure to support consumers. This model is only sustainable if the product reaches scale and remains in market for long enough for the TSP to recover their upfront investment. Working with MNOs and MMPs can boost TSPs' credibility and brand, and help them secure other distribution partnerships.



Benefits for donors

Despite the uncertain international development landscape, donors still play an important role within insurtech and fintech. Over the last few years, donor interest on climate change has grown: this has led to significant support from donors for premium subsidies, for example, for weather insurance products sold to smallholder farmers. For donors, it is important to reach many potential beneficiaries in a cost-effective manner. This a role that the MNOs and MMPs can provide, especially with several MMPs in Africa expressing a growing interest in supporting payments and financial health within agricultural value chains.

02

Market overview



2.1

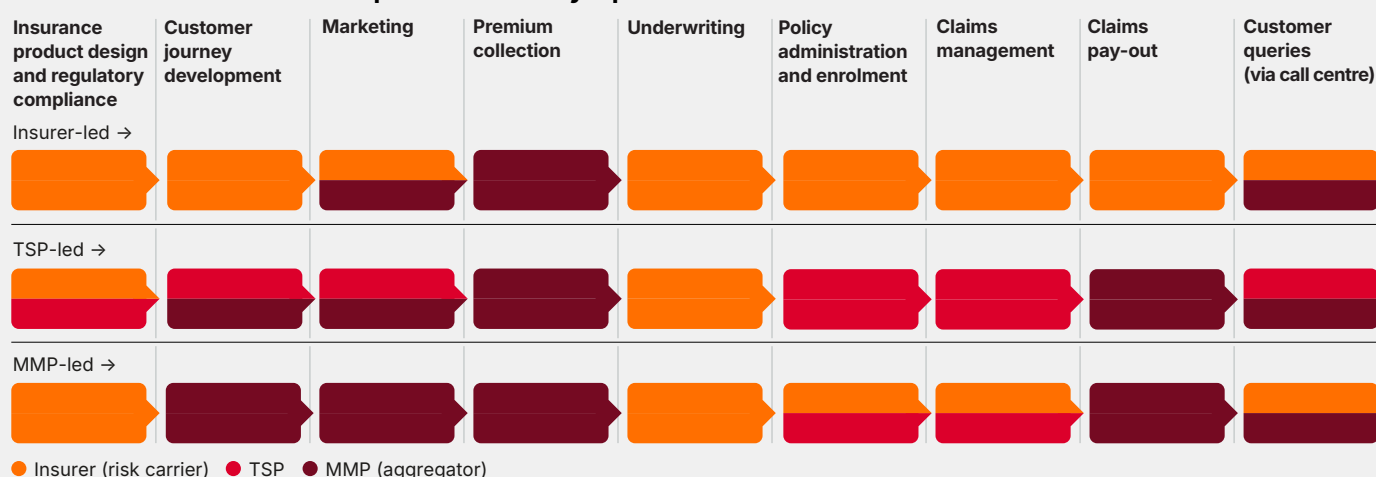
Unpacking the insurance value chain

Most microinsurance products are designed to be affordable for the mass market. As a result, the monthly cost is usually a few dollars or less. The economics of trying to sell such products directly to individual customers has proven challenging, which is why most models use either a business-to-business (B2B) or business-to-business-to-consumer (B2B2C) approach.

The stakeholders in a B2B or a B2B2C value chain may sometimes see variation in their roles relative to each other, as well as how partnerships are governed between different functions (Figure 3). Despite this, each model examined for this study had the same three core functions: aggregator, TSP and risk carrier.

Figure 3

Insurance value chain responsibilities by operational model



Source: GSMA Mobile Money Programme.

Aggregator

The aggregator is responsible for providing access to a large customer base in a cost-efficient manner. Examples include MNOs, MMPs and ride-hailing companies that use a digital wallet. Ideally, the aggregator should be willing to use its brand to lend credibility to the insurance product. The aggregator is likely to have a significant role in setting up product design parameters, such as target price – given its understanding of the target customers.

The aggregator will need to provide a frictionless and inexpensive way of collecting regular, small premiums from customers. This can often be via airtime deduction, bundling or embedding, or from a mobile money account. The aggregator may typically assist with product marketing through SMS blasts, end-of-call notifications or in-app notifications to reach potential customers.

TSP

Though the TSP's role can vary by partnership, it "fills the gap" left by the roles that the aggregator and risk carrier are unable to provide for a particular product value chain. The TSP is often the driving force behind partnerships and may support the aggregator to launch an insurance product. Current TSPs offering microinsurance products are involved in a range of activities, including designing products, driving omnichannel sales, reporting, maintaining

IT infrastructure, managing customer service and ensuring that claims are paid quickly.

Without the TSP, many current and past microinsurance products would not have launched. TSPs often have a "silent" public role: few insurance publicity or marketing materials explicitly mention the TSP. Yet, the TSP is essential in several ways. It will have led product conception, launch and operation, and will likely be behind the effort required to keep a product live.

Risk carrier

As insurance is a regulated business, products must be underwritten by a local insurer, mutual or other locally regulated carrier. Some products may require an international reinsurer, as the local insurance market may lack the capacity or expertise to carry the associated risk. Risk carriers play an important role: they are responsible for signing off on a product, seeking any regulatory approvals and ultimately paying the claims. Despite this, they are often not the driving force behind such partnerships; instead, they are typically selected by the TSP.

Most microinsurance products are underwritten and retained by local insurers. This is necessary for products related to personal lines, such as products covering accidents, death or health risks. In limited cases, local insurers were found to have passed the risk and premium to a global reinsurer and retained a small share for themselves. These products tended to be complex, such as parametric weather insurance products.



How value chains are structured

In any given microinsurance value chain, most of these stakeholders will be independent of each other. However, there are examples where stakeholders may share common shareholders. Examples include aYo, a TSP that was formed by a joint venture between MTN (the aggregator) and Sanlam (the risk carrier). BIMA is another notable example, which started as a TSP but had a shareholder in common with Tigo (Millicom). Some insurers have even set up their own in-house business unit to serve as a TSP or have purchased a TSP and absorbed it into their operations. For example, AXA EssentiALL uses in-house technical service provision through AXA Partners.

Box 2

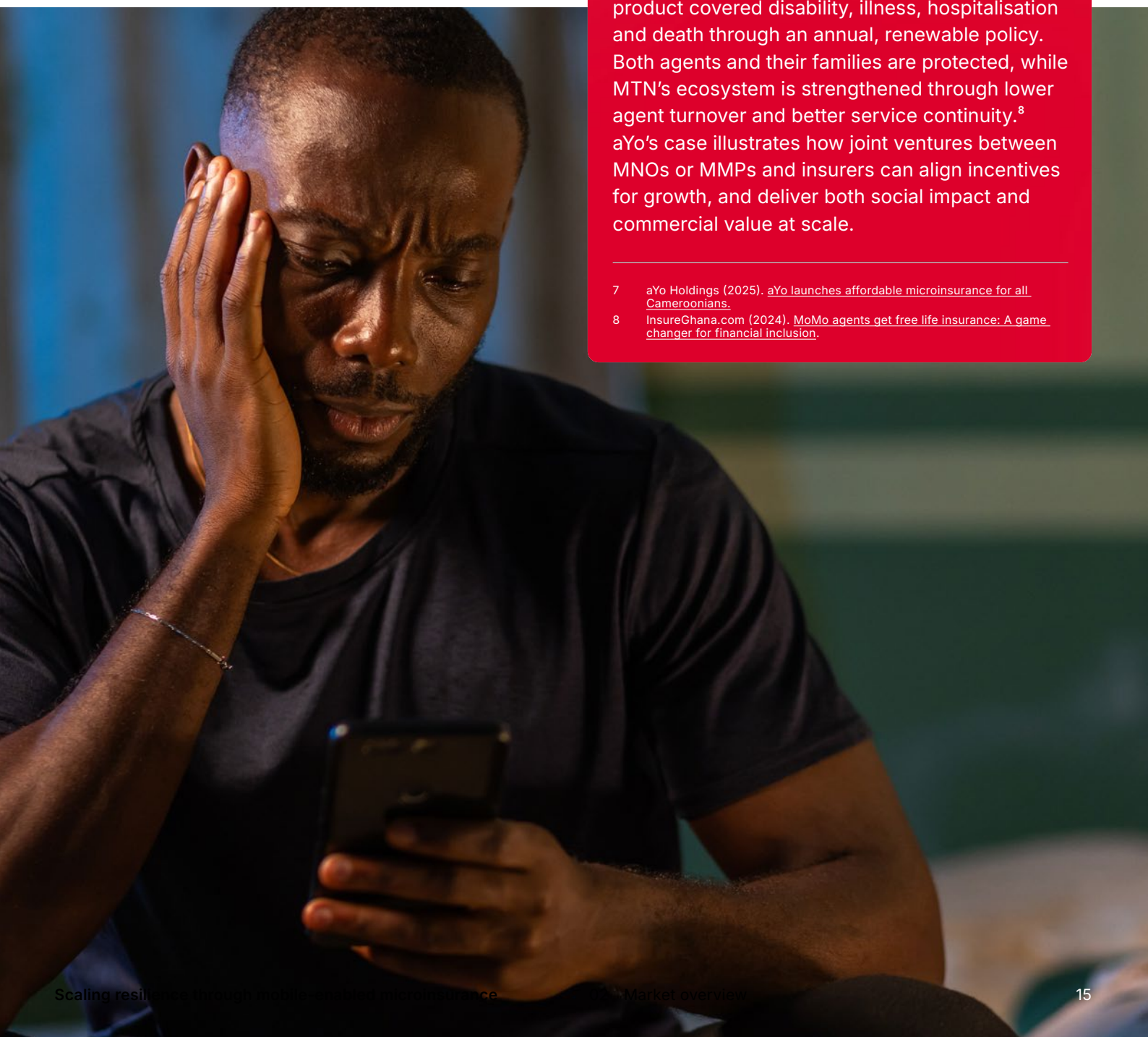
Joint ventures for scale: MTN and Sanlam's aYo

Launched in 2017 as MTN's insurtech platform, aYo is now a joint venture with Sanlam. Since inception, this partnership had scaled to reach 20 million customers in Côte d'Ivoire, Ghana, Uganda and Zambia.⁷ aYo embedded insurance into routine mobile money transactions. Products such as 'Recharge with Care' and 'Send with Care' linked premiums to airtime top-ups and international remittances. This made payments frictionless while taking advantage of MTN's trusted brand to drive adoption at scale.

In Ghana, aYo went further by partnering with Sanlam Allianz Ghana to launch free life insurance for MTN mobile money agents. This innovative product covered disability, illness, hospitalisation and death through an annual, renewable policy. Both agents and their families are protected, while MTN's ecosystem is strengthened through lower agent turnover and better service continuity.⁸ aYo's case illustrates how joint ventures between MNOs or MMPs and insurers can align incentives for growth, and deliver both social impact and commercial value at scale.

7 aYo Holdings (2025). [aYo launches affordable microinsurance for all Cameroonians](#).

8 InsureGhana.com (2024). [MoMo agents get free life insurance: A game changer for financial inclusion](#).



2.2

The rationale for group policies

Aggregators can often be the group policyholders. This includes MNOs and MMPs, and – in a few cases – can even be the TSP. In some markets, if the MNO or MMP is the holder of the group policy, they may have to become regulated as an agent or broker (sometimes collectively termed as an “intermediary”). However, this can cause additional compliance issues for MNOs or MMPs, especially from an industry they may not be fully familiar with. In such scenarios, the TSP is likely to hold a group policy on behalf of the MNO or MMP.

Historically, TSPs have established a legal entity in each country where they operate. This has allowed TSPs to become a regulated agent or a broker.⁹ Over the last five years, TSPs have been trying to reduce costs and operational complexity, based on what local regulations allow. Many are now looking to operate as a “digital platform”. This would remove the need for a local entity or be regulated as an intermediary. Regulations around whether this model is permitted vary country-by-country and also depending upon the services that the TSP is providing.



⁹ An agent is limited to representing a small number of insurers, while a broker represents the MNO or MMP and is free to work with any local insurer.

2.3

Key success factors for aggregators

For aggregators, such as MNOs or MMPs, there are four success factors to consider:



Scale

A suitable aggregator should have access to many customers. Large MNOs and MMPs have access to millions of customers, ensuring their suitability as a potential distribution partner.



Trust

Mass market customers have a high level of trust in companies that they use frequently. Many consumers frequently purchase prepaid airtime or mobile internet data packages, which are typically available to use immediately after purchase. Similarly, mobile money users send money via their provider, and the funds are safely received by the recipient.

Such customer experiences have led to trust in the MNOs' or MMPs' brand. As a result, additional products offered by an MNO or MMP may elicit a similar sense of trust. Co-branded products are seen to have a higher uptake than standalone products passively placed in a digital marketplace with no obvious brand association.



Frictionless payments and manageable instalments

Paying premiums without encountering friction can lead to greater uptake. Customers are likely to cancel a purchase if paying premiums is difficult. These payments need to be collected in a frictionless way, without requiring effort on the customer's part (i.e., via a push payment).

Automatic debits from mobile money accounts would allow seamless instalments. Where regulation permits recurring payments, MNOs and MMPs could be uniquely positioned to offer frictionless, regular payments to consumers.

In addition to this, while many low-income users can afford a monthly payment, they may not necessarily have the correct amount at the time of payment. Some providers have allowed customers to pay in smaller instalments or even pay a percentage of the premium. The latter still allows customers to receive a proportionate level of cover. For mobile-enabled microinsurance to succeed, there is a need to continue breaking annual premiums into smaller and more frequent instalments.



Strategic objective

Beneficial partnerships can arise when an insurance product helps the MNO or MMP to achieve a strategic objective. For example, insurance can be positioned to help attract new customers, to create stickiness for the service or to generate additional revenue from existing customers.

Many insurers have previously assumed that MNOs or MMPs would be willing to distribute microinsurance products to their customers. However, when early microinsurance products were launched, MNOs and MMPs could only actively market a limited set of products. This was done to avoid excessive marketing, which sometimes led to complaints to regulators. The objective for these products was to increase activity for MNOs and MMPs. Insurers need to align their products with the aggregator's strategic objectives.

Among providers of existing models, the nature of the partnership has determined the chance of the product succeeding. Partnerships where all stakeholders understood these four factors and openly discussed their needs have reached scale and remained active in the market the longest.

2.4

How microinsurance is sold to consumers

There are three methods of selling microinsurance to the end consumer, including embedded, opt-out and opt-in.

Embedded insurance model

Under this model, insurance is compulsory for all customers in a specific group or segment. For example, when buying a specific data package that includes embedded insurance. In this case, the insurance price is not presented separately to the consumer. Embedding is popular with insurers because it leads to the greatest number of policies issued. However, customers may be unaware of the insurance and are less likely to make a claim.

For MNOs and MMPs, embedding can be costly as the premium is paid out of the revenue they would have otherwise kept. Operators prefer to embed insurance when it is linked to strategic objectives, such as maintaining a balance, creating product or network stickiness, growing market share among a previously untapped user base or growing revenue. For instance, free insurance is activated once a user makes a minimum number of transactions.

Opt-out insurance model

In the opt-out model, all customers are enrolled for insurance automatically unless they take action to opt out. This can require effort from the consumer, as the mechanism for opting out may be challenging. Experts interviewed for this report estimated that opting out often results in 90% of users adopting insurance. Many consumers remain unaware of the

insurance, and only a minority make the effort to opt out, especially if the insurance cost is low. Operators implement this model when insurance helps acquire new customers, retain existing ones and leads to higher revenues. This model also allows insurers to offer customers a choice .

Opt-in insurance model

The third model is opt-in, where the insurance is purchased voluntarily. This model often leads to low insurance uptake, with experts estimating that 2% to 7% of consumers typically buy it. This channel results in higher costs for the insurer or TSP as the product

must be actively sold. On the other hand, this model can improve consumer awareness of the insurance and lead to more claims. This method is popular with operators because they earn a greater share of the revenues.

Growing microinsurance through national financial inclusion strategies

National financial inclusion strategies (NFIS) often include a range of financial services and their expected role in achieving a financial inclusion target. Typically, providing loans, savings, remittances and digital payments is more popular with consumers than insurance. Policymakers and donors are aware that without an adequate safety net, disasters can impoverish families and communities. This undermines the gains secured through other financial services. Insurance, and specifically microinsurance, remains a critical component of national financial inclusion strategies but is often overlooked – both by national financial inclusion strategies and the ecosystem focussed on the financially excluded.

There is a growing emphasis among policymakers to make insurance adoption a national objective, especially via national financial inclusion strategies. Beyond life and health products, several insurance provision ambitions are tied to protecting communities against the impact of a changing climate – primarily due to donor objectives. For instance, insurance and parametric insurance triggers are considered an important risk layering tool for disaster risk financing by the World Bank, the UNDP, The Global Shield against Climate Change and other similar organisations.

Initially, efforts to use agricultural insurance focused on protecting smallholder farmers from the effects of variable rainfall. This has expanded to include the impact on yields of rainfall, pest, soil moisture and agronomic practices. A range of parametric weather and yield insurance products have been available since 2004, driven by a dedicated group of TSPs who help create, distribute and operationalise them. Examples include ACRE Africa, OKO and Pula Advisors, among others.

More recently, stakeholders have realised that the changing climate affects communities beyond smallholder farmers. For example, excess heat affects the ability to work across various occupations, as evidenced by the launch of three heat-index insurance products in Gujarat, India, in 2024.¹⁰ Similarly, flooding can also prevent on-

demand transport app drivers and customers (e.g., Grab in Thailand and the Philippines) from moving around. This scenario can lead to downsides such as lost income and lengthy journeys, respectively.

Several countries have launched NFIS that have promoted the role of insurance. For example, Colombia's NFIS includes insurance as part of financial inclusion. It prioritises digital financial services, a stronger regulatory framework for microinsurance, and agricultural or climate risk insurance through public-private partnerships and subsidies.¹¹ These efforts have improved access to financial services and positioned insurance as a key tool for resilience among low-income households and microenterprises.

MNOs and MMPs can distribute microinsurance due to their wide distribution reach: there is an opportunity to encourage such approaches in new or updated national financial inclusion strategies. This can help to formalise their role towards the overall objective. Partnerships between TSPs and insurers, and MNOs and MMPs have faced challenges in the past because they focussed on groups that are hard to reach.

For instance, Telenor Pakistan, an MNO, attempted to target eligible smallholder farmers for a rainfall and crop insurance product. This was part of a broader government-backed financial inclusion initiative that faced difficulties achieving scale.¹² By encouraging collaboration towards a national policy objective, there may be a greater incentive among different stakeholders to develop and launch microinsurance products together.

As the policy focus on using insurance widens to protecting the incomes of all informal workers, the business case for MNOs and MMPs should become more attractive. For instance, both are likely to have useful data on gig worker incomes which can help tailor insurance products to the workers' needs. These products could protect gig workers' incomes from events such as rain, flooding or excess heat, and should be a focus of national strategies for financial inclusion.

10 Microinsurance Network (2024). Index insurance innovation: Protecting families against extreme heat in India

11 UNDP Insurance and Risk Finance Facility (2023). Inclusive insurance and risk financing in Colombia: Snapshot and way forward

12 Telenor Pakistan (2020). mAgri Khushaal Portfolio.

2.5

The global microinsurance market

Worldwide, the number of microinsurance products available and the number of people covered by them has grown. In 2023, 344 million people were covered by 985 microinsurance products across 37 countries.¹³ This represents a 4% increase from the 331 million people covered by microinsurance in the previous

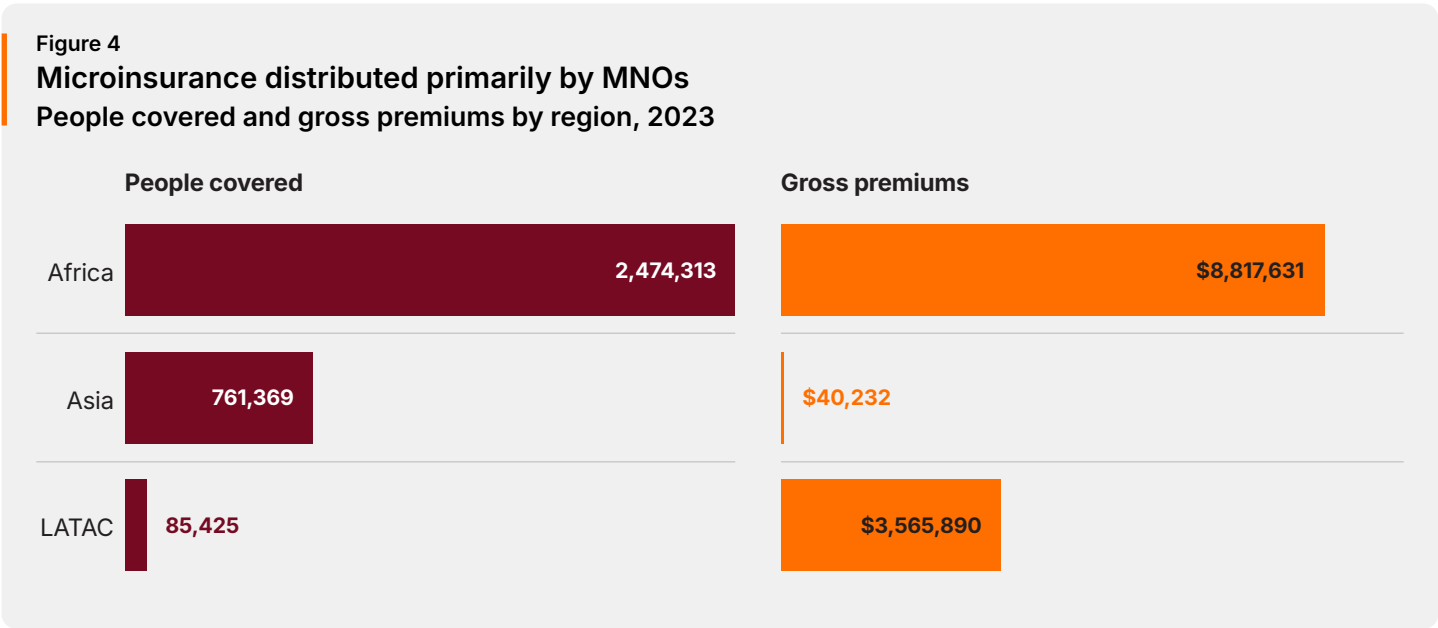
year. Collectively in 2023, these products covered a sum insured of more than \$11.2 billion. For insurance providers, the products represented gross premiums worth \$6.2 billion. This represents only 15% of the estimated value of the global microinsurance market, implying that there is significant room for growth.¹⁴

Africa leads the way in distributing microinsurance via mobile

Globally, microinsurance is largely distributed via traditional channels. Agents and brokers, financial institutions and microfinance institutions account for 86% of people covered by microinsurance and 92% of gross premiums. In comparison, MNOs and MMPs are the primary distribution channel for 1% of people covered, making up only 0.2% of gross premiums.¹⁵

Microinsurance products distributed primarily by MNOs cover 3.2 million people globally (Figure 4), with the vast majority based in Africa. This is primarily

due to MNOs having an exceptionally broad reach in African countries. As a result, most gross premiums collected through MNOs originate from Africa too. This is due to the high concentration of MNOs and mobile money providers operating in Africa relative to other regions.¹⁶ However, MNOs in Latin America and the Caribbean (LATAC) also generate significant premium volume, despite covering fewer than 100,000 people. This is due to a broader range of products offered that have higher insured sums and more benefits.



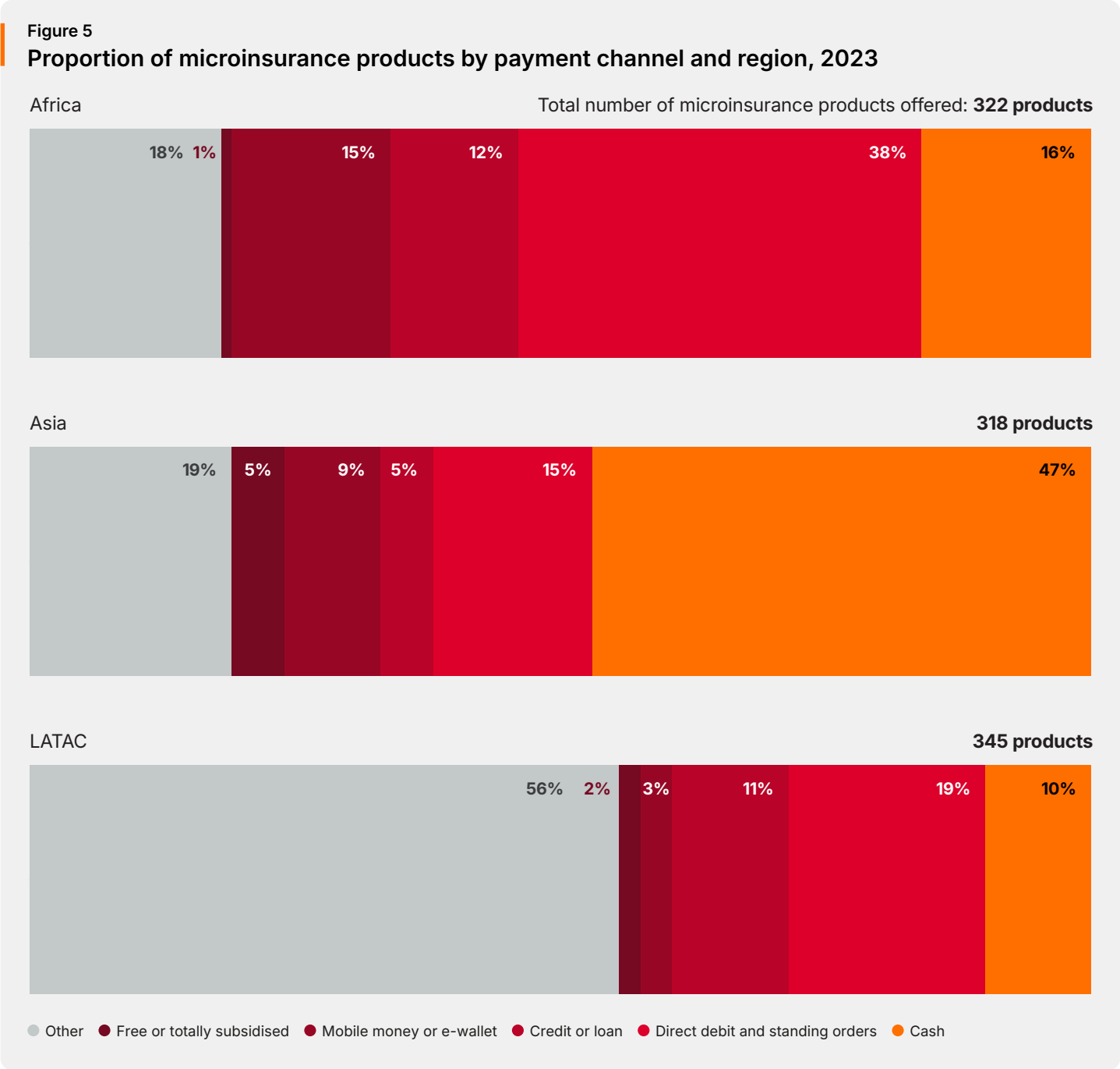
Source: Microinsurance Network

13 Microinsurance Network, (2025). [The Landscape of Microinsurance 2024](#)
14 Ibid.
15 Ibid.
16 GSMA, (2025). [The State of the Industry Report on Mobile Money 2025](#)

There is room for more premium collections via mobile money

The main payment method for premiums for almost half of all microinsurance products worldwide is either cash, or direct debit and standing orders. However, this varies across regions (Figure 5). Mobile money is the primary payment method for 15% of products in Africa, behind cash and direct debits. In Asia, the share is much lower at 9% of products, and even lower in LATAC at only 3% of products.

Mobile money adoption in Asia and LATAC is lower than in Sub-Saharan Africa. With two-thirds of global mobile money registered accounts being in Sub-Saharan Africa, this is a key payment channel in the region.¹⁷ Cash is used for 47% of products in Asia, 16% in Africa, and 10% in Latin America and the Caribbean. Cash use presents a significant opportunity to digitise premium payments through mobile money and benefit from faster and more convenient transactions.



Source: Microinsurance Network

17 GSMA, (2025). *The State of the Industry Report on Mobile Money 2025*.

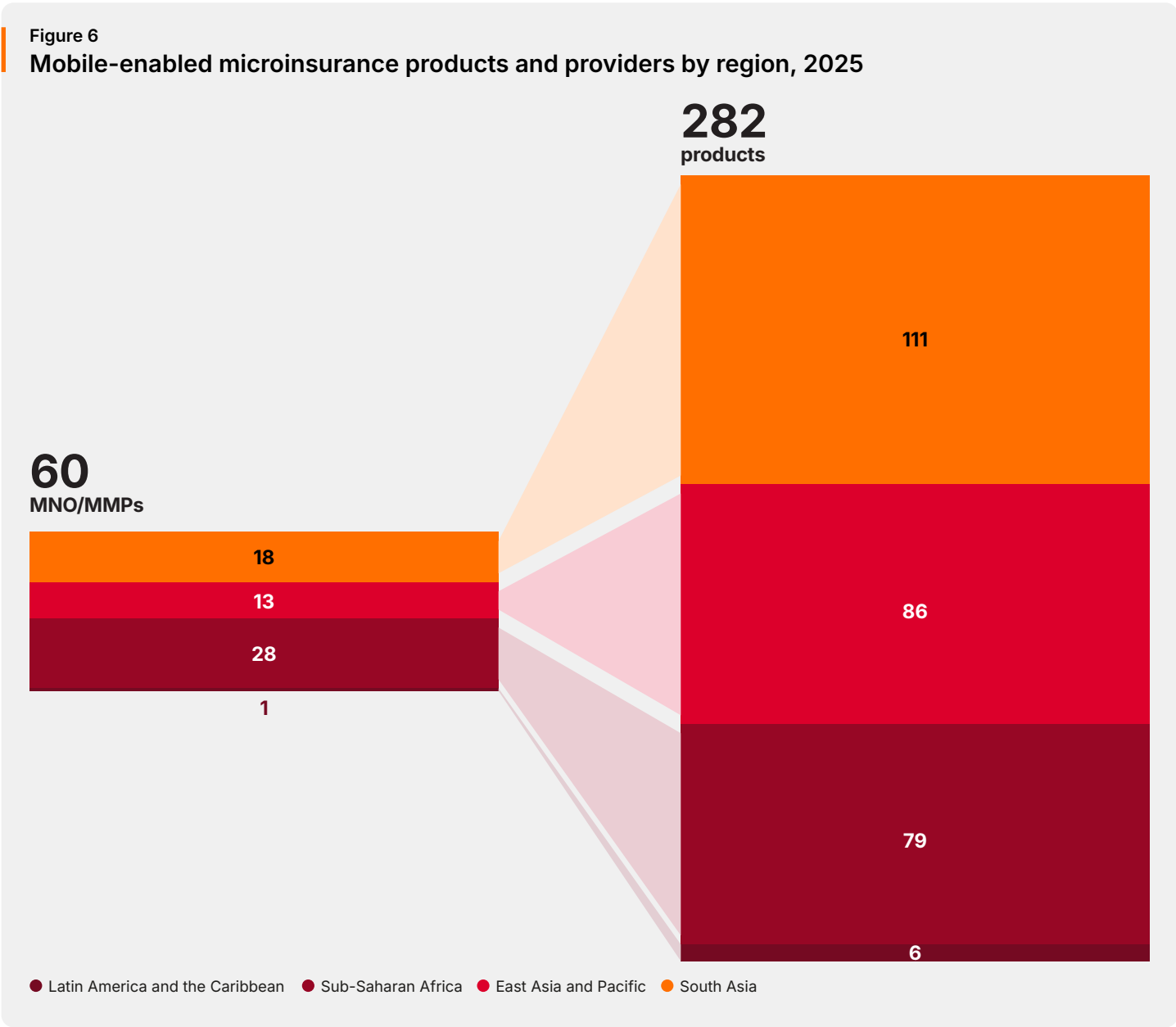
2.6

Mobile-enabled microinsurance trends

Worldwide, 26 countries offer 282 mobile-enabled microinsurance products through 60 MNOs or MMPs (Figure 6). While around half of these MNOs and MMPs are in Sub-Saharan Africa, they only offer around a quarter of mobile-enabled microinsurance products. In contrast, MNOs and MMPs in South Asia offer a higher share of products. Similarly, the average MNO or MMP in East Asia and the Pacific offers more products relative to Sub-Saharan Africa.

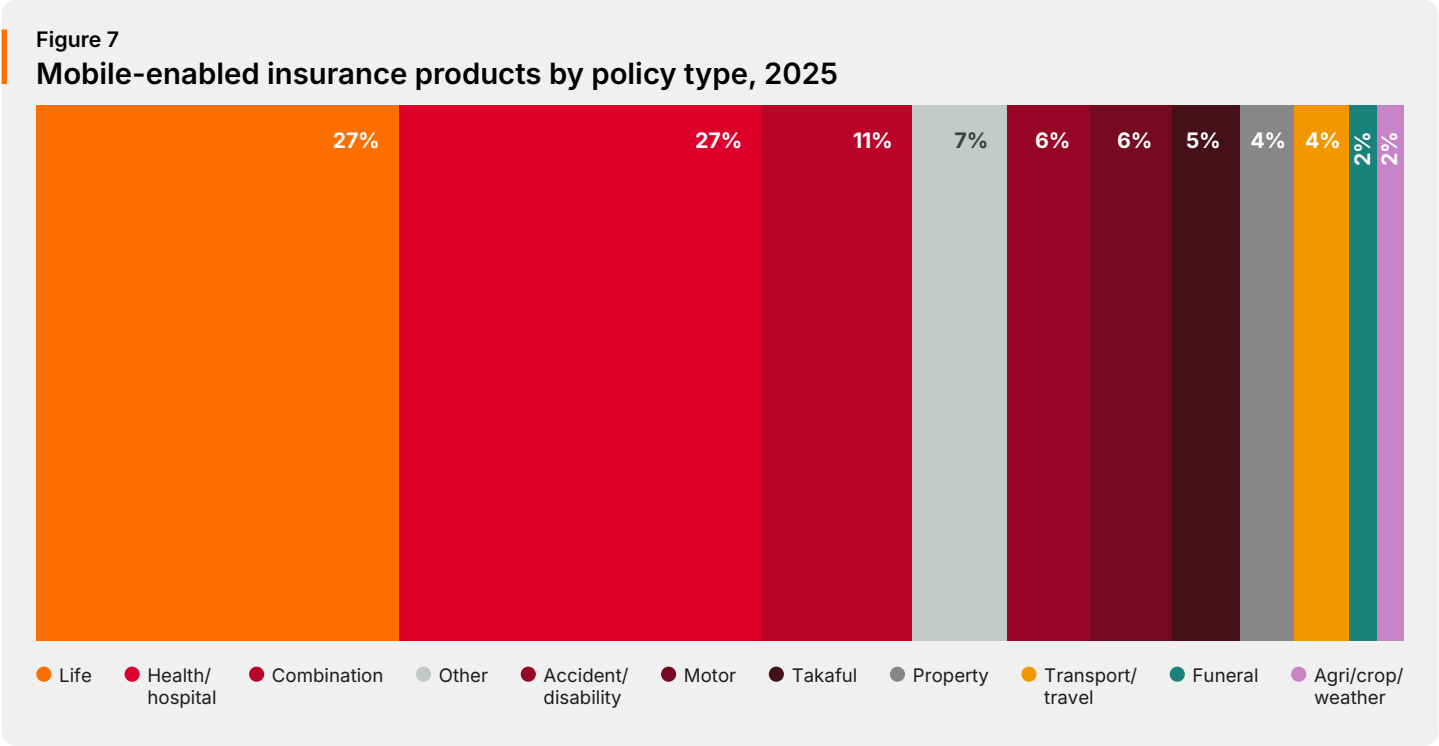
282

282 mobile-enabled microinsurance products in 26 countries.

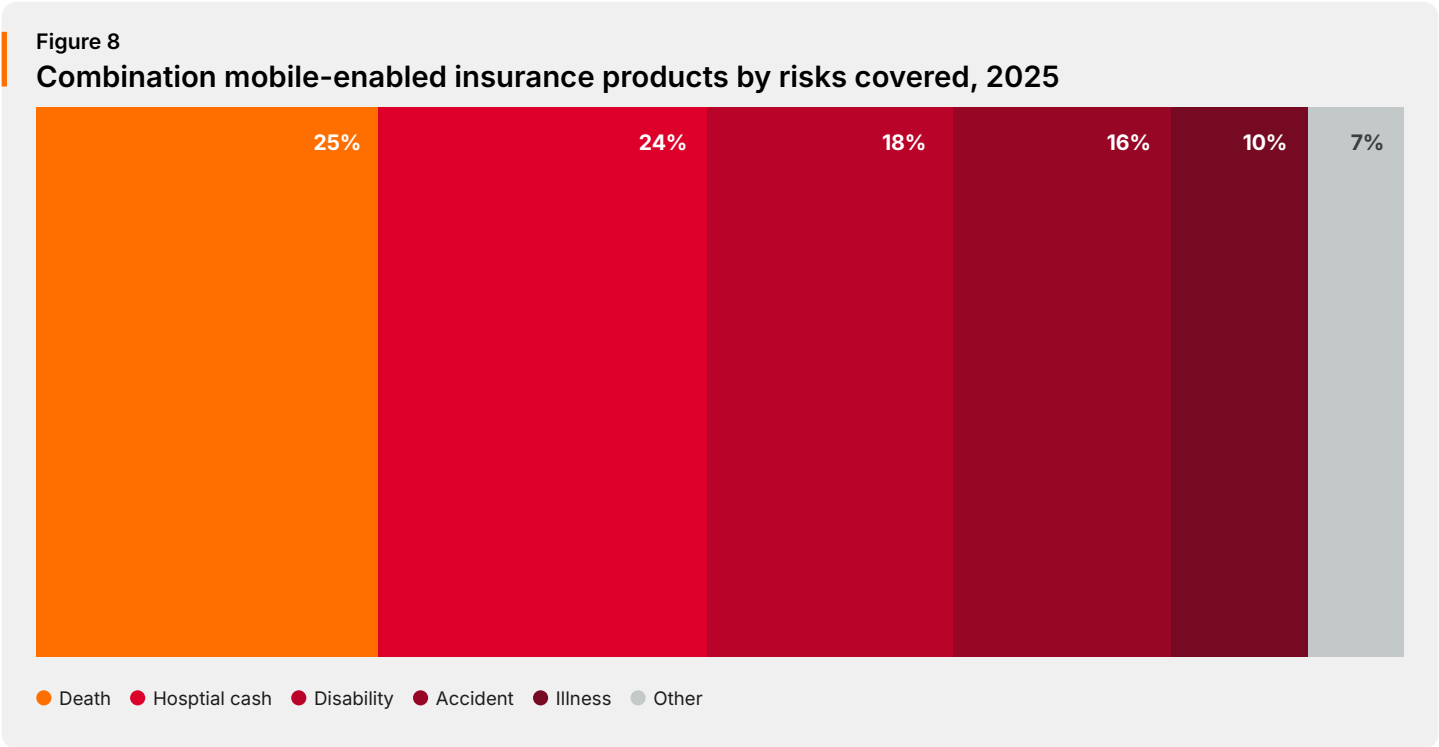


Source: GSMA Insurance Tracker

Over half of all mobile-enabled insurance products are either life or health insurance (Figure 7). Combination products include those that cover three or more risks and do not fall under more conventional categories, such as life, health or accident insurance. These make up around one-tenth of products. Combination products mainly provide cover against death, hospital cash, disability and accidents (Figure 8).



Source: GSMA Insurance Tracker



Source: GSMA Insurance Tracker

03

The regulatory framework for microinsurance



Many mobile-enabled microinsurance schemes are not always subject to specific microinsurance regulations. Instead, schemes in some countries are governed by a standard “Insurance Act” – typically designed for traditional insurance products and services. However, some high-growth mobile money markets, such as Egypt, Ghana and Kenya, have launched specific legislation for microinsurance. In total, as of 2024, at least 40 countries already had some form of microinsurance regulatory framework.¹⁸

Due to the small premiums involved and the “one-size-fits-all” nature, microinsurance products tend to be sold via a group insurance policy rather than to each customer. Using group policies is a cost-effective way to enable access to a mass market

seeking the same protection, such as health insurance. In this case, when the sum insured per person is low, there is no need to gather a customer’s medical history.



¹⁸ Microinsurance Network (2024). [Landscape of Microinsurance 2024](#).

3.1

Regulatory innovation in microinsurance

Most microinsurance policy underwriters are typically life or non-life insurers that cover a range of products; they are not specifically focused on microinsurance. A few countries have started introducing a new class of insurance company licence, called a “microinsurance company” or “digital insurance company”. These new licenses allow insurers to start with a lower minimum paid-up capital, but restrict the products that can be offered. Some traditional insurance products, for instance, motor, aviation or marine, usually cannot be offered.

The number of microinsurance companies in markets that hold these new licences is still very low. For instance, as of 2025, there are four microinsurance companies in Uganda that hold this type of licence and one in Kenya.^{19,20} However, some TSPs that have historically provided services to MNOs and MMPs have applied to become microinsurers. A prominent example is Turaco, a TSP that operates in Kenya and Uganda. In addition to TSP services, it also underwrites products sold by MNOs and MMPs (such as Safaricom Kenya).

Why regulatory innovation is core to TSPs' long-term success

For TSPs, many of which are limited by regulations, such regulatory initiatives signify progress – given the challenges they face. TSPs typically struggle to secure innovative products from traditional insurers in their countries. They also face a high risk of disintermediation as some insurers may consider working directly with the MNO or MMP once a product is launched. This is likely to be the case where underwriters have formed specialised microinsurance business units – the innovation and function provided by the TSP is still necessary. Payments for the services they provide can be disproportionate to what they offer: TSPs are often remunerated as an intermediary, despite going beyond the typical ability of a broker.

Box 4

Why JazzCash presents a future blueprint for MMPs in microinsurance

As of September 2025, JazzCash in Pakistan was in the process of purchasing TPL Insurance Company.²¹ This is among the first instances of an MMP looking to develop a full-stack insurance business, which could lead to the creation of innovative products that are “contextually sold”.

For instance, a customer buying a long-distance bus ticket using JazzCash could be offered a travel insurance. Without any additional friction, the customer could purchase the policy and receive a claim payout in their mobile money account. This reflects a growing trend where MNOs and MMPs are growing their in-house insurance expertise to improve their customer offering.

¹⁹ Insurance Regulatory Authority of Uganda (2025). [Licensed Insurance Companies 2025](#).

²⁰ Insurance Regulatory Authority of Kenya (2025). [IRA's Licensed Insurers and Insurance Intermediaries for the Year 2025](#).

²¹ DAWN (2025). [Insurance sector grows despite challenges](#).

3.2

Persistent regulatory challenges in microinsurance

Parametric insurance still requires reinsurance

Most microinsurance products are retained by local insurers, especially for products covering accidents, funeral or hospitalisation. However, specialist products – such as parametric weather or yield insurance sold to smallholder farmers – require partial or complete reinsurance via the international

reinsurance market. This is partly due to regulators and local insurers lacking the technical knowledge on parametric products, as well as a need to spread risk arising from natural disasters into a larger pool. Reinsurers can easily provide risk pools due to their global work.

Recurring payments are necessary for scale

Collecting regular and small payments to cover insurance premiums is important for microinsurance services to succeed. These recurring payments are especially necessary if a product is sold via an opt-in model, where premiums are deducted from a mobile money account or e-wallet. In cases where a customer is asked to authorise each monthly

payment, microinsurance providers experienced a significant reduction in premiums collected. In the past, this has led to several microinsurance products becoming unsustainable for all stakeholders. Recurring payments are not permitted by regulations in several markets where mobile money is available.

Consumer awareness should remain a priority

There remains a need for constant consumer education to overcome low levels of understanding of how insurance works. Historically, there have been several attempts to educate customers. However, the impact of most efforts has been hard to measure, and there is limited consensus on the cost-benefit of these initiatives. There is also a lack of clarity on

how awareness and education should be funded, beyond public sector-supported programmes. From a regulatory perspective, there is a need to improve technical capacity among regulators first. In turn, this may lead to more and concerted efforts to improve public awareness of the benefits of insurance.

Regulatory challenges on mobile-money enabled recurring payments

Around one in five mobile-enabled insurance products use recurring payments for premium collection. These products are offered by half of the countries covered in the GSMA Insurance Tracker (Figure 9).²² However, one of the structural barriers to scaling mobile-money-enabled insurance is the lack of true recurring payment functionality. As mobile money services typically operate under e-money rather than banking licenses, they cannot formally replicate banking tools such as standing orders or direct debit mandates.

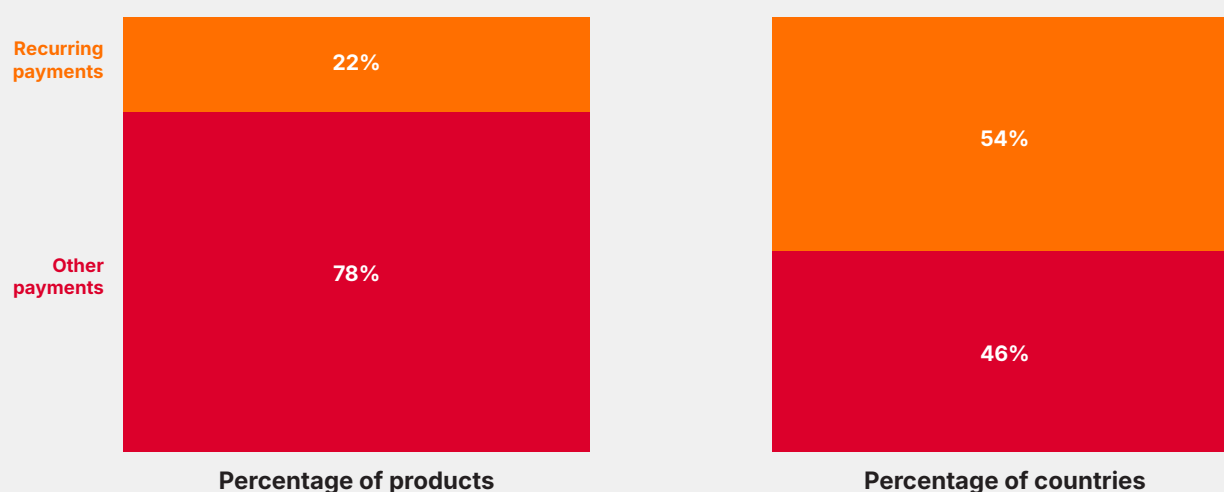
As a workaround, some providers have introduced opt-in deductions, where a customer's consent at sign-up allows automatic premiums to be drawn from their wallet balance thereafter. While mimicking direct debit, this may pose conflicts for providers: deductions may reduce wallet liquidity and therefore lead to lower spending on other – potentially higher – revenue-generating

mobile money services. For providers, although frequent deductions may increase operational costs (e.g., costs per transaction), they also present an additional revenue-generating opportunity from the total premiums collected. Providers would need to model how frequent deductions can be offset against greater transaction revenue.

Given the functionality this offers for other products, some MMPs have pursued digital banking licenses. Becoming a digital bank would allow erstwhile MMPs to legitimately offer direct debits. However, the capital and compliance requirements for digi-bank licenses are high, making this change difficult to justify where premium values are small. This may create a structural gap where insurers and TSPs may continue to experience friction in collecting regular premiums, while MMPs remain cautious about upgrading their licenses for products with limited profit margins.

Figure 9

Products and countries offering recurring payment for mobile-enabled microinsurance, 2025



Source: GSMA Insurance Tracker

²² Updated in 2025.

3.3

Does mobile money prevalence impact microinsurance?

The GSMA's Mobile Money Prevalence Index (MMPI) tracks mobile money-led financial inclusion at the country level.²³ Most countries where mobile-enabled microinsurance is offered have implemented inclusive insurance regulations.²⁴ Except for India, each of these countries is shown to have a mobile money prevalence level ranging from medium to very high (Figure 10).²⁵

Conversely, only four countries that offer mobile-enabled microinsurance have a very low to low mobile money prevalence. Among these, only India has developed specific regulations for inclusive insurance. This highlights how mature mobile money markets with inclusive insurance regulations support the growth of mobile-enabled microinsurance.

Figure 10
Mobile money prevalence and the presence of inclusive insurance regulation among countries where mobile-enabled microinsurance is offered, 2024²⁶

MMPI level	State of inclusive insurance regulation		
	Already implemented	Under development	Not implemented or under development
● Very high	Ghana Kenya Rwanda Tanzania Uganda Zambia		Cameroon Côte d'Ivoire Togo
● High	Cambodia Madagascar Philippines Zimbabwe	Bangladesh Colombia Fiji	Mali Sierra Leone
● Medium	Nepal Pakistan Thailand Vietnam		
● Low	India		
● Very low		Sri Lanka	Samoa Singapore

Source: GSMA Mobile Money and the Landscape of Microinsurance 2024

23 It measures the prevalence of registered and active mobile money accounts and the accessibility of mobile money agent networks. While these measures are used to produce an index, countries are graded on mobile money prevalence as very low, low, medium, high or very high.

24 The [Access to Insurance Initiative \(A2ii\)](#) considers "inclusive insurance regulation" to be dedicated frameworks with a definition of microinsurance and/or inclusive insurance or its equivalent, whether by way of a single piece of legislation or combination of law and regulatory issuances.

25 Microinsurance and inclusive insurance are used interchangeably as industry standard terminology.

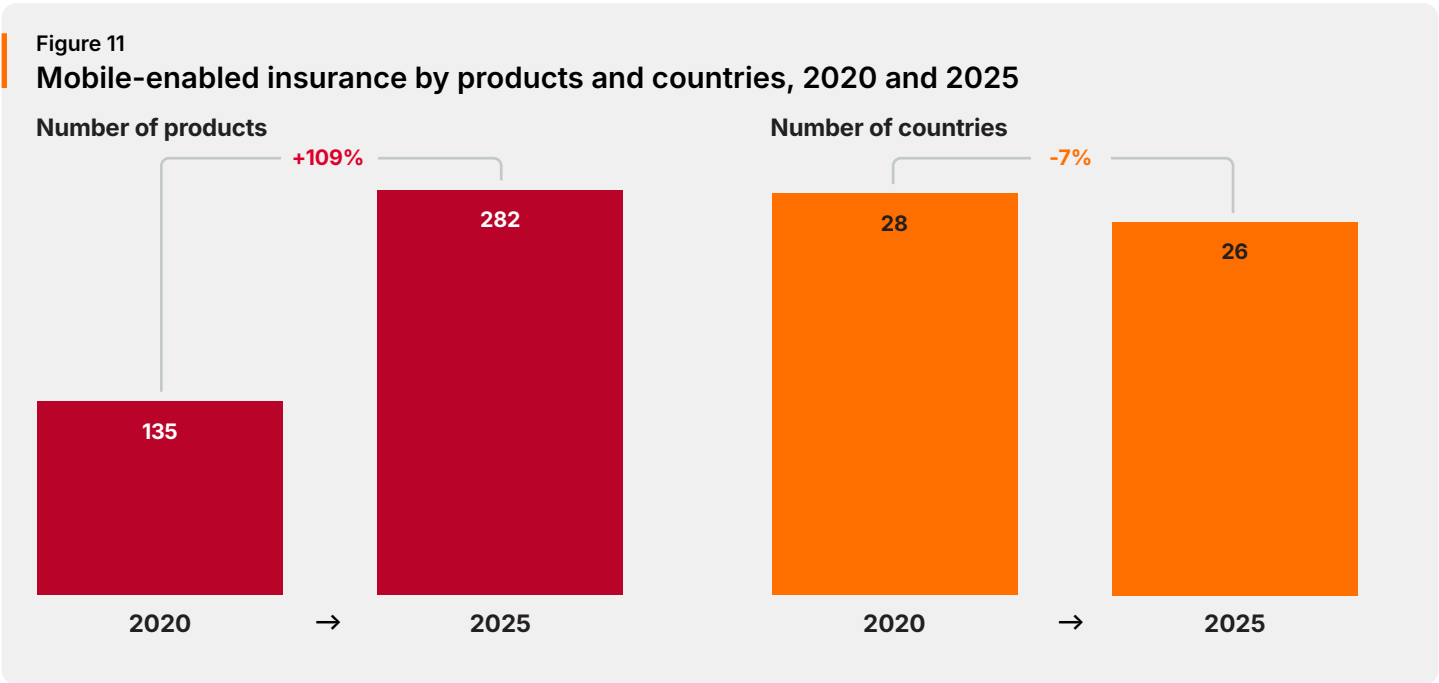
26 Inclusive insurance regulations refer to 2023

04

Charting the growth of mobile microinsurance



Between 2020 and 2025, the landscape of mobile-enabled microinsurance has seen growth.²⁷ The number of mobile-enabled microinsurance products more than doubled from 135 in 2020 to 282 in 2025 (Figure 11). While product offerings have increased, the number of countries in which these products are available is believed to have fallen slightly. However, given that several MNOs or MMPs do not advertise some products above the line, such as on their websites, the number of countries where mobile-enabled microinsurance products cannot be considered definitive.²⁸



Source: GSMA Insurance Tracker

The level of growth seen is slower than anticipated. This can be attributed to the models that have dominated the space to date, which have not reached the desired scale, as well as insurance not being a priority. When mobile-enabled microinsurance began to first emerge, a “freemium” model was pioneered by

MicroEnsure in partnership with Tigo Ghana starting in 2009. Soon after, this was replicated by BIMA (Milvik). Both MicroEnsure and BIMA were responsible for much of the early growth of mobile-enabled microinsurance, using the freemium model.

27 GSMA. (2021). Partnership models for mobile-enabled insurance
28 The GSMA advises caution as the difference in countries between 2020 and 2025 is small and may be due to measurement error.

4.1

The freemium model

The freemium model provided free insurance to customers who met specific transaction criteria, encouraging behaviour change in the process. Typically, this was linked to the airtime the customer purchased in a month. Freemium models aimed to overcome the lack of customer loyalty experienced by MNOs offering pay-as-you-go services. Offering free insurance led to more top-ups with the same network, which in turn led to higher customer activity and stickiness. The indirect increase in revenue more than offset the cost of premiums paid by the MNO on behalf of qualifying customers.

The insurance policy was only valid for one month, which encouraged customers to continue being loyal month-to-month. Many of the early freemium microinsurance products, which offered hospital

cash or funeral coverage, reached millions or tens of millions of customers. Customers were required to opt in to the service. They could then qualify for insurance by topping up a set amount of airtime to receive free insurance the following month. The policies would often cover the main customer, but sometimes covered families too.

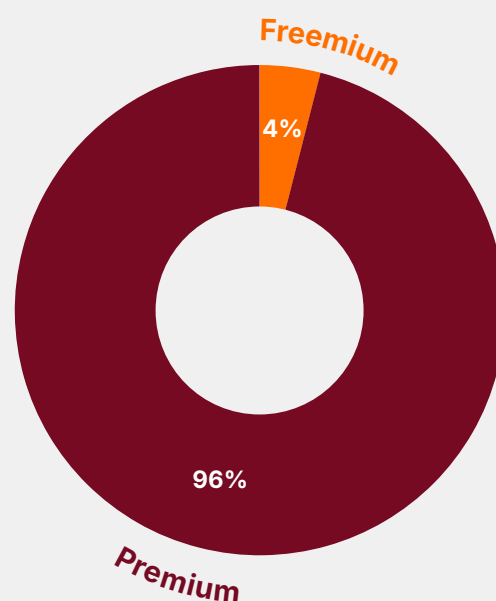
The early freemium models relied on set tiers. Topping up specific amounts would determine the level of insurance cover the customer would receive the following month. Most services had three or four tiers of top-up and corresponding levels of free insurance. At the time, customers with a lower level of average revenue per user (ARPU) tended to show the greatest behavioural change. Higher ARPU customers showed little or no change in top-up behaviour.

Why the freemium model waned

Though some customers changed their habits, the effect on consumer behaviour gradually waned on average over six or nine months. Many customers were found to have reverted to their pre-insurance top-up behaviour over time, in line with common observations for similar offers. This led to many freemium microinsurance products being launched by MNOs and then discontinued – just like any marketing campaign. The insurance served was often seen as another value-added service for the MNO.

Some providers made efforts to upgrade the freemium model: each customer who opted in was set a specific ARPU-driven top-up target based on their previous monthly top-up history. This approach meant that consumers only earned insurance if they increased their top-up amount, while targets could change over time. Some of these models have endured, and a very limited number are still available today. Only 4% of mobile-enabled insurance products were distributed under the freemium model in 2025 (Figure 12).

Figure 12
Proportion of freemium mobile-enabled microinsurance products, 2025



Source: GSMA Insurance Tracker

4.2

The opt-in or paid-for upsell model

The freemium model presented several advantages. It was seen as a way of getting millions of people to use insurance for the first time and to educate the masses about the benefits of insurance. In many cases, the free insurance was replaced with an option for customers to up-sell and start paying for themselves or family members. The responsibility for driving this up-sell mostly rested with the TSPs.

Several TSPs used a range of techniques, including SMS blasts, end-of-call notifications and outbound call centres to drive sales. Premium payments were still mostly done via airtime deductions. Mobile money use was still low, and most mobile money users did not maintain a meaningful balance overnight. This meant that constant airtime balances were often the only viable billing option.

Box 6

Understanding freemium to premium conversion rates for early products

The conversion from free to paid insurance saw a higher than anticipated rate of change. Some microinsurance providers interviewed for this report saw over 20% of their customers start paying for insurance policies with a higher level of cover.²⁹ For comparison, traditional insurance typically sees conversion rates of around 5% or less for voluntary insurance sold via telesales.

Challenges faced by the opt-in model

The key challenge faced by these early opt-in models was the low rate of premium collection from consumers' airtime balances. Typically, this was in the range of 15–20% of customers that had opted in on average per month. The general trend across most MNOs involved saw airtime sales decline from 2015 onward, in parallel with lower collection rates, as customers shifted over to using Wi-Fi and data for calls and messages.

There were already low levels of airtime for insurance premium deductions. This was compounded by increasing competition, where MNOs began to diversify the VAS they offered. Services that generated higher revenue were pursued. In comparison to other VAS, revenues from insurance were low. In addition, using airtime to pay premiums presented an extra complication: airtime was subject to tax, which limited its use as currency for insurance purchases.

In some partnerships, a lack of alignment over revenue share led to insurance products that offered a low level of benefit to customers. However, beyond this, the inability to reliably collect premiums was the biggest challenge for early opt-in or upsold products. With few opt-in customers actually able to pay premiums, many TSPs struggled to drive sales. The decline of airtime top-ups, coupled with the growth of mobile data use, meant that payments could only be made via mobile money. Without recurring payments, this proved too big a challenge for many microinsurance services.

²⁹ Expert interview testimonies.

4.3

The current models used for mobile-enabled microinsurance

Standalone voluntary products

Standalone voluntary products can work under a set of defined circumstances. Such products need to have a high appeal among customers and must be actively sold. Third parties such as TSPs are likely to use SMS blasts, end-of-call notifications and outbound calls to distribute these products. In most cases, such products are co-branded with an MMP to drive customer trust.

This model is likely to work where recurring payments are possible, without needing additional permissions or regular action from the customer. In markets where mobile money regulations do not permit recurring payments, the customer would need to make each payment when due. This creates a level of friction that can risk the chances of the model succeeding. The payment collection rate may drop to a level that is too low for the TSP to invest in a sales strategy.

Box 7

Example of standalone voluntary products

BIMA's B-Health product illustrates a TSP-led, standalone, voluntary insurance offering. The product relies on a direct-to-consumer (DTC) approach, using BIMA agents to sell policies, assist with activation, raise awareness and ensure customers fully understand the cover they are purchasing. Premiums can be paid through mobile money providers in Ghana, including MTN MoMo, ATMoney and Telecel Cash. Recurring payments are permitted, keeping policies active unless a customer misses three consecutive monthly payments (due to a lack of sufficient funds) or chooses to opt-out.



Digital platforms

Some MMPs have set up a digital platform or marketplace on their app. This allows any insurer or TSP to display their product, which mobile money users can browse, purchase and pay for via mobile money. Safaricom's M-Pesa in Kenya, eSewa in Nepal and Wing Bank in Cambodia all offer insurance via their apps. This is a low-touch option for MMPs, who would earn a revenue share for each product sold. Little investment is required in marketing or in co-branding products.

Despite the perceived low barrier to entry, it is unclear how successful digital marketplaces have been in growing microinsurance adoption. This approach relies on the customer to search for insurance products, which most do not typically do – unless mandated or legally required (e.g., for motor insurance). Placing a product on a digital platform has the potential to increase visibility, but may not change behaviour without additional effort.

This model is low effort and low risk for the MMP, but may also yield the lowest revenue. For insurers and TSPs, this model presents a risk and may compromise the support required. Digital platforms can disrupt TSPs' business model, present data privacy challenges, increase competition, and create dependency on third-party technologies.

However, combining digital platforms with marketing campaigns, such as outbound calls, could encourage greater customer inquisitiveness in the digital product. This may improve customer awareness and subsequent adoption. The chances of this model succeeding could be further boosted by the availability of recurring payments.

Box 8

Example of digital platforms used for microinsurance

bKash in Bangladesh offers access to several insurance products through partnerships with around 16 insurers.³⁰ Premiums can be paid via the bKash wallet or USSD, with automated payment arrangements established in collaboration with MetLife and Zenith Islami Life Insurance.³¹

Since receiving an insurance brokerage licence from India's Insurance Regulatory and Development Authority (IRDAI), Paytm has built a digital insurance marketplace that enables users to purchase car, bike and health policies.³² The platform allows customers to compare products and policy quotes across insurers and offers a completely digital process from subscription to claims processing.

³⁰ bKash (2025). [Insurance Premium Payment](#).

³¹ bKash (2025). [Insurance Premium Auto Pay](#).

³² FinTech Global (2020). [India's Paytm gets its insurance brokerage license](#).



Hard bundles

In this model, insurance is bundled with data, calls or texts, as well as other VAS services, such as Google Maps. In 2023, Britam and Safaricom Kenya partnered to launch Data Plus, an insurance product that combines mobile data bundles, free access and use of Google Maps, and personal accident insurance cover.³³ Insurance is unlikely to be the primary product in these bundles: customers are likely to buy the main product and later appreciate the presence of the insurance component.

The main issue with this model is finding a microinsurance product that is cheap enough to allow the core product to remain competitive while offering a sufficient benefit to the customers. Despite this, emerging trends among current microinsurance providers point to this model becoming dominant in the future. TSPs and insurers would benefit from this approach as sales volumes could be higher – based on the MNO or MMP brand being used to sell the core product. MNOs and MMPs would offer a product to customers, leading market differentiation.

Box 9

Example of a hard-bundled product

Safaricom has introduced a bundled offering that combines data, airtime and embedded insurance to provide income protection for taxi and *boda-boda* drivers in Kenya. Starting at \$8 per month, subscribers receive mobile connectivity, free access to navigation and ride-hailing apps, fuel discounts and insurance coverage through the Tuunza Mapato plan. The policy is underwritten by Turaco, and includes medical, accident, funeral and hospitalisation benefits. Payments for the data bundle are automated, ensuring seamless premium collection while simultaneously offering multiple value-added-services.³⁴



³³ TechAfrica News (2023). Safaricom and Britam launch Data Plus: Affordable data bundles with accident cover.

³⁴ Safaricom (2025). [Tuunza Mapato Cover: Terms and Conditions](#).

4.4

Looking to the future of mobile-enabled microinsurance

Expert interviews were used to gauge perceptions around the future of microinsurance services and, specifically, mobile-enabled microinsurance services. Several disparate ideas emerged, though many responses converged around two themes: the need for recurring payments and contextual selling.

Recurring payments

Hard bundling and stand-alone products are most likely to continue scaling in the future, but both require recurring payments. The current volumes of sales from digital platforms are too low to justify continuing with this model. Standalone products are likely to succeed

where frictionless premium collection is possible from mobile money accounts. Given the limited availability of this function, many TSPs are looking to launch products that do not require recurring payments – this could limit potential scale.

Contextual selling

Partnerships may be structured to enable greater contextual selling. This refers to the practice of offering a customer an insurance product that relates directly to a recent activity. For example, if a customer books a flight using mobile money, offering travel insurance would be contextually relevant. Currently, there is limited contextual selling as the optimal value chain for this has not yet been fully tried or tested. Data sharing concerns, and a lack of alignment over customer ownership and revenue share have also limited progress. However, the need for diversified revenue streams and continuous improvements in data sharing and management practices could change this.

Future partnerships may lead to real-time data analysis to allow contextual selling. JazzCash intends to trial this approach in Pakistan, upon completing its acquisition of TPL Insurance. With more countries looking to launch microinsurance licenses, more such “full-stack” entities that combine the MMP, TSP and insurer into a joint venture could yet emerge.

Box 10

CamLife and Royal Group: Contextual insurance through group synergies

CamLife, a microinsurance provider in Cambodia and subsidiary of the Royal Group conglomerate, benefits from its position within a business network that spans telecommunications, banking, insurance, transport and media. This structure allows easier data-sharing and collaboration across sister businesses, creating opportunities for more contextual insurance distribution.

As a result, CamLife is piloting a digital platform that uses a chatbot to embed insurance offers into customer journeys. For instance, customers may receive prompts to learn more about coverage after purchase or be offered travel insurance as an add-on when booking flight or bus tickets. While still in its early stages, this approach demonstrates how cross-industry collaboration can make insurance more relevant, timely, and accessible to consumers.

The role of artificial intelligence in microinsurance

Artificial intelligence (AI) will inevitably be used to remove friction from the customer journey. This is essential to overcome customer reluctance about buying insurance. Some microinsurance services rely on AI for back-office tasks, such as powering chatbots to answer customer queries and assisting customers in making small changes to policies (e.g., changing their contact details or the name of a family member). In limited cases, AI has been used to help with claims processes.

AI has yet to make an impact in helping to distribute insurance to customers. Human intervention remains necessary to help convince customers to buy insurance, via agents, third-party partners and regular marketing campaigns. Using AI as part of distribution could improve the unit economics associated with the microinsurance product.

Hard bundling microinsurance with other use cases

There is a growing interest in bundling insurance with other use cases. A popular example is with international remittances, given the vulnerability faced by senders and receivers. Migrants working overseas, who typically send money home, may worry about their ability to continue supporting friends and family if they cannot work, and about family members incurring unexpected costs. This customer segment may be more easily convinced about the benefits of insurance than others.

While there have been limited examples of this model being implemented, uncertainty around how these products should be regulated in the sender's country, the recipient's country, or both is a key reason why this model is not more popular. This is a clear opportunity for future growth.

Box 11

Singtel Dash, Save and Protect

Singtel Dash offers an innovative example of how insurance can be bundled with other, more popular digital financial services. In partnership with Etiqa Insurance, Singtel launched Dash PET 2, a bundled savings and insurance product. The product combines a capital-guaranteed savings account with optional insurance add-ons, creating a dual incentive for users to save while gaining protection. With a minimum savings deposit of \$38, customers can receive free life protection equivalent to 105% of the account value. They can also add one or more protection plans starting from less than \$1 per day. Each selected protection plan increases

insurance coverage and boosts the interest on the savings account by 0.25% per plan. Premiums for add-ons are automatically deducted daily from the savings account.

The PET 2 model is a hard-bundle approach where savings and protection are integrated. By embedding insurance within the savings product and linking additional protection to higher interest accrual, Singtel incentivises users to engage with both components simultaneously. This reduces decision friction, promotes financial discipline and uses behavioural incentives to encourage protection uptake.

05

Barriers to growth and enabling factors



This report has considered the different models that have been historically used and that are currently in use by MNOs and MMPs. The barriers to future growth are based on each of these models, as are the range of factors that may enable growth.

1 The freemium insurance model

Providing “free” insurance to customers who met specific transaction criteria was commonly used by MNOs to drive customer behaviour change. For instance, to stay active longer or purchase more airtime.



Enabling factors

- Opt-in model reached many customers quickly.
- The MNO or MMP brand was used to develop trust.
- The MNO or MMP could use a range of advertising to make customers aware of the product.



Barriers to growth

- MNOs were funding the premiums. The change in behaviour had to be worth more than the cost of offering the free insurance.
- Unclear if insurance led to behavioural change, resulting in these products being available only for six to 12 months.
- Senior leaders saw insurance as a marketing expense rather than a financial service.
- MNOs would offer free products for a limited time and for a single instance.

2 Upsell insurance using daily carrier billing

These products were often a paid-for continuation of the free insurance benefits. This would enable the primary customer to add a family member for a fee. These products are historical: they used the conversion from “free to paid” and relied on daily carrier billing from airtime deduction. This is rarely used for products seen in the market today.



Enabling factors

- A large captive audience that received the free insurance and were aware of the product features and benefits.
- The fee to upsell was small.
- Premiums were deducted daily from airtime balances, making insurance affordable.
- The MNO brand was often directly linked to these products, helping to generate trust.



Barriers to growth

- Collecting premiums was hard because customers did not always have available airtime balances on collection days.
- Customers were buying more data, which further lowered their airtime balances.
- The TSP business case was eroded, as the TSP was responsible for upselling to paid products, rendering the cost of sales too high compared to the premiums collected.

3 Digital marketplaces

Some MMPs have been offering their customers access to a digital marketplace to compare and purchase insurance from a range of third-party insurers. The MMP rarely uses co-branding. Instead, it offers a level playing field for insurers or TSPs to place their product on a “digital shelf”.



Enabling factors

- MMPs have a significant number of active users who visit the app regularly to send and receive mobile money and often store value in the wallet overnight.
- This high footfall of potential customers may enable seamless premium collection from the wallet.



Barriers to growth

- Products passively placed on a digital marketplace, without any active marketing, may receive very limited interest. Investment is needed to market the product and raise awareness to achieve sales.
- Limited customer data may hinder how customers are segmented and targeted with products relevant to their needs.
- Marketplace models are more likely to succeed when automatic recurring payments are allowed.



4 Stand-alone insurance products

These products are targeted at both MNO and MMP customers. Nearly all require the customer to have an active mobile wallet from which premiums can be regularly paid or deducted.



Enabling factors

- MNOs and MMPs have many consumers that use their core services frequently, generating trust in their brands.
- The mobile wallet provides a frictionless way to collect regular small or monthly premiums from the customers, especially if automatic recurring payments are enabled.



Barriers to growth

- These products need to be actively sold – this function is nearly always outsourced to the insurer or more commonly the TSP.
- The cost of sales can be high because a call centre is required, in addition to passive digital tools to convert interested consumers into active ones.
- If payments need to be authorised by the customer each month, then the premiums collected may reduce significantly.
- Even if recurring payments are enabled, the percentage of customers that have an available balance to pay for premiums remains low.
- High revenue share expectations among different partners can result in low value products being offered to the customers, which may affect sales – creating a vicious cycle in the process.

5 Hard-bundled products

These products include insurance being hard-bundled with data packages, as well as with other VAS products (e.g., Google Maps). The customer may primarily be buying data, but would be happy to receive the insurance as a secondary benefit.



Enabling factors

- The MNO brand is well trusted by the customers, and the insurance product will benefit from this brand association.
- Customers may buy a data package, with which insurance can be embedded. Buying this bundle may lead many people to gain access to insurance.



Barriers to growth

- Any price increase compared to non-bundled products, requires justifying insurance's inclusion in the bundle to customers.
- Competitive bundles might include other non-insurance services that customers find more attractive than insurance.

06

Strategic recommendations



The outcomes of the research carried out for this project indicate a need to prioritise four elements: recurring payments, contextual selling, determining how insurance should be sold and developing new products.

01 Recurring payments are important to make insurance work

The importance of automatic recurring payments is crucial to the success of microinsurance, particularly for products that are not fully embedded or hard-bundled. Given that recurring payments may be beneficial for other mobile money use cases, there is a need for broader industry engagement to drive regulatory innovation in this functionality. Recurring payments would allow customers to opt in to insurance products, potentially improving financial health in the process.

02 The ability to implement contextual selling opportunities

Relevant insurance products should be offered at a specific moment. For example, offering travel insurance to a transport ticket buyer. For this to happen, data sharing coordination would need to be set up to allow third parties to access MNO or MMP data without compromising consumer protection. An increase in MMPs owning TSPs or becoming insurers is likely in the future. This may enable increased contextual selling.

03 There is a need to reposition how insurance is sold

All types of insurance require effort to sell: the most successful products are those where microinsurance is positioned to overcome a core customer concern, such as not being able to work. The rise of the gig economy, which many informal workers rely on in emerging markets, offers an opportunity to sell income protection products. Payouts can be made in the event of accidents, sickness, vehicle breakage or climatic events (flooding or excess heat).

Box 12

Income protection for the gig economy

In 2024, MIC Global partnered with inDrive, a global mobility and urban services platform, to introduce microinsurance for drivers and passengers covering personal accident and medical expenses. The product is embedded directly into the inDrive platform through MIC Global's "MiIncome" digital reinsurance solution, where drivers and passengers in Mexico, Peru and Brazil were the first to benefit from coverage. Designed to strengthen financial protection for users while supporting driver retention, this FinTech initiative highlights how insurance can be integrated into digital ecosystems to address the vulnerabilities of gig workers.

Within the ride-hailing economy, companies face ongoing challenges around recruitment and retention, with significant replacement costs for lost drivers. By offering affordable insurance that protects drivers and their families, platforms can build loyalty and generate significant cost savings. This type of insurance product is gradually gaining momentum. In 2025, Safaricom launched bundled products for drivers and *boda-boda* drivers in Kenya that combined data, fuel discounts and insurance. Similarly, Chubb extended its coverage for gig workers to include health and income protection. These developments suggest income protection as a natural next step for mobile money and digital platforms, balancing customer value with business sustainability.

New products, such as device insurance, should be further explored

The market should continue to create products that will be relevant for MNOs and MMPs to distribute to a range of users, as these stand a better chance of being launched, co-branded and scaled. Device insurance is not common across many LMICs, especially for low-cost smartphones used by the mass market. These phones may be considered essential assets by their owners. Yet, they are likely not to be protected. This represents a huge untapped opportunity.

Box 13

Safaricom introduces insurance licence and device protection product

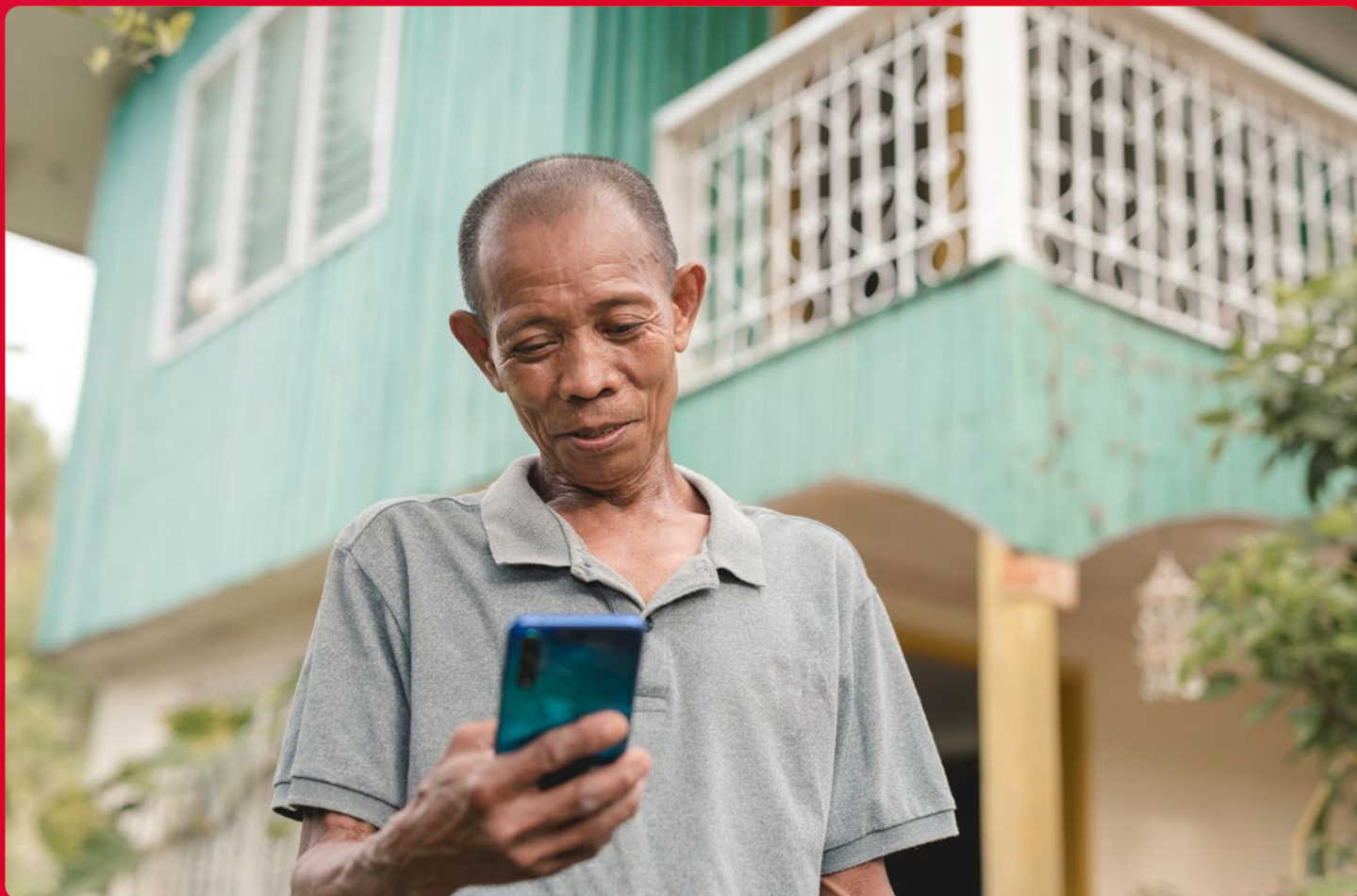
In November 2024, Safaricom obtained an insurance intermediary licence from Kenya's Insurance Regulatory Authority (IRA), enabling it to design and distribute insurance products directly through its channels such as M-Pesa and its retail network. Operating under its new subsidiary, Safaricom Insurance Agency Limited, the licence grants the telco greater influence over product development, pricing and premium collection while accelerating the roll-out of insurance solutions and still partnering with insurers to carry risk. This move represents a strategic shift from acting solely as a distribution partner to becoming a more integrated player in Kenya's insurance market.

Safaricom's first product under the new licence is device insurance, embedded into its Lipa Mdogo Mdogo device financing programme and to drive 4G and 5G smartphone penetration. The product offers credit for the device and cover to protection against damage and theft. Safaricom has streamlined its claims process, with an average turnaround of three days after customers submit the required documents, such as a police abstract, to a Safaricom outlet, from where they are sent directly to the underwriter for evaluation. This model is noteworthy in a market where few players offer device insurance at scale due to cost constraints.

For MMPs, aggregators and risk carriers, striking the right balance between these four recommendations may offer a platform for future growth. Achieving progress for all elements may be beyond the control of these stakeholders, e.g., recurring payments may require e-money regulation change. However, mobile-enabled microinsurance value chains are likely to see success when some of these elements are prioritised.

The lessons in this report are based on the experiences of early pioneers, organisations that have achieved some scale and other stakeholders that have faced barriers to entry and scale. Following some of these lessons in a coordinated manner could enable better collaboration between microinsurance providers and the mobile industry. This in turn could improve financial inclusion and lead to greater resilience among vulnerable communities.

Annexes



A1

Methodology

The data used in this report is drawn from two main sources:

1 The GSMA Insurance Tracker

This dataset includes live insurance products delivered by MNOs or MMPs, or products that offer mobile money as a payment mechanism for premiums or claims. The data is collected from publicly available sources. These mainly include the websites of MNOs, mobile money providers or insurers. While this dataset provides a representative view of mobile-enabled insurance globally, it may not include all products that fit the description of mobile-enabled insurance.

2 The Landscape of Microinsurance 2024 dataset

The dataset includes information on microinsurance markets in selected countries from three regions: Africa, Asia and the Pacific, and Latin America and the Caribbean. The data is based on voluntary, self-reported information provided by 294 insurance providers in 37 countries on their microinsurance activity. These insurance providers reported on 985 microinsurance products. However, not all insurers or national schemes respond. For more information on this dataset, please see [The Landscape of Microinsurance 2024 report](#).

List of interviewees

A wide range of insurance experts and ecosystem stakeholders were interviewed for this report. The following 17 people provided valuable insights through interviews and questionnaire responses:

 Name	 Organisation	 Country
Andrew Nkolola	ex-Ayo	Zambia
Jeremy Leach	Inclusivity Solutions	South Africa
Ted Pantone	Turaco	Kenya
Gideon Ataraire	Ex-Allianz	Ghana
Liza Maru	Britam	Kenya
Sosthenes Konutsey	BIMA	Ghana
Bente Krogman	mTek	Kenya
Philip Amaoteng	Telecel	Ghana
Omkar Pandey	eSewa	Nepal
Rehan Butt	ex-Microensure	Pakistan
Johnny Wong	Wing Bank	Cambodia
Mark Simmons	Bolt Tech	UK
Pranav Prashad	ILO	Switzerland
Jamie Crystal	MIC Global	USA
Mohsin Termezy	Hemaayah	Qatar
Peter Gross	Independent	USA
Jacques du Preez	Vodacom	South Africa

GSMA Head Office

1 Angel Lane
London EC4R 3AB
United Kingdom

gsma.com