

MicroEnsure as a microinsurance intermediary

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There are three types of microinsurance intermediaries: the microinsurance brokers, the general agents and the institutional microinsurance agents. An example of a microinsurance broker is MicroEnsure Insurance Brokers Philippines Inc.

(MicroEnsure), an insurance intermediary that designs and implements insurance for the poor in low- and middle-income countries. It is recognized worldwide as the pioneer in microinsurance broking.

In 2007 MicroEnsure set up business in the Philippines as a microinsurance-only broker. Since 2007, it has issued more than 9 million policies in more than 50 provinces, paying about P600 million in benefits. Its main office is in Jaro, Iloilo City. It introduces itself as a “specialist provider” of insurance to low- and middle-income markets. Its products range from life, health, property and weather-index products (using satellite data) for agriculture and calamity risks. It offers fire and calamity coverage, including micro housing insurance. For its calamity-insurance payments, it has paid about P334 million since 2008 to more than 60,000 families. These calamities are mostly the typhoons that ravage the country. For the devastating Super typhoon Yolanda (international code name Haiyan), it has paid a total of more than P400 million in claims. The Insurance Commission has, in this regard, formulated the program called “Agarang Proceso, Benepisyo ay Sigurado.”

It has partnered with cooperatives, local government units and microfinance entities. MicroEnsure issues about 30,000 new policies every month.

MicroEnsure (Phils.) is a subsidiary of MicroEnsure Holdings Ltd. MicroEnsure Holdings was established in 2005. It was then known as Micro Insurance Agency, a wholly-owned subsidiary of Opportunity International, a leading nonprofit microfinance organization based in the US. With its growing success, Micro Insurance was renamed MicroEnsure in 2008. Today it is a for-profit business organization with leading companies as its stockholders: AXA, a French multinational and investment banking firm; International Finance Corp. (IFC) of the World Bank Group; Omidyar Network, a “philanthropic investment firm” established in 2004 by eBay founder Pierre Omidyar and his wife Pam; and South African National Life Assurance Co. (Sanlam) based in Cape Town.

Opportunity International continues to be a minority stockholder. Sanlam is also known as the Sanlam Emerging Markets Proprietary Ltd. (SEM). In 2014 Sanlam, or SEM, took a 22-percent ownership stake in MicroEnsure Holdings Ltd. MicroEnsure Holdings has its head office at Cheltenham, United Kingdom. It raised \$10 million in equity from IFC in 2012.

In 2007 it was given a grant by the Bill & Melinda Gates Foundation. It prides itself on being “the world’s first and largest organization, whose exclusive focus is to address the mass market’s need to mitigate risk.”

In 2013 MicroEnsure entered into a joint venture with Telenor Group, a telecommunications company based in Norway with 148 million mobile subscriptions as of 2012, to create MicroEnsure Asia to bring insurance products to masses in Asia. In 2014 Telenor became a stockholder by merging its 51 percent share in MicroEnsure Asia with MicroEnsure Holdings Ltd.

As of April 30, 2014, it serves about 7.6 million enrolled clients in 13 countries. 4.8 million are in Africa, while 2.8 million are in Asia. It operates in Bangladesh, Ghana, Kenya, Madagascar, Malawi, Mozambique, Nigeria, Pakistan, Tanzania, Uganda and the Philippines. In India it offered hospital insurance for rural households at about \$5 per person per year. In 2013, however, it withdrew operations from India. In the Philippines it rolled out a hospicash product that pays a fixed amount for each day of hospitalization at a premium of about \$4 per person per year. Overall, it adds about 200,000 new clients per month worldwide.

Among its standard products are life, memorial, property insurance, crop insurance, microhealth and mobile insurance. In 2005 it pilot- tested its first weather index crop insurance in Malawi against drought.

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