



Microinsurance

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Our Microinsurance Journey



Through our collaboration with UNCDF in the EU-GrEEEn Project, we've turned our vision of a microinsurance product into a tangible reality. The UNCDF team has been instrumental in guiding us through the design thinking process amongst other things.

Our focus was on the Ashanti and Western regions as our target market. To create a product perfectly tailored to our customers, we engaged in comprehensive market research in these regions, utilizing focus groups and thorough analysis of secondary data. Following this, we introduced a prototype and conducted a pilot program in these selected areas. During this pilot phase, we adopted a subsidized premium approach to benefit our customers. This pivotal phase has extended over the past two years, during which we've gathered invaluable insights and experiences.



Market Intelligence



Microinsurance penetration rate in Ghana is hovering below

2%

7.5 million

Lives or properties were already covered by some sort of Microinsurance in 2014 up from 1.8 Million in 2012

816%

Growth in Gross Premiums written between 2010 and 2020. From GHS 458M in 2012 to GHS 4.2B in 2020.

Existing Market



Players in the Market

Digital Players



Non-Digital Players



Existing Problems in the Market

Lack of trust

Widespread distrust in insurance stems from frequent cases of companies not fulfilling claims and promises, causing people to view insurance as an unnecessary expense rather than a necessity.

Insufficient Financial Literacy

Microinsurance often receives less attention in terms of financial education compared to other topics such as savings, investments, budgeting, and credit management.

Pricing of Policies

Most players treat microinsurance as traditional insurance business. Innovation is required in ensuring that microinsurance is designed to meet the low-income population

Our Approach

ZeePay introduced subsidized microinsurance policies, offering a six-month subsidy period for claims without premium charges. This initiative improves insurance accessibility and incentivizes potential subscribers to experience microinsurance firsthand. We also educate subscribers through a financial literacy program, addressing low patronage and focusing on innovative strategies for transformative impact.



Potential in the Diaspora



As a mobile terminator of remitted cash, we partner with money transfer operators (MTOs) and small payment institutions (SPIs) abroad to offer a secure platform for customers to receive money sent by their loved ones into digital assets such as mobile wallets and bank accounts.

By providing comprehensive information about the beneficiary microinsurance product, these partners can leverage cross-selling opportunities and encourage working migrants who are regular remittance senders to adopt the product. This ensures financial security for themselves and their loved ones and relief during crises.

Overview of Product



Product Overview



Zeepay's microinsurance is a product that enables wallet holders who are remittance receivers to buy microinsurance policies for themselves and their families in Ghana for a minimum premium of GHS 2.50.


At the pilot stage of launching the product, we are running a subsidy program for our subscribers where remittance receivers get a free microinsurance policy for 6 months, during which they can make a claim and receive their cover per terms and conditions.



Product Features



1



Cost
Market premium cost is from GHS 2.50

2




Cover
Zeepay microinsurance covers death, permanent disability, temporal disability, critical illness and hospitalization.

3




Benefit
Death benefit cover: GHS 5,000.
Permanent disability: up to GHS 2,500 (based on scale). Temporal disability: weekly benefit up to GHS 2,500.
Hospital expenses: GHS 100/day for max. 30 days.

4




Claim Period
Claims are paid within 72 hours upon the complete submission of all required documents

5



Age
The minimum and maximum ages for the policies are 18 to 69.

6



Time Period
The microinsurance cover is a monthly policy and expires after 30 days.

Challenges Faced on Product Journey



Financial Knowledge

Limited awareness and understanding among customers, particularly in remote rural areas.

Fraud Prevention

Preventing fraudulent claims can be a concern, as some individuals may attempt to exploit the system

Customer Retention

Retaining customers over the long term can be challenging, as customers' financial situations and needs may change

Opportunity Metrics

In Country
Opportunity

Diaspora
Opportunity



30.8

Million

49.3%

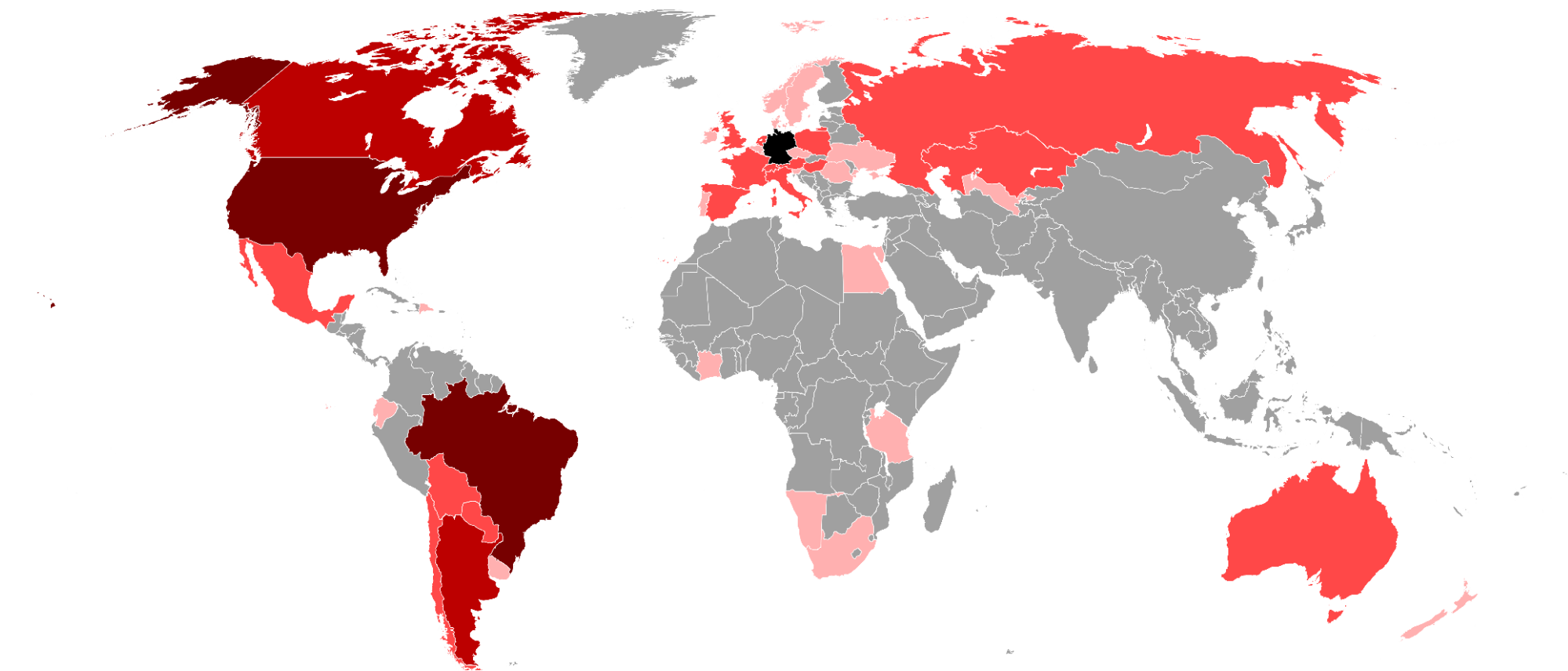
Men

50.7%

Women

57%

Youth



1

Million

Ghanaians live
abroad

Product distribution across gender and the youth



Subscriber Overview



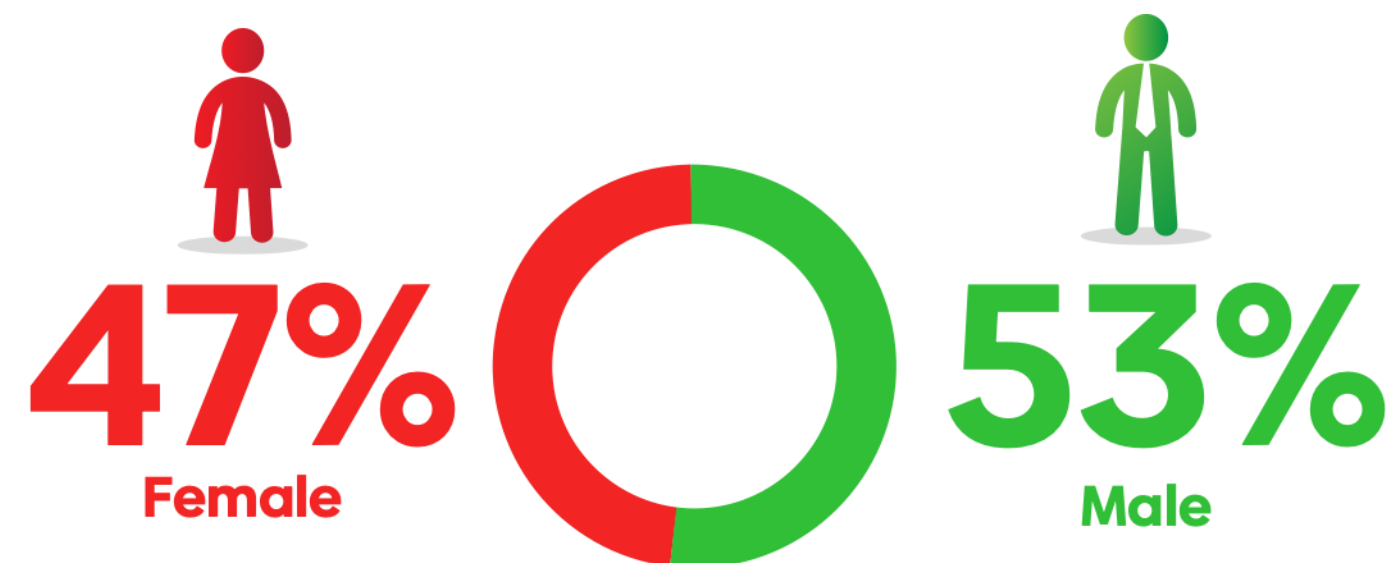
49k

Total Subscribers

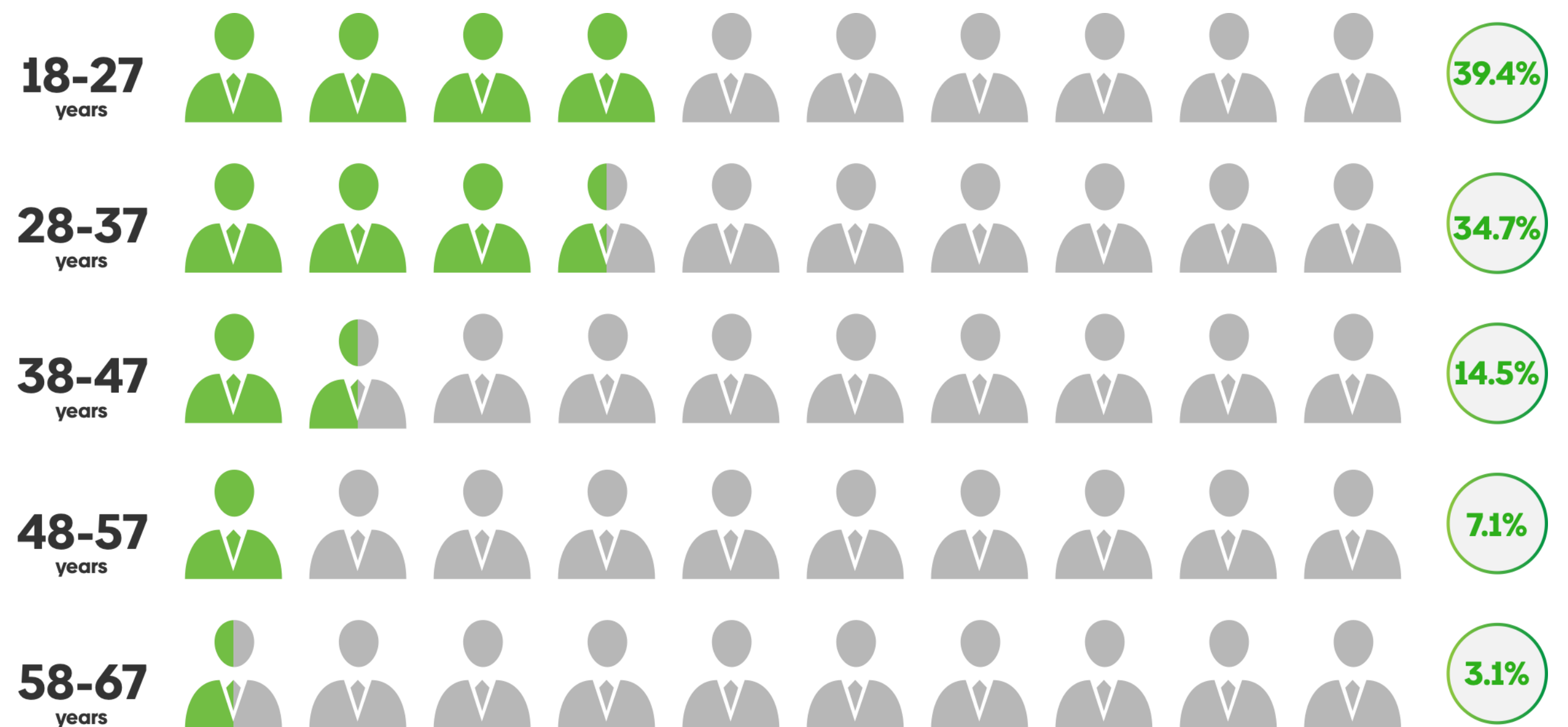
20k

Active Subscribers

Gender Distribution



Age Distribution



The concentration of the subsidized policy is on the youth, followed by the active working force consisting of women and men.

Our findings so far...



The microinsurance program has shown positive outcomes and a high potential for impact in its pilot phase. From the onset, the program has enrolled 49,000 subscribers from a data pool of remittance receivers, with 20,000 of them keeping active wallets during this time. The program has also achieved gender inclusivity, with 47% female and 53% male subscribers.

A significant achievement of the program is the enrollment of a substantial portion of the youth demographic, with 74.1% falling within this category. By targeting the youth, the program not only secures current participation but also has the potential to cultivate a long-term customer base for microinsurance, promoting sustainable financial inclusion, instilling a culture of insurance and financial security at an early stage.

The program's coverage is evenly distributed across the Ashanti and western regions, demonstrating its commitment to geographical inclusivity and serving diverse communities. The balanced distribution indicates the program's effectiveness in reaching populations in underserved areas and ensuring equal access to microinsurance. Considering Ghana's population of 30.8 million people, there is a huge untapped market and a significant opportunity to expand the program's reach and provide insurance coverage to a larger portion of the population, fostering greater financial resilience and security.

Key Learnings so Far



A tailor-made microinsurance product is essential to meet the specific needs of the customer.

Building trust with the customer and providing financial literacy on microinsurance improves customer acquisition and retention

Partnerships with insurance providers and developmental entities helps the last mile to have access to microinsurance, conveniently and affordably

The service provider's aim should be to transition customers into self-purchasing insurance users through sustainable methods, fostering long-term growth and success.