

**Q&A**  
**Webinar Global insights:**  
**Launch of the 2024 Landscape of Microinsurance**

**Microtakaful**

**Note for Microtakaful:** For more information on microtakaful products, we invite you to read our [briefing note \*Takaful, Microtakaful, and the Foundations of Inclusion\*](#). This report aims to foster discussion on the topic, focusing on Muslim customers while also exploring the potential of takaful products for non-Muslim customers. It presents the key principles and models of takaful, provides an overview of the global market, and examines the role of microtakaful in financial inclusion. Additionally, it includes four case studies illustrating its development in different contexts. Finally, it highlights key challenges and opportunities to support the growth of microtakaful.

**Q:** Which type of microtakaful products are available?

**A:** The *Landscape Study of Microinsurance 2024* does not specifically reflect information on takaful products. However, out of nearly 1,000 reported products, 27 indicated that they are based on the takaful model. The oldest reported product dates back to 2003. These 27 products, concentrated in countries such as Egypt, Bangladesh, Ghana, Nigeria, Pakistan, and India, covered a total of 241,349 people. The most common risk covered by these products is death and disability. According to our data, the most commonly used distribution channel for these products is agents and brokers, which serve as the primary channel for half of the reported products. They are followed by other channels, such as financial institutions and microfinance institutions (MFIs).

**Q:** What is the extent of microtakaful penetration globally?

**A:** The report does not present data on the global penetration of microtakaful. However, takaful products are available in both Islamic and non-Islamic markets. To obtain a more comprehensive view of their penetration, it would be necessary to review studies from regulatory bodies in various countries that oversee or offer takaful products, as well as reports from institutions such as the Islamic Financial Services Board (IFSB) or the World Bank. For detailed information on the global penetration of microtakaful, the following reports and sources from specialized institutions are recommended:

- **Islamic Financial Services Board (IFSB):** This organization issues standards and guidelines for the Islamic financial services sector, including takaful
- **World Bank:** The World Bank has published reports on the development and challenges of takaful and mutual insurance.

Additionally, it is advisable to review reports from regulatory bodies in countries where takaful is implemented, as these documents often contain specific data on the penetration and performance of takaful products in their respective markets.

**Q:** How many members are covered under microtakaful?

**A:** The *Landscape Study of Microinsurance 2024* does not provide a global figure on the number of people covered under microtakaful. However, it confirms that takaful products are present in both **Islamic and non-Islamic markets**, indicating a broader adoption beyond traditionally Muslim-majority countries.

To obtain more precise data, it is recommended to review reports from **regulatory bodies in individual countries**, as many nations—regardless of religious demographics—report on takaful products. Additionally, insights from **takaful-specialized insurers**, the [Islamic Financial Services Board \(IFSB\)](#), and the [World Bank](#) can provide further context.

<b>Q:</b> Which countries offer microtakaful?
<b>A:</b> The <i>Landscape Study of Microinsurance 2024</i> reports that microtakaful products are available in <b>Egypt, Bangladesh, Ghana, Nigeria, Pakistan, and India</b> . While takaful products can be found in many countries, including those with minimal Muslim populations, these were the countries that specifically reported offering microtakaful products in the study.
<b>Q:</b> Who are the providers of microtakaful?
<p><b>A:</b> According to the <i>Landscape Study of Microinsurance 2024</i> and the briefing note <i>Takaful, Microtakaful, and the Foundations of Inclusion</i>, microtakaful products can be offered by a variety of entities. The main providers include:</p> <ul style="list-style-type: none"> <li>• <b>Takaful companies:</b> These are the primary providers of microtakaful, operating under Islamic principles to offer inclusive insurance for low-income populations. For example, in Indonesia, seven takaful operators have developed microtakaful products, although most have yet to fully enter this segment.</li> <li>• <b>Regulators and governments:</b> In countries like Nigeria, the regulator NAICOM has actively promoted the development of microtakaful products as part of its financial inclusion strategy, particularly in the northern regions, where the population is predominantly Muslim.</li> <li>• <b>Islamic banks and Islamic cooperatives:</b> In some markets, Islamic banks have integrated microtakaful as part of their financial offerings for low-income clients. In Morocco, the introduction of participatory banking led to the regulation of takaful to expand the range of available products.</li> <li>• <b>Public-private initiatives and partnerships with NGOs:</b> In Malaysia, the <i>Perlindungan Tenang</i> initiative, led by Bank Negara Malaysia, has worked with takaful operators to provide accessible microtakaful products for the most vulnerable segments of the population.</li> </ul> <p>These actors play a key role in expanding microtakaful, helping to improve financial protection for communities with limited access to conventional insurance.</p>
<b>Q:</b> How are microtakaful risks reinsured?
<p><b>A:</b> The <i>Landscape Study of Microinsurance 2024</i> does not provide specific details on microtakaful reinsurance. However, in practice, these products are often reinsured through takaful reinsurance (retakaful) providers, which operate under Sharia-compliant frameworks. In some cases, conventional reinsurers also participate, using adapted structures to align with Islamic finance principles.</p> <p>According to the 2024 Landscape Report, 27 takaful products were reported, and 14 of them utilize reinsurance, underscoring the importance of risk management mechanisms within microtakaful. The report also confirms that takaful products are present in both Islamic and non-Islamic markets, demonstrating their broader adoption beyond traditionally Muslim-majority countries.</p> <p>For more precise data, it is recommended to review reports from national regulatory bodies, as many countries—regardless of religious demographics—publish takaful-related information. Additionally, insights from takaful-specialized insurers, the <a href="#">Islamic Financial Services Board (IFSB)</a>, and the <a href="#">World Bank</a> can provide further context on reinsurance practices within microtakaful.</p>

## Products and Coverage

<p><b>Q:</b> Did the landscape collect data on bundled products, microinsurance bundled with other financial products including micro pensions and microcredit products?</p>
<p><b>A:</b> Yes, the <i>Landscape Study of Microinsurance 2024</i> collects data on bundled products. According to our study, <b>12% of the reported products are bundled with other types of insurance coverage, while another 12% are bundled with non-insurance products.</b></p> <p>In <b>Latin America and the Caribbean</b>, property microinsurance products are often bundled with <b>hospital cash coverage</b>, and savings and credit cooperatives play a significant role in distributing these bundled products, reaching <b>0.3 million people</b>. Additionally, <b>life and accident insurance products</b> achieve high scale partly because many are linked to loans (<i>credit life insurance</i>), where coverage is often a <b>mandatory requirement</b> for accessing these financial products.</p> <p>Moreover, some <b>agricultural microinsurance products</b> are integrated with <b>agricultural credit or inputs</b>, making coverage more accessible for rural producers. While digital distribution channels have also been explored, their reach remains limited.</p>
<p><b>Q:</b> Do these insurances work for small and medium-sized agriculture producers?</p>
<p><b>A:</b> Yes, the study highlights that agricultural microinsurance plays a key role in protecting small and medium-sized agricultural producers. It reports that 79% of agricultural insurance products cover climate risks, natural disasters, and other hazards, making them particularly relevant for these farmers. Additionally, 52% of agricultural insurance products are index-based, allowing for faster payouts without the need for individual loss assessments</p>
<p><b>Q:</b> What is the proportion of index insurance for smallholder farmers in this study?</p>
<p><b>A:</b> According to the <i>Landscape Study of Microinsurance 2024</i>, <b>52% of agricultural microinsurance products</b> reported in the study utilize an <b>index-based approach</b> rather than traditional indemnity insurance. This reflects a growing trend in agricultural insurance, as index-based models offer several advantages:</p> <ul style="list-style-type: none"> <li>• <b>Efficiency in claims processing:</b> Unlike traditional indemnity insurance, which requires individual loss assessments, index insurance triggers payouts based on predetermined environmental indicators such as rainfall levels or temperature thresholds.</li> <li>• <b>Improved accessibility:</b> Smallholder farmers, particularly in remote areas, benefit from simplified enrollment and claims processes, reducing administrative burdens.</li> <li>• <b>Adaptation to climate risks:</b> Given the increasing frequency of extreme weather events, index insurance is becoming a preferred tool for mitigating agricultural risks in vulnerable regions.</li> </ul> <p>The study highlights that the adoption of index-based microinsurance is particularly significant in countries where collecting individual loss data is <b>logistically difficult or cost-prohibitive</b></p>
<p><b>Q:</b> How parametric insurance coherence with the microinsurance products?</p>
<p><b>A:</b> Yes, the <i>Landscape Study of Microinsurance 2024</i> includes data on parametric insurance. This type of insurance is gaining traction, particularly in <b>climate and agricultural risk management</b>, as it provides <b>rapid payouts</b> based on pre-defined triggers such as rainfall levels, temperature, or seismic activity, rather than traditional claims assessments.</p>

Several members of the Microinsurance Network offer parametric insurance solutions, including:

- **IBISA:** Specializes in **weather-based parametric insurance**, using satellite data to trigger payouts for **farmers and agribusinesses** affected by extreme weather events, such as droughts and excessive rainfall.
- **Microrisk:** Focuses on **natural disaster parametric insurance**, offering coverage for risks like **hurricanes and earthquakes** to protect **low-income communities** and **small businesses** from severe financial losses.
- **Etherisc:** Develops **blockchain-based parametric insurance**, particularly for **agriculture and flight delay coverage**. Its crop insurance product enables **automatic payouts** to farmers when predefined weather conditions occur, improving efficiency and transparency.
- **WRMS (Weather Risk Management Services):** Provides **parametric weather insurance** tailored for **smallholder farmers** in emerging markets, covering risks such as **drought, excessive rainfall, and temperature extremes**, helping to stabilize incomes and ensure financial resilience.

## Regulation and Sustainability

**Q:** Could you please clarify Myth 6, which advocates for increased premium subsidies? Wouldn't this approach be counterproductive to developing markets? It doesn't seem sustainable if the funding is eventually no longer available.

**A:** The report acknowledges that premium subsidies play a significant role in microinsurance, particularly in agricultural insurance, where 58% of products receive some level of subsidy. These subsidized products account for 97% of all people covered under agricultural microinsurance. However, the study warns that subsidies must be implemented responsibly, with strategies for long-term funding or a gradual phase-out to avoid market distortions or sudden disruptions if funding ceases.

## Distribution and Adoption Channels

**Q:** It seems that agents and brokers continue to dominate the inclusive insurance scenario. Any thoughts or feedback that the study may have on the sustainability of such "physical" high-touch channels?

**A:** The *Landscape Study of Microinsurance 2024* confirms that **agents and brokers remain the dominant distribution channel** for microinsurance across all regions. In **Africa**, they account for **34% of total premiums collected** and reach **7.8 million people**. In **Asia and the Pacific**, they cover the largest number of lives but only generate **23% of gross premiums**, while **financial institutions** lead in premium collection. In **Latin America and the Caribbean**, agents and brokers play a key role but are surpassed by **financial institutions (38%)** and **microfinance institutions (29%)**.

### Why physical high-touch channels remain essential:

1. Trust and accessibility:
  - Agents and brokers act as trusted intermediaries, especially for low-income populations who may be unfamiliar with insurance.
  - In India, where agents and brokers dominate, they are the primary channel for nearly 163 million people, indicating strong customer preference for face-to-face interactions.
2. Guidance and education:
  - Digital literacy and insurance awareness remain low in underserved communities.
  - Agents play a critical role in educating clients about insurance benefits, terms, and claims processes, ensuring informed decision-making.

3. Claims support and faster turnaround times (TAT):
  - Products distributed through agents and brokers tend to have higher claims acceptance ratios than those sold through NGOs and hospitals/pharmacies.
  - Having an agent nearby facilitates claim submission, reducing processing delays.
4. Scalability and bundled offerings in agriculture:
  - In agriculture insurance, products are often bundled with credit or agronomic advisory services, making agents key players in distribution.
  - Financial and microfinance institutions also play a major role in agricultural insurance distribution.

**The role of digital solutions:** While physical channels remain crucial, digital solutions are increasingly complementing them, particularly in claims processing and efficiency:

- Faster claims turnaround time (TAT):
  - The median claims turnaround time (TAT) for property and income insurance varies significantly by region, with the shortest TAT in Africa (4 days) and the longest in Latin America and the Caribbean (45 days).
  - Digital tools help reduce internal processing time, making claims handling more efficient.
- Higher claims ratios in digital-enabled models:
  - Digitally integrated products tend to have higher claims ratios, reflecting their ability to process claims more efficiently and enhance customer trust.
  - The median claims ratio for agricultural insurance is 33%, significantly higher than the 23% median across all microinsurance lines, due in part to the automation of index-based payouts.
- Hybrid approaches for better coverage and engagement:
  - A growing number of insurers are using "phygital" (physical + digital) strategies, integrating digital claim processing while maintaining in-person engagement through agents.
  - This approach ensures that trust and accessibility are maintained while leveraging technology for efficiency.

#### Emerging trends and future sustainability:

While agents and brokers remain dominant, new distribution models are emerging. Partnerships with schools, government networks, public service companies, and mass-market distributors are expanding the reach of inclusive insurance. Additionally, fintech and insurtech players are gaining traction, though their primary focus remains on product comparison rather than expanding insurance access.

Despite digital innovations, physical networks continue to surpass other distribution channels in gross premiums collected, highlighting their sustained relevance in microinsurance.

**Q:** On ensuring inclusivity in insurance, I am curious about case studies done in Africa that have driven adoption of microinsurance among the youth and women, and which are these specific products?

**A:** The *Landscape Study of Microinsurance 2024* presents several case studies and insights on microinsurance adoption among women in Africa.

Case Study: 1st for Women in South Africa

One of the most notable examples is 1st for Women, an insurance company in South Africa that was the first in the country to design insurance specifically for women. The company has grown to serve over 250,000 customers and tailors its products based on customer research and feedback. Some of its unique offerings include:

- Emergency assistance services, such as 24/7 guardian angels for breakdowns or accidents.
- A virtual panic button and trip monitoring services to enhance personal safety.
- Business insurance for female entrepreneurs, which includes additional services like website design and marketing support to help clients grow their businesses.
- When launching business insurance for female entrepreneurs, the company expanded its offerings to include website design and marketing support to help clients grow their businesses.
- For agricultural insurance, the study notes that women represent 42% of policyholders, with financial institutions reaching more female customers than farmers' cooperatives. This suggests that distribution channels play a key role in improving women's access to microinsurance.
- Women are more likely to be covered under personal accident and life insurance products, with 55% and 53% of policyholders, respectively, being female.
- NGOs are the most effective distribution channel for women, with a median of 65% female policyholders, compared to 25% in agricultural cooperatives.
- While there is progress in microinsurance for women in Africa, the report highlights the need for more tailored products and better data collection on gender-specific adoption trends.

In addition to the insights from the *Landscape Study of Microinsurance 2024*, the Microinsurance Network has developed several related reports that you might find valuable:

- [OKO for UN WOMEN & UNCDF](#): This case study explores how OKO, with guidance from UN Women and UNCDF, identified barriers and introduced innovations to provide female farmers with financial safety nets against catastrophic weather events. The initiative reduced the gender gap in insurance adoption by 15% and registered 1,100 new female farmers for crop insurance.
- [COVID-19 and the Insurance Industry: Why a Gender-Sensitive Response Matters](#): This report discusses the importance of a gender-sensitive approach in the insurance industry's response to the COVID-19 pandemic, highlighting the significant market opportunity women represent.
- [Green Delta Insurance Company: The Case for Insuring Women for a Better Tomorrow](#): Focusing on Bangladesh, this case study examines how Green Delta Insurance Company developed strategies to serve the growing female labor force, contributing to economic growth and gender equality.
- [AXA Mansard: The Case for Insuring Women for a Better Tomorrow](#): This report delves into the Nigerian market, analyzing how AXA Mansard addressed the insurance needs of women, anticipating significant growth in women's insurance premiums by 2030.
- [Gender Impact of MicroInsurance](#): This report addresses the importance of gender equality in microinsurance, emphasizing the need for equal access to resources, education, and financial services.

These resources offer comprehensive insights into strategies and products that have effectively increased microinsurance adoption among women in Africa and other regions.

## Funds and Grants

**Q:** How can we attract more funds from development agencies towards risk protection?

**A:** The study highlights that international organizations are increasingly recognizing the role of insurance in development and resilience. However, a relatively small number of donors fully understand microinsurance and are willing to invest long-term in market development. One key challenge is the lack of evidence demonstrating how insurance contributes to financial resilience and climate adaptation.

To attract more funding, the report suggests:

- Expanding the evidence base to show the long-term benefits of insurance for development.
- Broadening donor focus beyond climate insurance to include other risks such as health and financial protection.
- Diversifying funding allocation to support microinsurance in smaller, high-poverty countries that currently receive little investment.
- Ensuring long-term donor engagement, as microinsurance products take time to establish and reach commercial viability

**Q:** Given donors are really interested in SROI to support subsidization of insurance, have you done any such case studies?

**A:** The report does not mention specific Social Return on Investment (SROI) case studies. However, it provides insights into the role of subsidies in microinsurance, particularly in agriculture insurance, where 58% of products receive some level of subsidy.

The study also emphasizes that:

- Subsidies must be implemented responsibly with strategies for long-term funding or gradual reduction.
- Subsidized insurance products currently cover 54.5 million people, highlighting their significant role in expanding access.
- Africa has the highest proportion of subsidized agricultural products (77%), showing how donor funding supports rural resilience

## Claims and Validation Process

**Q:** What's the process to validate claims, and what is the coverage limit?

**A:** The *Landscape Study of Microinsurance 2024* does not provide a detailed breakdown of the claims validation process. However, it does offer insights into claims acceptance rates, turnaround times (TAT), and claims ratios, which highlight how insurers handle claims processing.

**Claims acceptance rates:** The median claims acceptance rate across all products is 98%, with variations by region:

- Africa: 96%
- Asia and the Pacific: 100%
- Latin America and the Caribbean: 90%

Rejected claims often result from client misunderstandings, inability to provide required documentation, or fraudulent attempts.

**Claims Turnaround Time (TAT):** The time taken to process claims varies across regions and product lines:

- The median total claims turnaround time (from claim occurrence to final payment) is 15 days globally.
- Africa has the shortest TAT (7 days), while Latin America and the Caribbean has the longest (45 days).
- Internal turnaround time (from receiving all required documentation to payment) is typically shorter, with a median of 8 days.



#### Claims ratios by product type:

- Agricultural insurance has the highest claims ratio at 33%, reflecting the catastrophic risks covered.
- Credit life insurance follows with a 27% claims ratio.
- Property and personal accident insurance have lower claims ratios, which could indicate stricter validation processes or fewer claims filed.

**Coverage limits:** The report does not specify exact coverage limits, as these vary by product, insurer, and region. However, some case studies indicate that coverage amounts are often linked to financial inclusion initiatives, such as bundling with credit or agronomic services. The data highlights the efficiency of claims validation and settlement processes, with high acceptance rates and relatively short processing times, particularly in Africa and Asia.

**Q:** While all the discussion is focused on making products innovative, subsidized, and distribution channels digital, has there been development on making customers aware of claims processes and improving the claims journey for microinsurance customers?

**A:** Yes, the study emphasizes the importance of customer awareness in the claims process, particularly in life insurance, where it is crucial for both policyholders and beneficiaries to understand how to claim benefits. The report highlights that insurers need to ensure that beneficiaries are well-informed so they can access payouts efficiently in the event of a policyholder's death.

Moreover, some microinsurance initiatives have incorporated financial education and simplified claims processes to improve accessibility. A case study from Central America describes how a social enterprise has played a role in simplifying bureaucracy, reducing costs, and educating customers on insurance claims

**Q:** Does the study include any analysis on affordability of premiums and global comparisons?

**A:** Yes, the study provides an overview of premium affordability. It reports that the median premium per person covered across all regions is approximately USD 16. However, affordability varies significantly by region and product type. For example:

- Health insurance premiums are particularly low in Asia and the Pacific, with a median cost of just over USD 4 per person.

Agricultural insurance often has higher premium costs but is subsidized in 58% of cases, making it more accessible

#### Other Questions and Requests

**Q:** Can we receive a certificate after this?

**A:** No, the *Landscape Study of Microinsurance 2024* study does not include a certification process. If you need further clarification, please contact the Microinsurance Network at [info@microinsurancenetworg](mailto:info@microinsurancenetworg) or [landscape@microinsurancenetworg](mailto:landscape@microinsurancenetworg).

**Q:** Can you reshoot the slide with the announcement about the Microinsurance Award?

**A:** Access the following link for more information: <https://www.european-microfinance-award.com>

**Q:** Where can one access the full report?



**A:** The full *Landscape Study of Microinsurance 2024* report can be accessed on the Microinsurance Network website: [Download the report](#)

**Q:** Will the slides be shared?

**A:** Access the event slides at the following [link](#).

**Q:** Will the recording be shared?

**A:** Access the event recordings at the following [link](#).

**Q:** Will the data be shared openly, or is it available only upon request?

**A:** The *Landscape Study of Microinsurance 2024* dataset is not publicly available. However, Microinsurance Network members gain exclusive access to country briefing notes, in-depth reports, and specialized resources on microinsurance.

If you're interested in joining the Microinsurance Network and unlocking these valuable insights, learn more about the [membership](#) process and become part of this dynamic global community.